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

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

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

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

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

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

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

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

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

2010C –to account for transfers received, investment income and principal and interest payments made for 2010C cash note borrowings.

*Strategic Capital Improvement Program (SCIP) Bonds

REGIONAL TRANSPORTATION AUTHORITY

COMBINING BALANCE SHEET SCHEDULE-DEBT SERVICE FUND ACCOUNTS
December 31, 2010

	1990A	1991A	1992 A&B	1994 A&B	1994 C&D	1997	1999	2000A	2001 A	2001 B	2002 A
ASSETS:											
Cash and investments	$ 1,622,598	$ 764,568	$ 5,465,074	$ 322,336	$ 1,536,736	$ 3,986,877	$ 6,916,799	$ 10,195,921	$ 3,708,783	$ 163,702	$ 5,933,403
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	6	-	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-	-	-	-	-	-
Total Assets	$ 1,622,604	$ 764,568	$ 5,465,074	$ 322,336	$ 1,536,736	$ 3,986,877	$ 6,916,799	$ 10,195,921	$ 3,708,783	$ 163,702	$ 5,933,403
LIABILITIES:											
Due to other funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Liabilities	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES:											
Reserved for debt service	1,622,604	764,568	5,465,074	322,336	1,536,736	3,986,877	6,916,799	10,195,921	3,708,783	163,702	5,933,403
TOTAL LIABILITIES AND FUND BALANCES	$ 1,622,604	$ 764,568	$ 5,465,074	$ 322,336	$ 1,536,736	$ 3,986,877	$ 6,916,799	$ 10,195,921	$ 3,708,783	$ 163,702	$ 5,933,403

(continued)

SCHEDULE B-1

	2002 B	2003 A	2003 B	2004 A	2005 B	2006 A	2009B Note	2010A	2010B	2010C Note	Total
ASSETS:											
Cash and investments	$ 7,870,021	$ 9,534,528	$ 2,728,945	$ 4,574,282	$ 5,455,351	$ 7,992,790	$ 803,114	$ 7,864,811	$ 13,156,794	$ 62,224,681	$ 162,822,114
Due from other funds	-	-	-	-	-	-	202,483,537	-	-	78,629,387	281,112,924
Accrued interest	-	-	-	20	3	16,898	1	24	26	9,076	26,054
Other receivable	-	-	-	-	-	-	56,147,000	-	-	-	56,147,000
Total Assets	$ 7,870,021	$ 9,534,528	$ 2,728,945	$ 4,574,302	$ 5,455,354	$ 8,009,688	$ 259,433,652	$ 7,864,835	$ 13,156,820	$ 140,863,144	$ 500,108,092
LIABILITIES:											
Due to other funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Liabilities	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES:											
Reserved for debt service	7,870,021	9,534,528	2,728,945	4,574,302	5,455,354	8,009,688	259,433,652	7,864,835	13,156,820	140,863,144	500,108,092
TOTAL LIABILITIES AND FUND BALANCES	$ 7,870,021	$ 9,534,528	$ 2,728,945	$ 4,574,302	$ 5,455,354	$ 8,009,688	$ 259,433,652	$ 7,864,835	$ 13,156,820	$ 140,863,144	$ 500,108,092

Regional Transportation Authority

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund Accounts
Year Ended December 31, 2010

	1990A	1991A	1992 A&B	1994 A&B	1994 C&D
REVENUE:					
Investment income	$ 60	$ 20	$ 36	$ 5	$ 17
Total Revenue	60	20	36	5	17
EXPENDITURES:					
Debt Service - Principal	3,810,000	-	8,075,000	-	1,620,000
Debt Service - Interest	4,377,240	3,734,915	1,396,960	1,951,600	4,299,313
Other debt related costs	-	-	-	-	-
Total Expenditures	8,187,240	3,734,915	9,471,960	1,951,600	5,919,313
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,187,180)	(3,734,895)	(9,471,924)	(1,951,595)	(5,919,296)
OTHER FINANCING SOURCES:					
Transfers in - Principal	3,860,000	-	8,415,455	-	1,702,727
Transfers in - Interest	4,322,375	3,734,914	1,345,244	1,951,595	4,286,741
Transfers in - Other	-	-	-	-	-
Debt proceeds	-	-	-	-	-
Total Other Financing Sources	8,182,375	3,734,914	9,760,699	1,951,595	5,989,468
NET CHANGE IN FUND BALANCES	(4,805)	19	288,775	-	70,172
FUND BALANCES:					
Beginning of year	1,627,409	764,549	5,176,299	322,336	1,466,564
End of year	$1,622,604	$ 764,568	$ 5,465,074	$ 322,336	$ 1,536,736

(Continued)

Regional Transportation Authority

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund Accounts
Year Ended December 31, 2010

	1997	1999	2000 A	2001 A	2001 B
REVENUE:					
Investment income	$ 31	$ 77	$ 95	$ 15	$ 4
Total Revenue	31	77	95	15	4
EXPENDITURES:					
Debt Service - Principal	5,445,000	8,065,000	5,575,000	2,090,000	-
Debt Service - Interest	3,432,963	15,163,144	14,276,038	5,132,513	1,639,000
Other debt related costs	-	-	-	-	-
Total Expenditures	8,877,963	23,228,144	19,851,038	7,222,513	1,639,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,877,932)	(23,228,067)	(19,850,943)	(7,222,498)	(1,638,996)
OTHER FINANCING SOURCES:					
Transfers in - Principal	5,639,091	8,357,727	5,752,273	2,150,000	-
Transfers in - Interest	3,402,985	15,116,693	14,115,662	5,075,023	1,638,996
Transfers in - Other	-	-	-	-	-
Debt proceeds	-	-	-	-	-
Total Other Financing Sources	9,042,076	23,474,420	19,867,935	7,225,023	1,638,996
NET CHANGE IN FUND BALANCES	164,144	246,353	16,992	2,525	-
FUND BALANCES:					
Beginning of year	3,822,733	6,670,446	10,178,929	3,706,258	163,702
End of year	$ 3,986,877	$ 6,916,799	$10,195,921	$ 3,708,783	$ 163,702

(Continued)

Regional Transportation Authority

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund Accounts
Year Ended December 31, 2010

	2002 A	2002 B	2003 A	2003 B	2004A
REVENUE:					
Investment income	$ 23	$ 61	$ 38	$ 31	$ 358
Total Revenue	23	61	38	31	358
EXPENDITURES:					
Debt Service - Principal	3,150,000	10,870,000	5,045,000	2,955,000	4,870,000
Debt Service - Interest	8,407,938	6,941,888	13,528,575	7,538,925	13,287,538
Other debt related costs	-	-	-	-	-
Total Expenditures	11,557,938	17,811,888	18,573,575	10,493,925	18,157,538
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,557,915)	(17,811,827)	(18,573,537)	(10,493,894)	(18,157,180)
OTHER FINANCING SOURCES:					
Transfers in - Principal	3,240,000	11,159,545	5,189,545	3,050,455	5,029,091
Transfers in - Interest	8,329,165	6,882,043	13,402,413	7,527,073	13,262,825
Transfers in - Other	-	-	-	-	-
Debt proceeds	-	-	-	-	-
Total Other Financing Sources	11,569,165	18,041,588	18,591,958	10,577,528	18,291,916
NET CHANGE IN FUND BALANCES	11,250	229,761	18,421	83,634	134,736
FUND BALANCES:					
Beginning of year	5,922,153	7,640,260	9,516,107	2,645,311	4,439,566
End of year	$ 5,933,403	$ 7,870,021	$ 9,534,528	$ 2,728,945	$ 4,574,302

(Continued)

Regional Transportation Authority

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund Accounts
Year Ended December 31, 2010

	2005 B	2006 A	2009 B Note	2010 A	2010 B
REVENUE:					
Investment income	$ 112	$ 176,164	$ 36,113	$ 90,144	$ 18,004
Total Revenue	112	176,164	36,113	90,144	18,004
EXPENDITURES:					
CTA Capital Projects	-	-	-	-	-
Debt Service - Principal	6,850,000	3,780,000	-	1,860,000	-
Debt Service - Interest	1,270,045	11,860,031	7,615,400	1,325,644	754,131
Other debt related costs	243,329	-	-	377,315	1,496,167
Total Expenditures	8,363,374	15,640,031	7,615,400	3,562,959	2,250,298
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,363,262)	(15,463,867)	(7,579,287)	(3,472,815)	(2,232,294)
OTHER FINANCING SOURCES:					
Transfers in - Principal	7,079,091	3,875,455	-	3,469,091	-
Transfers in - Interest	1,323,272	11,602,733	7,616,743	2,717,995	5,223,564
Transfers in - Other	243,329	-	-	5,150,564	10,165,550
Debt proceeds	-	-	-	-	-
Total Other Financing Sources	8,645,692	15,478,188	7,616,743	11,337,650	15,389,114
NET CHANGE IN FUND BALANCES	282,430	14,321	37,456	7,864,835	13,156,820
FUND BALANCES:					
Beginning of year	5,172,924	7,995,367	259,396,196	-	-
End of year	$ 5,455,354	$ 8,009,688	$259,433,652	$ 7,864,835	$ 13,156,820

Regional Transportation Authority

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund Accounts
Year Ended December 31, 2010

	2010C Note	Total
REVENUE:		
Investment income	$ 70,121	$ 391,529
Total Revenue	70,121	391,529
EXPENDITURES:		
Debt Service - Principal	-	74,060,000
Debt Service - Interest	-	127,933,801
Other debt related costs	864,834	2,981,645
Total Expenditures	864,834	204,975,446
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(794,713)	(204,583,917)
OTHER FINANCING SOURCES:		
Transfers in - Principal	-	77,969,546
Transfers in - Interest	1,657,857	134,535,911
Transfers in - Other	-	15,559,443
Debt proceeds	140,000,000	140,000,000
Total Other Financing Sources	141,657,857	368,064,900
NET CHANGE IN FUND BALANCES	140,863,144	163,480,983
FUND BALANCES:		
Beginning of year	-	336,627,109
End of year	$ 140,863,144	$ 500,108,092

C. CAPITAL PROJECTS FUND

Capital Projects Fund Accounts:

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

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

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

REGIONAL TRANSPORTATION AUTHORITY

COMBINING BALANCE SHEET SCHEDULE
CAPITAL PROJECTS FUND ACCOUNTS
DECEMBER 31, 2010

	SCIP Bonds	Non-SCIP Bonds	Investment Income on Bonds	Total
ASSETS:				
Cash and investments	$ 91,556,514	$ 174,022,172	$ -	$265,578,686
Due from other funds	-	-	6,933,362	6,933,362
Accrued interest	-	12,268	-	12,268
TOTAL ASSETS	$ 91,556,514	$ 174,034,440	$ 6,933,362	$272,524,316
LIABILITIES:				
Due to Service Boards	$ 1,584,125	$ 7,787,137	$ 95,202	$ 9,466,464
Due to other funds	1,627,426	5,305,935	-	6,933,361
Total liabilities	3,211,551	13,093,072	95,202	16,399,825
FUND BALANCES:				
Reserved for Service Boards capital projects	88,344,963	160,941,368	6,838,160	256,124,491
TOTAL LIABILITIES AND FUND BALANCES	$ 91,556,514	$ 174,034,440	$ 6,933,362	$272,524,316

REGIONAL TRANSPORTATION AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CAPITAL PROJECTS FUND ACCOUNTS
YEAR ENDED DECEMBER 31, 2010

	SCIP Bonds	Non-SCIP Bonds	Investment Income on Bonds	Total
REVENUES:				
Investment income	$ -	$ 134,036	$ -	$ 134,036
Total revenues	-	134,036	-	134,036
EXPENDITURES:				
Capital grants—bonds	27,484,056	14,824,024	285,424	42,593,504
Total expenditures	27,484,056	14,824,024	285,424	42,593,504
Excess (deficiency) of revenues over expenditures	(27,484,056)	(14,689,988)	(285,424)	(42,459,468)
OTHER FINANCING SOURCES (USES):				
Debt issuance (gross)	-	175,100,000	-	175,100,000
Bond Premium	-	6,845,564	-	6,845,564
Transfer out	-	(15,316,114)	-	(15,316,114)
Total other financing sources	-	166,629,450	-	166,629,450
NET CHANGE IN FUND BALANCES	(27,484,056)	151,939,462	(285,424)	124,169,982
FUND BALANCES:				
Beginning of year	115,829,019	9,001,906	7,123,584	131,954,509
End of year	$ 88,344,963	$ 160,941,368	$ 6,838,160	$ 256,124,491

D. AGENCY FUND

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

REGIONAL TRANSPORTATION AUTHORITY

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
SALES TAX AGENCY FUND
YEAR ENDED DECEMBER 31, 2010

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
ASSETS:				
Intergovernmental receivables:				
Sales taxes	$ 147,483,301	$ 561,155,156	$ 548,844,606	$ 159,793,851
New sales tax	61,836,541	257,632,709	253,575,626	65,893,624
Interest on sales taxes	35,616	210,494	246,110	-
Reduced fare reimbursement	33,570,000	33,570,000	33,570,000	33,570,000
PTF (New Sales Tax/RETT)	57,506,495	116,234,633	123,352,156	50,388,972
Advances to Service Boards	65,886,931	497,412	-	66,384,343
TOTAL ASSETS	$ 366,318,884	$ 969,300,404	$ 959,588,498	$ 376,030,790
LIABILITIES:				
Intergovernmental payables:				
Sales taxes due to Service Boards	$ 147,483,301	$ 561,155,156	$ 548,844,606	$ 159,793,851
New sales tax due to Service Boards	59,386,111	120,414,945	119,298,764	60,502,292
Interest on sales taxes due to Service Boards	35,616	210,493	246,109	-
Reduced fare reimbursement	33,570,000	33,570,000	33,570,000	33,570,000
PTF (New Sales Tax /RETT)	57,506,495	139,697,067	146,814,589	50,388,973
Advances from State	65,886,931	497,412	-	66,384,343
Paratransit Funding PACE	2,042,358	94,796,109	92,345,358	4,493,109
Suburban Community Mobility Fund-SBD	408,072	18,959,222	18,469,072	898,222
TOTAL LIABILITIES	$ 366,318,884	$ 969,300,404	$ 959,588,498	$ 376,030,790

E. CAPITAL ASSETS

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

REGIONAL TRANSPORTATION AUTHORITY

SCHEDULE OF CAPITAL ASSETS—BY FUNCTION
DECEMBER 31, 2010

	Office Furniture and Equipment	Computer Equipment	Leasehold Improvements	Capital In Progress Technology Program	Total
Administrative	$ 789,980	$ 2,779,694	$ 1,561,423	$ 12,498,187	$ 17,629,284
Travel Information Center	122,430	1,160,645	376,780	-	1,659,855
Total capital assets	912,410	3,940,339	1,938,203	12,498,187	19,289,139
Less accumulated depreciation:					
Administrative	554,431	1,551,463	774,872	-	2,880,766
Travel Information Center	24,485	1,092,225	26,913	-	1,143,623
Total accumulated depreciation	578,916	2,643,688	801,785	-	4,024,389
Total capital assets—net	$ 333,494	$ 1,296,651	$ 1,136,418	$ 12,498,187	$ 15,264,750

STATISTICAL SECTION
(UNAUDITED)

CONTENTS

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

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

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

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

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

Schedules in this section provide an overview of RTA's general obligation bonds (SCIP versus Non-SCIP) outstanding balances as of December 31, 2010 and a 10-year analysis of the debt service requirement to revenues and expenses.

Demographic and Economic Information (Tables 13, 14, 15)

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

Operating Information (Tables 16, 17, 18)

Schedules in this section provide various statistics on passenger services offered by the service boards for fiscal year 2010, a look at system ridership over the last ten years and the RTA's full-time employees by function over the last five years.

TABLE 1

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities—										
Capital assets, net of related debt	$ 930	$ 1,286	$ 3,081	$ 5,629	$ 6,877	$ 8,449	$ 9,754	$ 11,118	$ 12,660	$ 15,265
Restricted Net Assets	382,421	426,509	562,169	64,727	-	-	-	-	270,019	83,277
Unrestricted Net Assets	(1,196,245)	(1,558,217)	(2,026,325)	(1,785,276)	(1,901,466)	(1,932,898)	(1,947,173)	(2,062,740)	(2,234,127)	(1,972,190)
Total Net Assets-Governmental Activities	$ (812,894)	$ (1,130,422)	$ (1,461,075)	$ (1,714,920)	$ (1,894,589)	$ (1,924,449)	$ (1,937,419)	$ (2,051,621)	$ (1,951,448)	$ (1,873,648)
Business-type activities—										
Unrestricted Net Assets	$ 50,529	$ 46,735	$ 44,271	$ 39,621	$ 36,011	$ 31,831	$ 28,393	$ 28,859	$ 29,067	$ 28,963
Total Net Assets-Business-Type Activities	$ 50,529	$ 46,735	$ 44,271	$ 39,621	$ 36,011	$ 31,831	$ 28,393	$ 28,858	$ 29,067	$ 28,963
Primary government—										
Capital assets, net of related debt	$ 930	$ 1,286	$ 3,081	$ 5,629	$ 6,877	$ 8,449	$ 9,754	$ 11,118	$ 12,660	$ 15,265
Restricted Net Assets	382,421	426,509	562,169	64,727	-	-	-	-	270,019	83,277
Unrestricted Net Assets	(1,145,716)	(1,511,482)	(1,982,054)	(1,745,655)	(1,865,455)	(1,901,067)	(1,918,780)	(2,033,882)	(2,205,060)	(1,943,227)
Total Net Assets-Primary government	$ (762,365)	$ (1,083,687)	$ (1,416,804)	$ (1,675,299)	$ (1,858,578)	$ (1,892,618)	$ (1,909,026)	$ (2,022,764)	$ (1,922,381)	$ (1,844,685)

TABLE 2

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EXPENSES:										
Governmental activities:										
Financial assistance to Service Boards	$ 168,857	$ 209,106	$ 213,127	$ 179,799	$ 168,076	$ 162,434	$ 209,931	$ 249,948	$ 93,453	$ 97,648
Administration capital grants										
Discretionary	31,736	31,096	34,830	33,767	25,437	26,730	25,272	26,288	19,166	15,310
Bonds	169,812	319,945	319,253	290,102	251,693	138,706	88,056	93,085	47,957	103,456
Administration of operating grant										
CTA/PACE	-	-	-	-	54,252	54,252	40,010	58,142	74,138	27,230
Administrative expenses	5,402	6,510	6,666	6,554	6,534	7,561	6,967	7,532	12,014	8,551
Regional expenses	13,265	15,071	13,378	14,781	17,920	20,674	20,243	20,656	19,793	21,576
Technology program expenses	1,277	3,570	1,786	3,265	1,822	1,890	1,409	2,467	1,416	1,979
Interest expense	90,960	88,038	109,981	114,574	126,027	122,790	130,079	127,495	131,775	135,530
Total governmental activities	481,309	673,336	699,021	642,842	651,761	535,037	521,967	585,613	399,712	411,280
Business-type activities:										
Insurance Financing	5,012	4,849	3,082	5,319	4,624	5,566	4,855	4,375	3,827	4,740
Total business-type activities	5,012	4,849	3,082	5,319	4,624	5,566	4,855	4,375	3,827	4,740
Total primary government expenses	$ 486,321	$ 678,185	$ 702,103	$ 648,161	$ 656,385	$ 540,603	$ 526,822	$ 589,988	$ 403,539	$ 416,020
REVENUES:										
General:										
Sales taxes	$ 98,028	$ 97,153	$ 98,248	$ 101,344	$ 105,059	$ 112,024	$ 112,938	$ 109,003	$ 99,027	$ 103,168
Interest on sales taxes	131	68	41	53	137	317	376	1,081	309	137
Operating grant -(ADA)	-	-	-	-	54,252	54,252	54,252	14,441	9,101	9,480
Public Transportation Fund	164,987	165,665	164,738	170,397	175,668	186,136	188,931	227,201	228,501	242,318
State assistance	43,662	67,455	85,226	86,785	111,419	112,743	117,807	121,870	123,008	130,115
Regional program reimbursement	712	1,484	1,058	1,033	866	1,053	1,153	1,361	2,904	582
Technology program reimbursement	258	1,664	-	-	-	-	-	-	-	-
Investment income	25,283	20,595	16,548	27,538	24,608	35,534	31,534	(1,495)	36,003	8,607
Other revenues	900	1,724	2,509	1,847	83	3,118	2,006	1,868	1,437	2,269
Transfers out	(3,000)	-	-	-	-	-	-	(3,920)	(3,575)	(4,425)
Total governmental activities revenues	330,961	355,808	368,368	388,997	472,092	505,177	508,997	471,410	496,715	492,251
Business-type activities:										
General:										
Investment income	1,838	1,055	618	669	1,014	1,386	1,210	770	402	164
Other revenues	-	-	-	-	-	-	207	151	58	47
Transfers in	3,000	-	-	-	-	-	-	3,920	3,575	4,425
Total business-type activities revenues	4,838	1,055	618	669	1,014	1,386	1,417	4,841	4,035	4,636
Total primary government revenues	335,799	356,863	368,986	389,666	473,106	506,563	510,414	476,251	500,750	496,887
Governmental activities:										
CHANGES IN NET ASSETS (DEFICIT)	(150,348)	(317,528)	(330,653)	(253,845)	(179,669)	(29,860)	(12,970)	(114,203)	97,003	80,971
NET ASSETS (DEFICIT):										
Beginning of year, as restated	(662,546)	(812,894)	(1,130,422)	(1,461,075)	(1,714,920)	(1,894,589)	(1,924,449)	(1,937,419)	(2,051,622)	(1,954,619)
End of year	(812,894)	(1,130,422)	(1,461,075)	(1,714,920)	(1,894,589)	(1,924,449)	(1,937,419)	(2,051,622)	(1,954,619)	(1,873,648)
Business-type activities:										
CHANGES IN NET ASSETS (DEFICIT)	(174)	(3,794)	(2,464)	(4,650)	(3,610)	(4,180)	(3,438)	466	208	(104)
NET ASSETS (DEFICIT):										
Beginning of year	50,703	50,529	46,735	44,271	39,621	36,011	31,831	28,393	28,859	29,067
End of year	50,529	46,735	44,271	39,621	36,011	31,831	28,393	28,859	29,067	28,963
Total primary government	$ (762,365)	$ (1,083,687)	$ (1,416,804)	$ (1,675,299)	$ (1,858,578)	$ (1,892,618)	$ (1,909,026)	$ (2,022,763)	$ (1,925,552)	$ (1,844,685)
CHANGE IN NET ASSETS:										
Governmental activities	$ (150,348)	$ (317,528)	$ (330,653)	$ (253,845)	$ (179,669)	$ (29,860)	$ (12,970)	$ (114,203)	$ 97,003	$ 80,971
Business-type activities	(174)	(3,794)	(2,464)	(4,650)	(3,610)	(4,180)	(3,438)	466	208	(104)
Total primary government	$ (150,522)	$ (321,322)	$ (333,117)	$ (258,495)	$ (183,279)	$ (34,040)	$ (16,408)	$ (113,737)	$ 97,211	$ 80,867

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

TABLE 3

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	$ 76,056	$ 54,463	$ 66,406	$ 58,955	$ 93,384	$ 102,765	$ 107,948	$ 106,822	$ 155,551	$ 160,895
Unreserved	77,827	65,491	4,889	12,507	1,654	38,828	41,220	(53,482)	(27,893)	7,318
Total general fund balances	$ 77,827	$ 119,954	$ 71,295	$ 71,462	$ 95,038	$ 141,592	$ 149,167	$ 53,340	$ 127,658	$ 168,213
All other governmental funds										
Reserved	$ 337,213	$ 418,454	$ 569,278	$ 567,100	$ 308,345	$ 433,055	$ 349,402	$ 259,165	$ 468,582	$ 756,233
Total all other governmental funds	$ 337,213	$ 418,454	$ 569,278	$ 567,100	$ 308,345	$ 433,055	$ 349,402	$ 259,165	$ 468,582	$ 756,233

TABLE 4

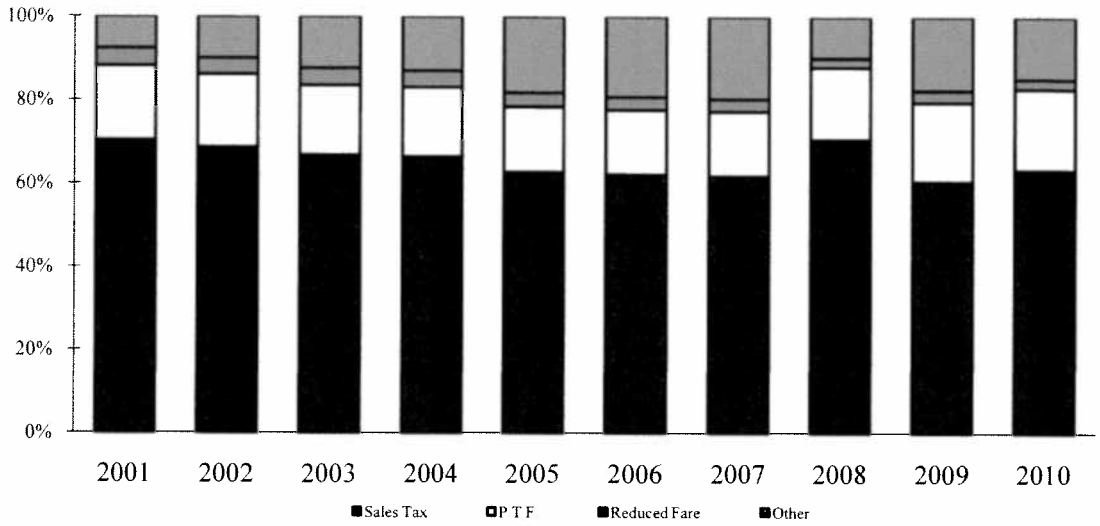
REGIONAL TRANSPORTATION AUTHORITY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(in thousands)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES:										
Sales taxes	$ 98,028	$ 97,153	$ 98,248	$ 101,344	$ 105,059	$ 112,024	$ 112,938	$ 109,003	$ 99,027	$ 103,168
Interest on sales taxes	131	68	41	53	137	317	376	1,081	309	137
Public Transportation Fund	164,987	165,665	164,738	170,397	175,668	186,136	188,931	188,829	169,354	171,169
New 5% PTF Advance Recovery	-	-	-	-	-	-	-	38,372	-	-
General State Revenue										65,149
Innovation, Coordination, & Enhancement (ICE)	-	-	-	-	-	-	-	10,000	9,101	9,480
Operating assistance -CTA/PACE	-	-	-	-	54,252	54,252	54,252	4,441	-	-
PACE Loan PTF Advance Recovery	-	-	-	-	-	-	-	-	3,000	6,000
CTA Loan PTF Advance Recovery	-	-	-	-	-	-	-	-	56,147	-
State assistance	43,662	67,455	85,226	86,785	111,419	112,743	117,807	121,870	123,008	130,115
Investment income	25,283	20,595	16,548	27,538	24,608	35,533	31,534	(1,495)	36,003	16,799
Other revenues	1,870	4,872	3,469	2,839	912	4,172	3,159	3,229	4,341	2,852
Total revenues	333,961	355,808	368,270	388,956	472,055	505,176	508,997	475,330	500,290	504,869
EXPENDITURES:										
Financial assistance to Service Boards	168,857	209,106	213,127	179,799	168,076	162,434	209,931	249,948	93,453	97,648
Capital grants—discretionary	31,736	31,096	34,830	33,767	25,437	26,731	25,272	26,288	19,166	15,310
Capital Projects Expense-Working Cash Note	-	-	-	-	-	-	-	-	56,147	-
South Suburban Job Access Program - (PACE)	-	-	-	-	-	-	-	3,750	7,500	7,500
5% PTF/RETT & ADA Paratransit (New Sales Tax)	-	-	-	-	-	-	-	42,813	-	-
Innovation, Coordination, & Enhancement (ICE)	-	-	-	-	-	-	-	10,000	9,101	9,480
PACE (PTF) expenditures	-	-	-	-	54,252	54,252	40,010	1,579	1,390	10,250
Capital grants—bonds	169,812	319,945	319,253	290,103	251,693	138,706	88,055	93,086	47,957	103,456
Administrative	5,030	5,997	6,480	6,370	6,380	6,747	6,772	7,258	11,441	7,699
Regional	14,301	18,395	16,833	20,617	19,705	23,967	22,528	24,509	22,105	25,689
Capital outlay	72	1,115	214	160	1,438	373	610	263	1,110	1,323
Debt service:										
Principal	19,805	25,560	37,940	40,430	49,570	55,110	59,135	64,685	68,455	74,060
Interest	74,969	84,310	102,668	119,271	128,852	125,155	131,233	131,705	135,361	134,121
Debt related costs	-	-	-	-	1,798	44	-	-	-	
Debt issuance costs	1,326	3,458	4,240	3,424	975	2,222	1,529	1,590	2,965	2,982
Total expenditures	485,908	698,982	735,585	693,941	708,176	595,740	585,075	657,474	476,151	489,518
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(151,947)	(343,174)	(367,315)	(304,985)	(236,121)	(90,563)	(76,078)	(182,144)	24,139	15,351
OTHER FINANCING SOURCES (USES):										
Bond proceeds (gross)	111,209	390,486	457,167	260,000	-	250,350	-	-	-	-
Refunding bond proceeds (gross)	41,067	-	12,313	-	-	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	148,110	-	-	-	-	-
Payment to refunded bond escrow agent	(39,736)	-	-	-	(147,186)	-	-	-	-	-
SCIP II bond proceeds (gross)	-	-	-	-	-	1,826	-	-	-	-
Other financing sources (premium)	-	-	-	42,974	18	9,652	-	-	-	6,846
2009B Note Proceeds	-	-	-	-	-	-	-	-	260,000	315,100
Transfers out										
Capital Projects Fund		-	-	(6,225)	(70)	-	-	-	-	-
Debt Service Fund	(84,099)		(136,006)	(140,786)	(171,240)	(175,995)	(179,116)	186,268	195,261	228,065
General Fund	-	-	-	-	(540)	-	179,116	(190,188)	(198,836)	(217,174)
Joint Self-Insurance Fund	(3,000)	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	(41)	-	-	-	(15,316)
Transfers in										
Capital Projects Fund	306	-	(85)	-	8,541	3,315	-	-	-	-
Debt Service Fund	-	-	-	6,225	610	41	-	-	-	-
General Fund	83,793	-	136,091	140,786	162,699	172,680	-	-	-	-
Total other financing (uses) sources	109,540	390,486	469,480	302,974	942	261,827	-	(3,920)	256,425	317,521
NET CHANGE IN FUND BALANCES	$ (42,407)	$ 47,312	$ 102,165	$ (2,011)	$ (235,179)	$ 171,264	$ (76,078)	$ (186,064)	$ 280,564	$ 332,872
Debt Service as a percentage of noncapital expenditures	19.78%	16.24%	19.70%	23.51%	25.64%	30.66%	32.83%	30.12%	43.53%	43.25%

Table 5

RTA REVENUE BY SOURCE

2001-2010



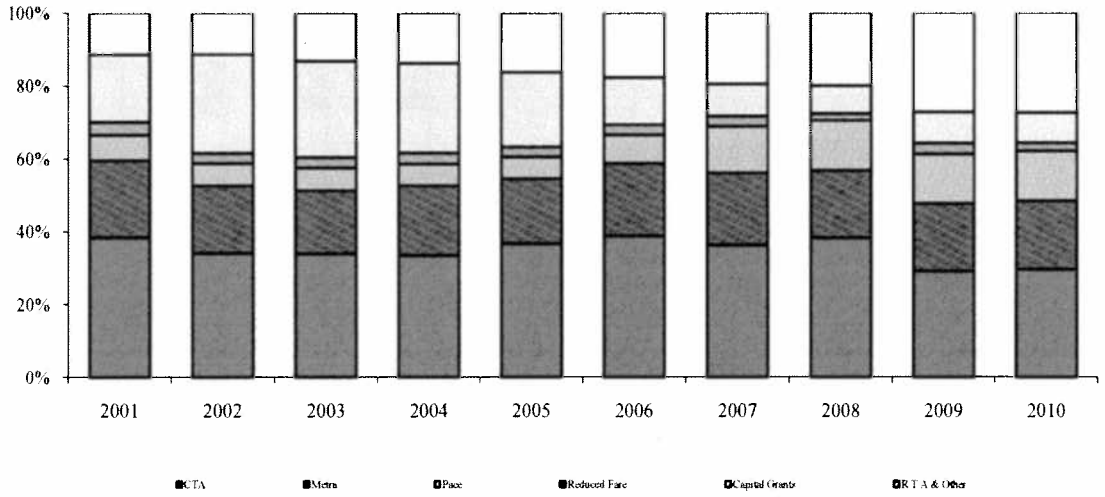
Last Ten Years *(In Thousands)*

	Sales Tax	Public Transportation Fund	Reduced Fare	Other	Total
12 Months Ended 12/31/01	$ 653,522	$ 164,987	$ 39,531	$ 71,742	$ 929,782
Percentage of Total	70.29%	17.74%	4.25%	7.72%	100%
12 Months Ended 12/31/02	647,685	165,665	36,260	95,167	944,777
Percentage of Total	68.55%	17.53%	3.84%	10.07%	100%
12 Months Ended 12/31/03	654,988	164,739	39,662	122,517	981,906
Percentage of Total	66.70%	16.78%	4.04%	12.48%	100%
12 Months Ended 12/31/04	675,628	170,397	40,153	132,664	1,018,842
Percentage of Total	66.31%	16.72%	3.94%	13.02%	100%
12 Months Ended 12/31/05	700,395	175,668	37,127	204,904	1,118,094
Percentage of Total	62.64%	15.71%	3.32%	18.33%	100%
12 Months Ended 12/31/06	746,829	186,136	37,327	232,193	1,202,485
Percentage of Total	62.11%	15.48%	3.10%	19.31%	100%
12 Months Ended 12/31/07	752,922	188,931	36,678	241,262	1,219,794
Percentage of Total	61.73%	15.49%	3.01%	19.78%	100%
12 Months Ended 12/31/08	921,245	227,201	28,919	129,784	1,307,149
Percentage of Total	70.48%	17.38%	2.21%	9.93%	100%
12 Months Ended 12/31/09	894,238	282,541	41,970	262,098	1,480,847
Percentage of Total	60.39%	19.08%	2.83%	17.70%	100%
12 Months Ended 12/31/10	931,435	287,404	33,570	220,737	1,473,146
Percentage of Total	63.23%	19.51%	2.28%	14.98%	100%

Table 6

DISTRIBUTION OF EXPENDITURES

2001-2010



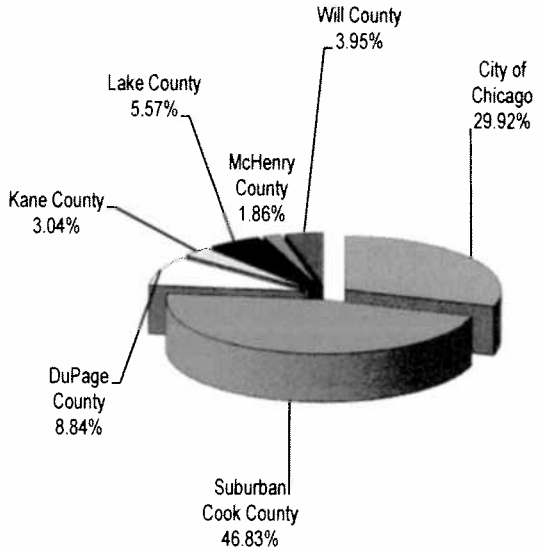
Last Ten Years *(In Thousands)*

	Financial Assistance				Reduced	Capital	R T A	
	CTA	Metra	Pace	Total	Fare	Grants	and Other	Total
12 Months Ended 12/31/01	$ 419,005	$ 230,343	$ 75,002	$ 724,350	$ 39,531	$ 201,548	$ 124,952	$ 1,090,381
Percentage of Total	38.43%	21.13%	6.88%	66.44%	3.63%	18.48%	11.45%	100%
12 Months Ended 12/31/02	441,632	238,955	79,052	759,639	36,260	351,041	147,086	1,294,026
Percentage of Total	34.13%	18.47%	6.11%	58.71%	2.80%	27.13%	11.37%	100%
12 Months Ended 12/31/03	453,488	233,632	82,747	769,867	39,662	354,083	175,838	1,339,450
Percentage of Total	33.86%	17.44%	6.18%	57.48%	2.96%	26.43%	13.13%	100%
12 Months Ended 12/31/04	441,630	252,493	79,051	773,174	40,153	323,869	182,417	1,319,613
Percentage of Total	33.47%	19.13%	5.99%	58.59%	3.04%	24.54%	13.82%	100%
12 Months Ended 12/31/05	495,885	241,728	80,052	817,665	37,127	277,130	220,202	1,352,124
Percentage of Total	36.67%	17.88%	5.92%	60.47%	2.75%	20.50%	16.29%	100%
12 Months Ended 12/31/06	496,690	256,301	98,500	851,490	37,327	165,436	227,481	1,281,735
Percentage of Total	38.75%	20.00%	7.68%	66.43%	2.91%	12.91%	17.75%	100%
12 Months Ended 12/31/07	468,349	257,374	164,202	889,925	36,678	113,328	252,301	1,292,232
Percentage of Total	36.24%	19.92%	12.71%	68.87%	2.84%	8.77%	19.52%	100%
12 Months Ended 12/31/08	591,760	287,181	211,620	1,090,561	28,919	119,374	308,308	1,547,161
Percentage of Total	38.25%	18.56%	13.68%	70.49%	1.87%	7.72%	19.93%	100%
12 Months Ended 12/31/09	417,288	267,576	194,698	879,562	41,970	123,069	389,857	1,434,457
Percentage of Total	29.09%	18.65%	13.57%	61.32%	2.93%	8.58%	27.18%	100%
12 Months Ended 12/31/10	436,467	277,506	202,463	916,436	33,570	122,998	402,956	1,475,959
Percentage of Total	29.57%	18.80%	13.72%	62.09%	2.27%	8.33%	27.30%	100%

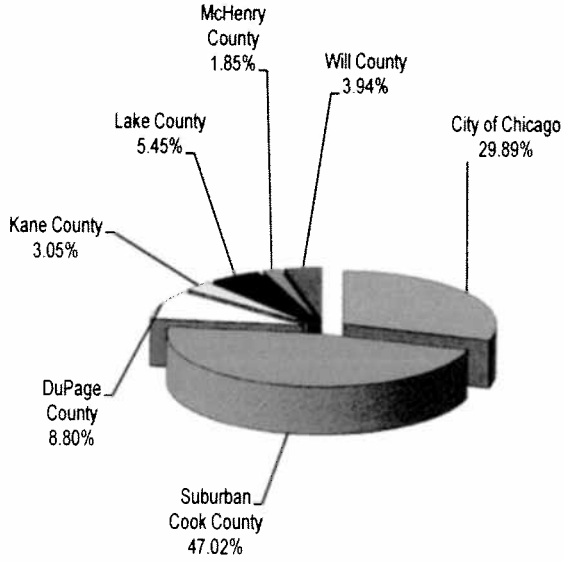
Table 7

SALES TAX REVENUE SOURCE BY COUNTY/CITY OF CHICAGO

2009



2010



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 12/31/01	$ 197,370	$ 357,522	$ 42,498	$ 11,796	$ 25,017	$ 7,122	$ 12,197	$ 653,522
Percentage of Total	30.20%	54.71%	6.50%	1.80%	3.83%	1.09%	1.87%	100%
12 Months Ended 12/31/02	195,417	353,999	40,961	12,256	24,913	7,373	12,766	647,685
Percentage of Total	30.17%	54.66%	6.32%	1.89%	3.85%	1.14%	1.97%	100%
12 Months Ended 12/31/03	198,383	356,386	40,916	12,828	24,968	7,599	13,905	654,985
Percentage of Total	30.29%	54.41%	6.25%	1.96%	3.81%	1.16%	2.12%	100%
12 Months Ended 12/31/04	205,355	363,792	42,785	13,954	26,150	8,160	15,432	675,628
Percentage of Total	30.39%	53.85%	6.33%	2.07%	3.87%	1.21%	2.28%	100%
12 Months Ended 12/31/05	214,134	373,317	44,495	15,328	27,348	8,635	17,138	700,395
Percentage of Total	30.57%	53.30%	6.35%	2.19%	3.90%	1.23%	2.45%	100%
12 Months Ended 12/31/06	231,273	395,727	46,867	16,008	28,743	9,194	19,016	746,828
Percentage of Total	30.97%	52.99%	6.28%	2.14%	3.85%	1.23%	2.55%	100%
12 Months Ended 12/31/07	236,783	395,163	46,592	16,015	29,058	9,494	19,817	752,922
Percentage of Total	31.45%	52.48%	6.19%	2.13%	3.86%	1.26%	2.63%	100%
12 Months Ended 12/31/08	272,121	447,437	77,227	26,472	48,166	16,034	33,788	921,245
Percentage of Total	29.54%	48.57%	8.38%	2.87%	5.23%	1.74%	3.67%	100%
12 Months Ended 12/31/09	267,553	418,793	79,060	27,144	49,782	16,627	35,279	894,238
Percentage of Total	29.92%	46.83%	8.84%	3.04%	5.57%	1.86%	3.95%	100%
12 Months Ended 12/31/10	278,394	438,000	81,996	28,368	50,789	17,193	36,695	931,435
Percentage of Total	29.89%	47.02%	8.80%	3.05%	5.45%	1.85%	3.94%	100%

Table 8

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

	Governmental Activities					
Fiscal Year	General Obligation Bonds [a]	Working Cash Notes [a]	Total Primary Government	Percentage of Sales Tax	Percentage of Personal Income [b]	Per Capita [b]
2001	$ 1,125,940	$ -	$ 1,125,940	58.04 %	361.70 %	$ 9
2002	1,160,380	-	1,160,380	55.82	356.53	9
2003	1,982,345	-	1,982,345	33.04	215.34	16
2004	2,201,915	-	2,201,915	30.68	202.17	17
2005	2,156,155	-	2,156,155	32.48	215.26	17
2006	2,351,395	-	2,351,395	31.76	208.58	18
2007	2,292,260	56,000	2,348,260	32.06	223.96	18
2008	2,227,575	40,000	2,267,575	40.63	241.22	18
2009	2,419,120	-	2,419,120	38.50	221.01	19
2010	2,660,160	140,000	2,800,160	33.26	197.76	22

Note:

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

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

LEGAL DEBT CAPACITY

2010

Legal Debt Margin:	Balance Outstanding at December 31, 2010	Issued	
Debt Limitation per Act for General Obligations			$2,600,000,000
Debt applicable to limitation :			
Non-SCIP Bonds:			
1990A General Obligation Bonds	$56,985,000		
1991A General Obligation Bonds	55,745,000		
1992B General Obligation Bonds	2,450,000		
1994B General Obligation Bonds	7,095,000		
1994D General Obligation Bonds	29,225,000		
1997 General Obligation Refunding Bonds	55,355,000		
2002B General Obligation Bonds	122,765,000		
2003B General Obligation Bonds	134,225,000		
2005B General Obligation Refunding Bonds	125,920,000		
2010A General Obligation Bonds	60,315,000		
2010B General Obligation Bonds	112,925,000		
Total RTA Bonds Applicable to Limitation	$763,005,000		(763,005,000)
SCIP Bonds:			
1992A General Obligation Bonds	$15,340,000	$188,000,000	
1993A General Obligation Bonds		$55,000,000	
1994A General Obligation Bonds	17,300,000	195,000,000	
1994C General Obligation Bonds	25,440,000	62,000,000	
1999 General Obligation Refunding Bonds	258,710,000		
2000 General Obligation Bonds	219,215,000	260,000,000	
2001A General Obligation Bonds	84,560,000	100,000,000	
2001B General Obligation Refunding Bonds	29,800,000		
2002A General Obligation Bonds	138,790,000	160,000,000	
2003A General Obligation Bonds	232,585,000	260,000,000	
2004A General Obligation Bonds	236,905,000	260,000,000	
2006A General Obligation Bonds	238,510,000	250,350,000	
Total SCIP Bonds Applicable to Limitation		$1,790,350,000	(1,790,350,000)
Total SCIP Bonds Outstanding	$1,497,155,000		
Total Bonds Outstanding	$2,260,160,000		
Debt Margin for General Obligations			$46,645,000
Debt Limitation per Act for Working Cash Notes			$400,000,000
Total RTA Working Cash Notes Applicable to Limitation	$400,000,000	$400,000,000	(400,000,000)
Debt Margin for Working Cash Notes			-
Total Legal Debt Margin			$46,645,000

TABLE 10

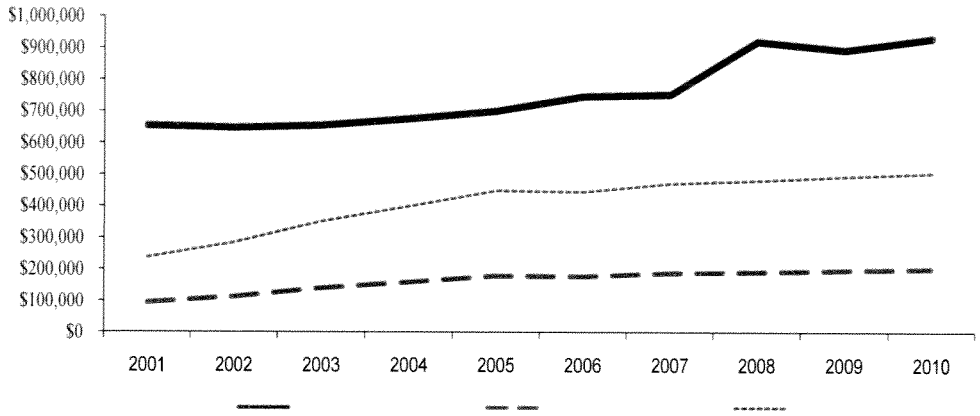
REGIONAL TRANSPORTATION AUTHORITY
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
(in thousands)

	Fiscal Year									
	2001	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Debt limit for General Obligations	$ 1,820,000	$ 2,080,000	$ 2,340,000	$ 2,600,000	$ 2,600,000	$ 2,600,000	$ 2,600,000	$ 2,600,000	$ 2,600,000	$ 2,600,000
Total net debt applicable to limit	1,312,605	1,661,975	2,051,930	2,291,115	2,270,665	2,495,485	2,468,755	2,440,700	2,411,155	2,553,355
Debt margin for General Obligations	507,395	418,025	288,070	308,885	329,335	104,515	131,245	159,300	188,845	46,645
Debt limit for Working Cash Notes	100,000	100,000	100,000	100,000	100,000	100,000	100,000	400,000	400,000	400,000
Total net debt applicable to limit	-	-	-	-	-	-	40,000	56,000	260,000	400,000
	100,000	100,000	100,000	100,000	100,000	100,000	60,000	344,000	140,000	-
Legal debt margin	$ 607,395	$ 518,025	$ 388,070	$ 408,885	$ 429,335	$ 204,515	$ 191,245	$ 503,300	$ 328,845	$ 46,645
Total net debt applicable to the limit as a percentage of debt limit	31.64%	23.76%	15.90%	15.14%	15.90%	7.57%	7.08%	16.78%	10.96%	1.55%

Table 11

COMPARISON OF SALES TAX REVENUE TO DEBT SERVICE REQUIREMENT

2001 - 2010
(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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Sales Tax Revenue	$ 653,522	$ 647,685	$ 654,985	$ 675,628	$ 700,395	$ 746,829	$ 752,922	$ 921,245	$ 894,238	$ 931,435
Debt Service Requirement	$ 95,187	$ 113,526	$ 140,607	$ 159,702	$ 179,536	$ 178,086	$ 188,551	$ 192,555	$ 197,529	$ 201,994
2.5 Times Debt Service Requirement	$237,968	$283,815	$351,518	$399,255	$448,840	$445,215	$471,378	$481,388	$493,823	$504,985

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

Table 12

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

Last Ten Years *(In Thousands)*

Year	Debt Service Requirements			Total Expenditures	Ratio of Debt Service to Total Expenditures
	Principal	Interest	Total		
2001	$ 19,805	$ 75,382	$ 95,187	$ 1,090,381	8.73%
2002	27,262	86,264	113,526	1,294,026	8.77%
2003	37,940	102,667	140,607	1,339,450	10.50%
2004	40,430	119,272	159,702	1,319,613	12.10%
2005	49,570	129,966	179,536	1,352,124	13.28%
2006	55,110	122,976	178,086	1,281,765	13.89%
2007	59,135	129,416	188,551	1,292,232	14.59%
2008	64,685	127,870	192,555	1,547,161	12.45%
2009	68,455	129,074	197,529	1,434,457	13.77%
2010	74,060	127,934	201,994	1,475,959	13.69%

Table 13

FEDERAL ALLOCATION OF CAPITAL FUNDS TO NORTHEASTERN ILLINOIS

Last Ten Calendar Years

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

Federal Fiscal Year	Total Awarded	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division
2001	$ 355.47	$ 184.46	$ 145.75	$ 25.26
2002	430.08	225.42	174.29	30.37
2003	463.90	256.70	173.50	33.70
2004	493.16	291.76	168.05	33.35
2005	536.83	330.08	174.80	31.95
2006	496.62	280.03	168.69	47.90
2007	449.49	288.61	128.45	32.43
2008	489.91	279.38	169.55	40.98
2009	917.78	535.32	297.57	84.89
2010	459.25	266.23	154.97	38.05
Total	$ 5,092.49	$ 2,937.99	$ 1,755.62	$ 398.88

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

REGIONAL TRANSPORTATION AUTHORITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population [1]	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate [2]
2001	12,516,683	$ 407,253,595	$ 32,537	5.4%
2002	12,578,317	413,710,753	32,891	6.5%
2003	12,625,246	426,876,687	33,811	6.7%
2004	12,680,053	445,151,182	35,106	6.2%
2005	12,719,550	464,124,942	36,489	5.8%
2006	12,777,042	490,450,096	38,385	4.6%
2007	12,852,548	525,919,549	40,919	5.1%
2008	12,901,563	546,984,646	42,397	6.4%
2009	12,910,409	534,638,483	41,411	10.1%
2010	12,830,632	553,753,296	43,159	10.3%

(1) Source : Bureau of Economic Analysis U.S. Department of Commerce
(2) Source: Bureau of Labor Statistics Data U.S. Department of Labor

REGIONAL TRANSPORTATION AUTHORITY
PRINCIPAL EMPLOYERS

	CURRENT YEAR				Ten Years Ago		
	2010				2000		
Employer [1]	Employees	Rank	% of Total Region Employment	Employer [2]	Employees	Rank	% of Total Region Employment
United States Government	49,573	1	1.28%	United States Government	49,500	1	1.23%
Chicago Public Schools	40,883	2	1.05%	United States Post Office	46,600	2	1.16%
City of Chicago	35,237	3	0.91%	Chicago School Board	45,000	3	1.12%
State of Illinois	25,700	4	0.66%	City of Chicago	41,700	4	1.04%
Cook County	23,083	5	0.60%	Jewel/Osco	38,900	5	0.97%
Wal-Mart Stores	21,329	6	0.55%	Wal-Mart	27,100	6	0.67%
Advocate Health Care	14,873	7	0.38%	Cook County	26,900	7	0.67%
J.P. Morgan Chase & Co.	13,639	8	0.35%	Motorola	26,800	8	0.67%
Walgreen Co.	13,122	9	0.34%	Advocate Healthcare	22,000	9	0.55%
Abbott Laboratories	13,000	10	0.34%	Sears	20,600	10	0.51%
United Continental Holdings	13,000	10	0.34%				
					345,100		8.59%
Total	263,439		6.80%				

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

(1) Crain's Chicago Business

Table 16

RTA & SERVICE BOARDS OPERATING CHARACTERISTICS

2010

Chicago Transit Authority

Rapid Transit

- 8 rail routes
- 143 stations served
- 1,190 rapid transit cars
- 198.1 million riders per year
- 1,158 STO* positions

Motor Bus

- 153 bus routes
- 2,150 buses
- 328.2 million riders per year
- 4,341 STO* positions

Other

- 1.2 billion passenger rail miles per year
- 12.3 million rail miles per year
- 779.8 million passenger miles per year
- 70.8 million vehicle miles per year
- 5,001 without STO* Postions

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

*Metra Commuter Rail Division

- 487.7 route miles
- 1,155 miles of track
- 241 stations
- 146 locomotives
- 839 passenger cars
- 171 electric cars
- 702 weekly trains operated
- 96.0% on-time performance
- 81.4 million riders per year
- 4,429 full-time employees

Other

- 1.8 billion passenger miles per year
- 43.1 million vehicle miles per year

All data excludes NICTD South Shore

Pace Suburban Bus Division

Fixed Route

- 135 regular routes
- 38 feeder routes
- 16 shuttle routes
- 579 vehicles in use during peak periods
- 29.3 million riders per year
- 3 seasonal routes
- 713 Pace-owed busses
- 1,422 full-time employees

Paratransit

- 210 Pace owned lift-equipped buses in service
- 2.8 millions of riders per year
- 30 full-time employees

Dial-A-Ride

- 66 local services
- 157 Pace owned lift-equipped buses in service
- 210 communities served
- 1.3 millions of riders per year
- 7.5 million passenger miles per year
- 5.7 million vehicle miles per year

Other

- 667 vanpools in operation
- 1.8 million riders for the year
- 37.8 million passenger miles per year
- 9.3 million vehicle miles per year

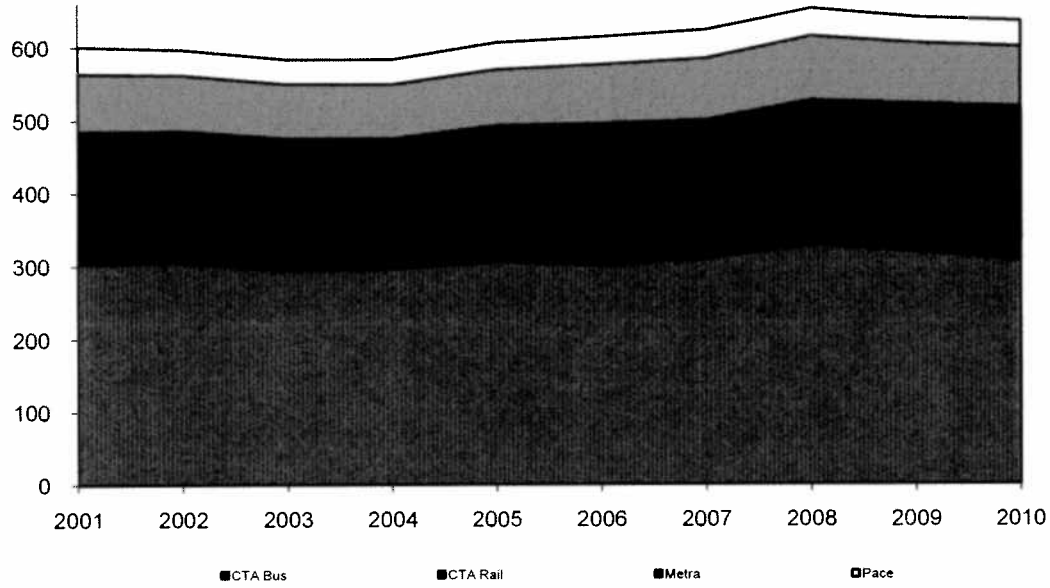
Source of data: Information obtained from the Service Boards' and RTA records.

Table 17

System Ridership and Unlinked Passenger Trips

2001-2010

(In Millions)



Last Ten Years *(In Millions)*

Service Consumed:	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
CTA - Bus	303.1	304.8	293.6	296.0	305.5	299.6	309.3	328.2	318.7	306.0
CTA - Rail	181.7	180.4	181.1	178.7	186.8	195.2	190.3	198.1	202.6	210.8
Total CTA*	484.8	485.2	474.7	474.7	492.3	494.8	499.6	526.3	521.2	516.8
Metra	79.2	76.8	74.8	74.4	77.0	80.8	84.4	87.7	83.1	82.2
Pace**	37.0	34.8	33.7	34.1	36.9	38.0	39.0	40.5	35.1	35.1
System Total	601.0	596.8	583.2	583.2	606.2	613.6	623.0	654.5	639.4	634.1
Percent Change	0.68%	-0.70%	-2.28%	0.00%	3.93%	1.23%	1.53%	5.06%	-2.31%	-0.83%

CTA Stat amounts include rail-to-rail transfers.

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

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

Table 18

Regional Transportation Authority
Full-time Employee by Function

Last Five Fiscal Years

	[1] 2006	2007	2008	2009	2010
Executive Office	3	3	3	3	3
Communications	3	4	4	6	5
Finance	31	33	30	30	18
Administration[2]					13
Legal	3	5	4	5	3
Governmental Affairs[2]					2
Planning & Regional Programs	48	46	38	43	44
Research, Analysis & Policy Development	0	0	6	6	11
Totals	**88**	**91**	**85**	**93**	**99**

[1] Earliest available information
[2] Previously part of another division

Source: RTA HR records

Regional Transportation Authority

The six-county public transportation system serving northeastern Illinois

RTA Main Office
175 W. Jackson Blvd, Ste. 1650
Chicago, Illinois 60604
312-913-3200
www.RTAchicago.com

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

Community Outreach
312-913-3237

RTA ADA Certification Helpline
Voice 312-663-4357
TTY 312-913-3122

Travel Information Center and RTA Reduced Fare Card
Voice 312-836-7000
TTY 312-836-4949
www.RTAchicago.com

RTA Transit Benefit Program
800-531-2828
www.LessTaxingCommute.com

Chicago Transit Authority
567 W. Lake St.
Chicago, Illinois 60661
1-888-968-7282
www.transitchicago.com

Metra
547 W. Jackson Blvd.
Chicago, Illinois 60661
312-322-6777
www.metrarail.com

Pace
550 W. Algonquin Rd.
Arlington Heights, Illinois 60005
847-364-7223
www.pacebus.com

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Comprehensive Annual Financial Report

2011

Regional Transportation Authority

The six-county public transportation system serving northeastern Illinois

Fiscal Year Ended December 31, 2011

REGIONAL TRANSPORTATION AUTHORITY
NORTHEASTERN ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

Prepared by:

Department of Finance and Performance Management

Grace Gallucci, CFO
Senior Deputy Executive Director

and

Controller Division

REGIONAL TRANSPORTATION AUTHORITY
2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Regional
Transportation
Authority

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Chicago, IL 60604
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June 25, 2012

To the Board of Directors
Regional Transportation Authority
Chicago, Illinois

I have the pleasure to submit to you the Comprehensive Annual Financial Report ("CAFR") of the Regional Transportation Authority ("RTA") for the year ended December 31, 2011. The RTA staff has prepared this report as required by, and in accordance with, the RTA Act. This state law requires that the RTA publish financial statements presented in conformity with generally accepted accounting principles and audited by an independent certified public accountant.

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

In addition to the statutory requirement of the RTA Act for an annual audit by independent certified public accountants, the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments, and Non-Profit Organizations, require the RTA to undergo an annual Single Audit. The RTA has engaged the firm of McGladrey LLP to meet these requirements. The firm followed auditing standards generally accepted in the United States of America and the standards set forth in the above circular in conducting the engagement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the RTA's financial statements for the year ended December 31, 2011 are presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first part of the financial section of this report.

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

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

OVERVIEW OF THE REGIONAL TRANSPORTATION AUTHORITY

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

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

History

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

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

The CTA provides bus and rail transportation services within Chicago and 38 adjacent suburbs. Illinois State law (the Metropolitan Transportation Authority Act) created the CTA in 1945. The law established the CTA as an Illinois municipal corporation "separate and apart from all other government agencies" to consolidate Chicago's public and private transportation carriers. The CTA commenced operations in 1947 and completed the consolidation of public transportation in 1952 upon purchasing the Chicago Motor Coach System.

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

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

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

Mission

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

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

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

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

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

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

Budget

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

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

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

Budget Calendar

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

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

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

Statutory Requirements

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

- *Balanced Budget*: A balance between anticipated revenues from all sources including operating subsidies and the costs of providing the services and of funding any operating deficits or encumbrances incurred in prior periods, including provision for payment when due of principal and interest on outstanding indebtedness;

- *Cash Flow*: Cash balances including the proceeds of any anticipated cash flow borrowing sufficient to pay with reasonable promptness all costs and expenditures as incurred;

- *Recovery Ratio*: A level of fares or charges, and operating or administrative costs, to allow the Service Board to meet its required recovery ratio;

- *Assumptions*: Employ assumptions and projections which are reasonable and prudent;

- *Financial Practices*: Prepared in accordance with sound financial practices as determined by the Board;

- *Strategic Plan:* Maintain consistency with the goals and objectives adopted by the RTA in the Strategic Plan; and

- *Other Requirements*: Other financial, budgetary, or fiscal requirements that the Board may establish by rule or regulation.

Oversight

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

- After the end of each fiscal quarter, each Service Board must report to the RTA "its financial condition and results of operations and the financial condition and results of operations of the public transportation services subject to its jurisdiction" for such quarter. If in compliance, the Board so states and approves each Service Board's compliance by adopted resolution.

- If in the judgment of the Board these results are not substantially in accordance with the Service Board's budget for such period as adopted by the RTA, the Board shall so advise the Service Board and the service board "shall, within the period specified by the Board, submit a revised budget incorporating such results."

- Once a Service Board submits a revised budget, the RTA must determine if it meets the seven statutory budget criteria necessary to pass an annual budget. If not, the RTA must withhold from the Service Board (i) 25% of the cash proceeds of taxes imposed by the RTA and (ii) 25% of any state matching funds that are allocated to each Service Board.

- If a Service Board then submits a revised budget and plan which shows that the statutory budget criteria will be met within a four quarter period, the RTA "shall release any such withheld funds to the Service Board."

Amendment

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

Reporting Entity

As defined by Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, the financial reporting entity consists of the primary government (the RTA, as legally defined), as well as its component units—legally separate entities for which the primary government has financial accountability.

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

RTA System Characteristics

The six-county area served by the RTA system covers 3,700 square miles. According to the Census Bureau, the population of the region was 8.3 million in 2010. The U.S. Department of Commerce-Bureau of Economic Analysis reported regional employment of 5 million during the same year. The RTA system carried 651.8 million riders in 2011, an increase of 2.9% from the prior year.

Governance

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

The RTA employs a professional staff of approximately one hundred and ten employees. The RTA Act limits the amount of administrative costs that the RTA may incur annually. The limit was set at $5 million for 1985 and increases at a rate of 5% per year. The RTA has always held its administrative expenses under the prescribed limit.

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

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

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

Financing

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

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

Sales Taxes

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

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

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

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

Car Rental Tax

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

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

Motor Fuel Tax

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

Off-Street Parking Tax

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

Replacement Vehicle Tax

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

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

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

FACTORS AFFECTING ECONOMIC CONDITION

Financing

The RTA's primary source of operating funding is a regional (occupation and use) sales tax and a sales tax match from the State of Illinois. Illinois Public Act 95-0708 increased the RTA sales tax rate throughout the region (from the equivalent of 1.0% in Cook County and 0.25% in the remainder of the region to the equivalent of 1.25% in Cook County and 0.5% in the remainder of the region) beginning on April 1, 2008, created a real estate transfer tax in the City of Chicago to fund the CTA, and raised from 25 percent to 30 percent the portion of RTA tax revenues matched by the State Public Transportation Fund ("PTF"). In 2011, RTA sales tax receipts of $976 million (includes agency fund collections for the Service Boards) increased 4.7% from prior year and exceeded budget by 6.5%. In 2010, RTA sales tax receipts increased 4.2% from prior year.

The RTA 2012 operating budget approved by the Board of Directors on December 15, 2011, assumes sales tax revenues of $998 million, an increase of 8.9% over the 2011 budget and 2.3% over 2011 actual receipts. In addition to the 30% tax match from the PTF, the 2012 budget recognizes these funds from the State of Illinois: $130 million to reimburse the debt service expenses for the RTA's Strategic Capital Improvement Program ("SCIP") bonds and $34 million as partial reimbursement to the Service Boards for discounted and free fares (mandated by law) for student, elderly, and disabled riders.

Regional and Illinois Economy

The Chicago region is the home to one of the most economically diversified economies in the United States. The region is home to more than 400 major corporate headquarters, including 27 Fortune 500 companies. A global leader in options, futures, and derivatives trading, the Chicago area economy's strengths includes business and financial services, manufacturing, information technology, health services, and transportation & distribution. Chicago is not only a leader in sustainable business but also ranks as one of the most sustainable cities in the country. The unemployment rate in the Chicago region increased from 4.5% in 2006 to 10.2% in 2010, declining to 9.6% in 2011. During the first quarter of 2012, the unemployment rate in the Chicago region declined from 9.6% in January to 9.0% in February and March. Similarly, the unemployment rate in Illinois increased from 4.6% in 2006 to 10.5% in 2010, declining to 9.8% in 2011. During the first quarter of 2012, the unemployment rate in Illinois declined from 9.4% in January to 8.8% in March.

The April 2012 Monthly Revenue Briefing issued by the State Commission on Government Forecasting and Accountability noted that during the first ten months of the State's 2011 fiscal year, sales tax receipts of $6.0 billion increased $347 million or 6.1% compared to the same period during the State's previous fiscal year.

National Economy

Annual growth of the real gross domestic product ("GDP"), the output of goods and services produced in the United States, declined from 3.5% in 2004 to 1.9% in 2007. Real GDP contracted 0.3% and 3.5% in 2008 and 2009, respectively. In 2010 and 2011, real GDP grew 3.0% and 1.7%, respectively. The Congressional Budget Office ("CBO") predicts annual real GDP growth of 2.0% in 2012 and 1.1% in 2013.

Rising from 4.6% in 2006 to 9.6% in 2010, the highest average annual rate since 1983, the national unemployment rate declined to 8.9% in 2011. In 2012, the national unemployment rate declined from 8.3% during January and February to 8.1% in April. The CBO forecasts national unemployment rates of 8.9% in 2012 and 9.2% in 2013.

In 2010 and 2011, the consumer price index ("CPI"), a measure of the pace of inflation, rose 1.6% and 3.2%, respectively. Following increases of 2.8% in 2007 and 3.8% in 2008, the CPI declined 0.4% in 2009. The CBO expects the CPI to increase 1.4% in 2012 and 1.5% in 2013.

Risk Management

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

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the RTA for its Comprehensive Annual Financial Report ("CAFR") for the year ended December 31, 2010. This was the seventeenth consecutive year that the RTA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the RTA received the GFOA Award for Distinguished Budget Presentation for its annual budget for the year ending December 31, 2011. This marks the fifteenth consecutive year that the RTA has achieved this accomplishment. The Distinguished Budget Presentation Award requires that the GFOA judge the budget document as proficient in several categories, including policy documentation, financial planning, and organization.

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

Grace Gallucci
Chief Financial Officer and
Senior Deputy Executive Director,
Finance and Performance Management

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Regional Transportation Authority

Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

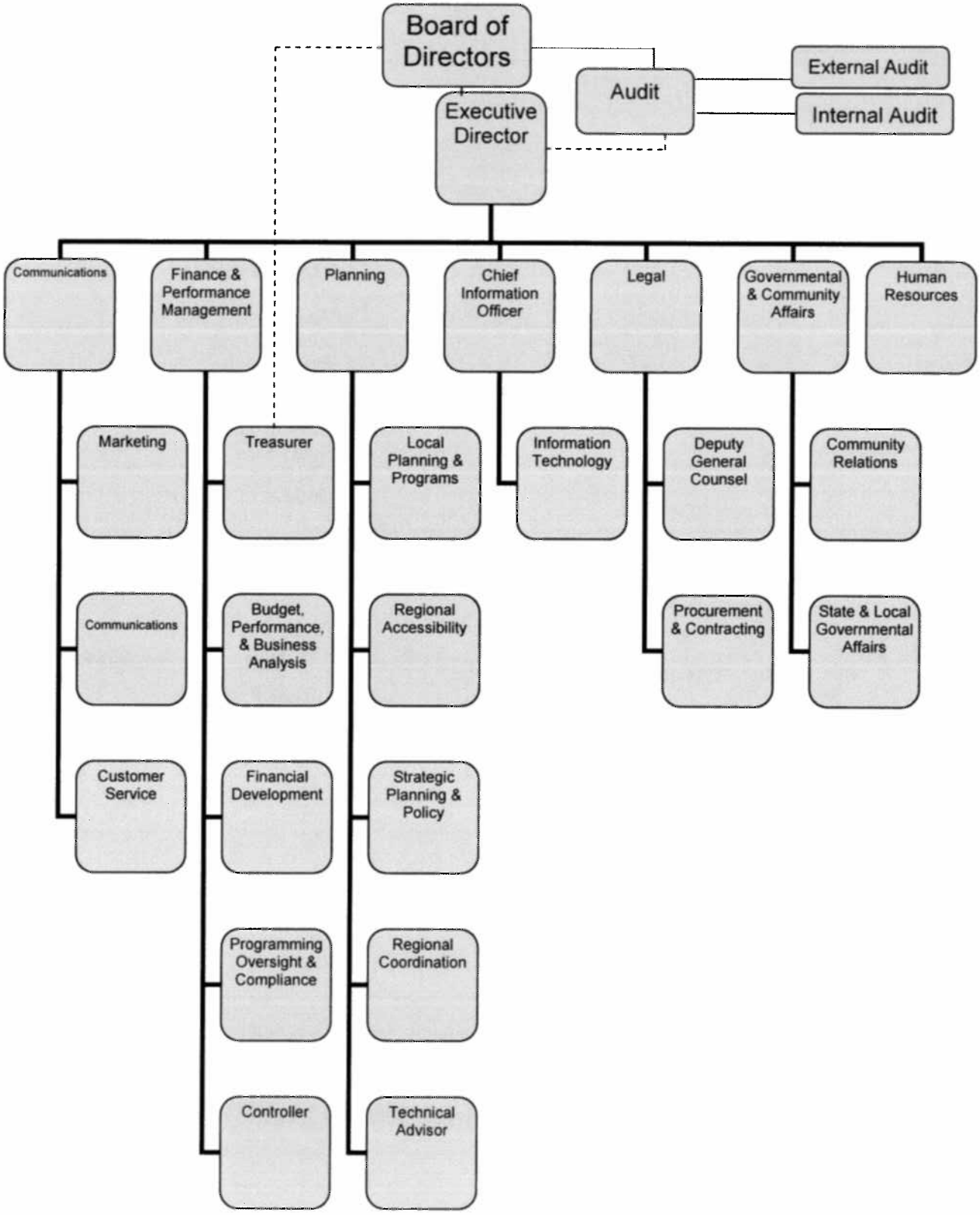
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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

Linda C. Davidson

President

Executive Director

REGIONAL TRANSPORTATION AUTHORITY
ORGANIZATION CHART
December 31, 2011



REGIONAL TRANSPORTATION AUTHORITY

LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2011

Board of Directors	
Chairman	John S. Gates, Jr.
Directors	Carole L.Brown James Buchanan Jan Carlson William R. Coulson Rev. L. Tyrone Crider, Sr Patrick J. Durante John V. Frega Phil Fuentes Al Jourdan Dwight A. Magalis Samuel Mencoff Andre Rice J.D. Ross Douglas M. Troiani
Administration	
Executive Director	Joseph G. Costello
Senior Deputy Executive Director Finance and Performance Management, CFO	Grace Gallucci
Senior Deputy Executive Director Planning	Leanne P. Redden
General Counsel	Clinton S. McHugh
Deputy Executive Director Communications	Diane J. Palmer
Deputy Executive Director Government Affairs	Jordan Matyas

INDEPENDENT AUDITOR'S REPORT

McGladrey

Independent Auditor's Report

Board of Directors
Regional Transportation Authority
Chicago, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Transportation Authority ("RTA") as of and for the year ended December 31, 2011, which collectively comprise the RTA's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the RTA's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Transportation Authority as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2, as of January 1, 2011, the RTA adopted the reporting and disclosure requirements of Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information and pension related information be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Member of the RSM International network of independent accounting, tax and consulting firms.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise RTA's basic financial statements. The accompanying combining and individual fund schedules are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

McGladrey LLP

Schaumburg, Illinois
June 25, 2012

REGIONAL TRANSPORTATION AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") provides an overview of the financial activity affecting the operation of the Regional Transportation Authority ("RTA") for the fiscal year ended December 31, 2011. Please read it in conjunction with the RTA's basic financial statements which follow this section.

Financial Highlights

- For the year ended December 31, 2011, the RTA statement of activities for the governmental activities shows expenses increasing $153 million to $564 million from $411 million for the same period in 2010. This increase is due to an increase in financial assistance to the CTA, Metra, and Pace ("Service Boards") by $31 million. Also, the interest expense and the Regional and Technology Program expenses were higher by $4 million and $4 million, respectively. Conversely, the PTF and the State Assistance Revenues increased by $133 million from 2010.

- The government-wide statement of net assets shows assets of $1,069 million for the governmental activities, a net decrease of $73 million. The decrease is mainly due to a decrease in cash and investments of $117 million offset by an increase in receivables of $43 million. The increase in receivable was due to the timing of receipts. In the government-wide statement of net assets, bond-related liabilities decreased by $176 million, which reflects the decrease in general-obligation bonds payable in 2011.

- At the end of 2011, the government-wide statement of net assets shows a deficit of $1.8 billion for governmental activities. In contrast, the governmental funds balance sheet presented a total fund balance of $791 million. There is a $2.6 billion difference between the fund balance and the net deficit. This does not in any way represent a precarious financial position for the RTA. Rather, it is how GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, requires RTA's general obligation bonds to be presented in the government-wide statement of net assets.

- The RTA has the obligation to pay the bonds it has issued to fund the Service Boards' capital expenditures. These expenditures and the related assets appear in the Service Boards' financial statements. The sales taxes imposed by the RTA in the region represent the primary source of payment for the bond obligations.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

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

1. Introductory Section—This section includes the letter of transmittal, the GFOA Certificate of Achievement, the organizational chart, and the list of principal officials.

2. Financial Section—This section is comprised of the independent auditor's report, the management's discussion and analysis, the basic financial statements, and the required supplementary information and combining and individual fund schedules.

3. Statistical Section (Unaudited)—This section provides additional analysis and is not a required part of the basic financial statements of the RTA.

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

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

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

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

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

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

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

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

funds, and fiduciary funds. These financial statements are prepared following the modified accrual basis of accounting.

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

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

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

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

- ***Proprietary Funds***—The RTA maintains a proprietary fund to account for the RTA Joint Self-Insurance Fund. This type of proprietary fund, referred to as an enterprise fund, reports the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. As required by Article II of the Loss Financing Plan, the RTA Joint Self-Insurance Fund issues separate annual audited financial statements.

- ***Fiduciary Funds***—Fiduciary funds account for resources held for the benefit of parties outside the government activity. In the case of the RTA, the fiduciary fund accounts for the assets of the RTA defined-benefit Pension Plan and the Sales Tax Agency Fund. The government-wide financial statements do not reflect fiduciary funds as these funds are not available to support the programs and operations of the RTA. The RTA Pension Plan issues annual audited financial statements separately.

ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table summarizes the Statement of Net Assets:

SUMMARY OF NET ASSETS
DECEMBER 31, 2011 AND 2010
(In thousands)

	Governmental Activities			Business-type Activities			Total		
	2011	2010	Variance	2011	2010	Variance	2011	2010	Variance
Assets:									
Cash and investments	$ 636,759	$ 753,522	$ (116,763)	$ 20,411	$ 16,010	$ 4,401	$ 657,170	$ 769,532	$ (112,362)
Other assets	324,027	299,504	24,523	6,578	6,786	(208)	330,605	306,290	24,315
Noncurrent assets	93,754	73,316	20,438	1,714	6,167	(4,453)	95,468	79,483	15,985
Capital assets—net	14,491	15,265	(774)	-	-	-	14,491	15,265	(774)
Total assets	1,069,031	1,141,607	(72,576)	28,703	28,963	(260)	1,097,734	1,170,570	(72,836)
Liabilities:									
Current non bond-related liabilities	128,256	80,409	47,847	-	-	-	128,256	80,409	47,847
Current bond related liabilities	394,645	384,320	10,325	-	-	-	394,645	384,320	10,325
Long-term non-bond-related liabilities	128,710	154,352	(25,642)	-	-	-	128,710	154,352	(25,642)
Long-term bond-related liabilities	2,209,908	2,396,174	(186,266)	-	-	-	2,209,908	2,396,174	(186,266)
Total liabilities	2,861,519	3,015,255	(153,736)	-	-	-	2,861,519	3,015,255	(153,736)
Net assets (deficit):									
Invested in capital assets	14,491	15,265	(774)	-	-	-	14,491	15,265	(774)
Restricted	326,598	83,277	243,321	-	-	-	326,598	83,277	243,321
Unrestricted (deficit)	(2,133,577)	(1,972,190)	(161,387)	28,703	28,963	(260)	(1,778,276)	(1,859,950)	81,674
Total net assets (deficit)	$ (1,792,488)	$ (1,873,648)	$ 81,160	$ 28,703	$ 28,963	$ (260)	$ (1,763,785)	$ (1,844,685)	$ 80,900

As of December 31, 2011, cash and investments for governmental activities decreased by $117 million over the previous year. The RTA's cash balance decreased significantly from last year due to the increase in bond expenditures. During 2011, the Capital Projects Fund decreased by $47 million, and the Debt Service Fund decreased by $202 million mainly due to the 2011 cash note payment.

As of December 31, 2011, the current bond and non bond-related liabilities increased by $58 million from the previous year due primarily to the 2011 short-term cash note borrowings.

The presentation of financial statements under the GASB Statement No. 34 requires the recognition in the statements of net assets of $2.6 billion in current and long-term general obligation bonds payable. The issuance of these bonds was for the specific purpose of funding capital grants to acquire and construct assets used to provide public transportation within the RTA region.

The RTA net deficit at December 31, 2011 will not affect the availability of RTA fund resources for future use. In fact, the RTA maintains its operations funding levels for 2012 as established in September 2011 during the 2012 budget process.

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

SUMMARY OF ACTIVITIES
DECEMBER 31, 2011 AND 2010
(In thousands)

	Governmental Activities			Business-type Activities			Total		
	2011	2010	Variance	2011	2010	Variance	2011	2010	Variance
Expenses:									
Financial assistance to Service Boards	$ 128,786	$ 97,648	$ 31,138	$ -	$ -	$ -	$ 128,786	$ 97,648	$ 31,138
Administration of capital grants	236,929	118,766	118,163	-	-	-	236,929	118,766	118,163
Administration of operating grant	21,680	27,230	(5,550)	-	-	-	21,680	27,230	(5,550)
Administrative expenses	8,918	8,551	367	6,137	4,740	1,396	15,055	13,291	1,763
Regional and technology program expenses	27,914	23,555	4,359	-	-	-	27,914	23,555	4,359
Interest expense	139,314	135,530	3,784	-	-	-	139,314	135,530	3,784
Miscellaneous	397	-	397	-	-	-	397	-	397
Total expenses	563,938	411,280	152,658	6,137	4,740	1,396	570,075	416,020	154,054
Revenues and transfers:									
Sales taxes	107,977	103,168	4,809	-	-	-	107,977	103,168	4,809
PTF and state assistance	505,588	372,434	133,154	-	-	-	505,588	372,434	133,154
Note interest	-	-	-	36	47	(11)	36	47	(11)
Operating grant - CTA/PACE	9,930	9,480	450		-	-	9,930	9,480	450
Regional expenses	2,385	582	1,803		-	-	2,385	582	1,803
Investment income and other	24,598	11,012	13,586	461	164	297	25,059	11,176	13,883
Transfers	(5,380)	(4,425)	(955)	5,380	4,425	955	-	-	-
Total revenues and transfers	645,098	492,251	152,847	5,877	4,636	1,241	650,975	496,887	154,088
Change in net assets	81,160	80,971	189	(260)	(104)	(156)	80,900	80,867	33
Net assets—beginning of year	(1,873,648)	(1,954,619)	80,971	28,963	29,067	(104)	(1,844,685)	(1,925,552)	80,867
Net assets—end of year	$ (1,792,488)	$ (1,873,648)	$ 81,160	$ 28,703	$ 28,963	$ (260)	$ (1,763,785)	$ (1,844,685)	$ 80,900

In 2011, financial assistance to the Service Boards increased by $31 million from 2010. Also, the capital grants to the Service Boards increased by $118 million from 2010 to $237 million in 2011, which reflects the activity in capital expenses to the Service Boards during 2011. Furthermore, the amount of bond interest expense increased by $4 million from $135 million to $139 million in 2011. PTF and state assistance increased by $133 million and the sales tax also increased by $5 million, an increase in investment income and other of $14 million was mainly due to an increase in swap investments market value and the market value of investments.

During 2011, $5 million was transferred to the Joint Self-Insurance Fund for excess liability. Insurance premiums representing the only major expense, and investment income represents the only revenue for the Business-type activities (insurance financing).

FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS

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

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

General Fund—Assets in the General Fund primarily represent the amounts for Service Boards' operations and capital projects. Assets increased by $12 million from $567 million in 2010 to $579 million in 2011, mainly due to timing differences. The RTA's cash balance increased significantly from last year due to a partial catch up by the State of Illinois on unpaid RTA requisitions. Also, intergovernmental receivables increased by $22.6 million due to timing differences.

At December 31, 2011, the majority of RTA's liabilities of $294 million are comprised of intergovernmental payables and due to other funds, i.e., accrued financial assistance, sales taxes, capital and other grants due to the Service Boards and deferred revenue and notes payable.

The total fund balance of the General Fund equals $285 million at December 31, 2011. The General Fund balance increased by $117 million primarily due to timing and increase in financial assistance to the Service Boards.

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

These applications include the following:

- A regional open fare payment system to promote seamless regional mobility, making it easier for transit customers to pay for travel on different segments of the RTA system with a simple single payment method. Key components of this initiative include development of an interagency fare model, demonstration and deployment of handheld fare collection onboard Metra trains, and extension of the CTA's open fare payment system. CTA began development of their open standards fare payment system with expected installation to begin in Fall 2012. RTA contracted in February 2012 for the development of a regional fare model to help identify possible interagency fare scenarios. Work is expected to be complete on the model, Fall 2012.

- A regional real-time information system that integrates CTA's BusTracker and TrainTracker, Pace's WebWatch, and Metra's future next train information system. This initiative includes online delivery of the integrated information on desktop and mobile channels, the RTA's Travel Information Center, and the installation of electronic displays at bus stops and train stations that provide real-time "next train" or "next bus" service information. The RTA has integrated the CTA Bus Tracker and Train Tracker on www.goroo.com, and are working with Pace and Metra to develop their real-time data feeds to the RTA.

- A five-year program of Transit Signal Priority (TSP) implementation along priority corridors and strategic CTA and Pace bus routes. TSP gives/extends a green signal to transit buses under certain circumstances to reduce passenger travel times, improve bus schedule adherence, and reduce bus operating costs. The RTA has submitted the FTA grant application for this project. The RTA and project stakeholders - CTA, Pace, IDOT, CDOT, Lake County DOT – has been reviewing TSP technology solutions available in the market.

- A comprehensive Chicagoland Commute Options program that utilizes social networking and employer outreach to shift commute trips away from single-occupancy vehicle (SOV) use toward sustainable transportation modes like transit and vanpools. The RTA has submitted the FTA grant application for this project and work is estimated to begin on June 2012.

- Interagency Transit Passenger Information Display (ITPID) that utilizes regional wayfinding and static information sign standards to promote seamless travel on multi-agency transit facilities. The four pilot sites are being installed Second Quarter 2012 *(right now).* User testing of the sites will be conducted in the second half of 2012.

- Multi-Modal Trip Planner System (MMTPS) to provide side by side comparisons of trip itineraries using transit, driving, or any combination of non-motorized modes such as biking and walking. It will give customers a comprehensive decision support tool for choosing travel options that incorporate convenience, efficiency, and cost – from the traveler's perspective. The MMTPS project has been completed. The system has been operating since May 2009 and is available online at www.goroo.com.

- Transfer connection protection (a system to minimize connecting time between transit vehicles by ensuring pre-scheduled connections). The concept of operation report was completed by the RTA.

- Parking management systems (real-time information and guidance regarding the availability of parking spaces at transit and ride-share parking facilities). This project was completed by the RTA and Metra. The system was installed around Metra's Tinley Park-80th Ave and Mokena/Hickory Creek stations.

The remaining unassigned fund balances total $98 million.

Debt Service Fund—The RTA establishes a Debt Service Fund to account for transfers received from the General Fund, investment income, and principal and interest payments made for each of its outstanding series of bonds. As of December 31, 2011, the RTA has twenty-three series of general obligation bonds/notes outstanding. Each respective bond/note agreement sets forth the debt service funding requirements. The 2010 Debt Service Fund balance decreased by $202 million from 2011 to $298 million.

Capital Projects Fund—The RTA has established a Capital Projects Fund to account for bond proceeds, earnings on the investment of such proceeds, and the expenditure of such monies for capital assets of the Service Boards. In addition, the RTA can use a portion of these funds to pay for debt service on the related bonds. During 2011, the Capital Projects Fund decreased by $47 million. The decrease in cash and investment for the capital project fund reflects the activity in bond capital expenditure during 2011.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

In 2011 the actual change in revenues over expenditures of $113.5 million, including other financing (debt service) use, was $139.4 million lower than the budget figure of $252.9 million. In the General Fund total revenues exceeded budget by $190.3 million. The positive variance in the General Fund is essentially due to the receipt of state funding for progress payments regarding Metra's purchase of 160 rail cars totaling $168 million.

Total Expenditures in the General Fund, before transfers out exceeded the budget by $185.9 million. This variance includes: a $181.9 million overage in capital grants that includes the $168 million payment for Metra's rail cars, and $4 million for other expenses. These other expenses include debt related costs, Pace ADA Paratransit, and other changes in expenditures including the Joint Self Insurance Fund, and the Innovation, Coordination and Enhancement (ICE) Fund.

SERVICE BOARDS CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The financial statements of the Service Boards reflect the capital assets discussed in this section. The statement of net assets for the RTA reflects the RTA bonds issued to provide a portion of the funding for these assets. The details of the RTA bond program are discussed further in Note 10 of this report.

Service Boards Capital Assets—The RTA System provides 652 million unlinked passenger trips annually. This has the beneficial impact of reducing road congestion, improving the flow of goods and services, and enhancing air quality. In addition, the RTA System provides essential mobility to those persons unable to utilize other transportation. The System represents an asset with replacement cost estimated at more than $140 billion for the entire region. To continue these public benefits, the RTA strives to maximize the amount of resources devoted to investment in its System for it to remain in good working order. The RTA Five-Year Capital Program report contains the details of this investment. The Five-Year Capital Program report is updated and adopted annually by the RTA Board, as required by the RTA Act.

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

RTA Capital Assets—For more detailed information on capital asset activity, please see Note 9 in the notes to the financial statements.

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

Prior to January 1, 2000, the RTA had the authority to issue up to $500 million in SCIP bonds and to have up to $500 million in Non-SCIP bonds outstanding. Effective January 1, 2000, the RTA Act was amended to increase the RTA authorization by an additional $260 million of SCIP bonds in each year for the period of 2000 through 2004, and to issue and have outstanding up to $800 million of Non-SCIP bonds. As of year-end 2011, the RTA has issued $1.790 billion in SCIP bonds, with total SCIP bonds outstanding of $1.454 billion. The remaining $723.3 million of bonds outstanding are Non-SCIP bonds.

For 2011, the bonds issued by the RTA carried a rating of "AA" from Standard & Poor's, Aa3 by Moody's Investors Service, Inc. and AA by Fitch, Inc.

CONTACTING THE FINANCIAL MANAGEMENT OF THE REGIONAL TRANSPORTATION AUTHORITY

This CAFR provides a general overview of the finances of the RTA. Users of the CAFR should address questions concerning the information, or requests for additional financial information, to the Regional Transportation Authority, c/o Senior Deputy Executive Director, Finance and Performance Management/CFO, 175 West Jackson Blvd., Suite 1650, Chicago, Illinois 60604 or visit our website at www.rtachicago.org.

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF NET ASSETS
DECEMBER 31, 2011
(In Thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Current portion of:			
Cash and investments:			
Cash and cash equivalents	$ -	$ 11,081	$ 11,081
Restricted—investments (external)	323,666	-	323,666
Unrestricted—investments	313,093	9,330	322,423
Intergovernmental receivables	263,501	-	263,501
Unamortized bond issue costs	1,532	-	1,532
Accrued interest on investments	192	33	225
Loan to SB-note and interest	-	4,536	4,536
Prepaid expenses and other assets	58,802	2,009	60,811
Total current assets	960,786	26,989	987,775
Non-current portion of:			
Unamortized bond issue costs	11,988	-	11,988
Note receivable	-	1,714	1,714
Derivative instrument - asset	48,341	-	48,341
Deferred outflows of resources	33,425	-	33,425
Capital assets—net of accumulated depreciation	2,694	-	2,694
Capital assets—non-depreciable	11,797	-	11,797
Total non-current assets	108,245	1,714	109,959
Total assets	1,069,031	28,703	1,097,734
LIABILITIES:			
Current portion of:			
General obligation bonds payable plus unamortized bond premium of $7,300	356,675	-	356,675
Unearned revenue	1,999	-	1,999
Due to fiduciary funds	1,480	-	1,480
Intergovernmental payables	117,794	-	117,794
Accrued interest payable	37,970	-	37,970
Accrued other expenses	6,983	-	6,983
Total current liabilities	522,901	-	522,901
Non-current portion of:			
Deferred rent	2,110	-	2,110
Unearned revenue	38,387	-	38,387
Derivative instrument-liability	39,872	-	39,872
Deferred inflows of resources	48,341	-	48,341
General obligation bonds payable plus unamortized bond premium of $117,308	2,209,908	-	2,209,908
Total non-current liabilities	2,338,618	-	2,338,618
Total liabilities	2,861,519	-	2,861,519
NET ASSETS (DEFICIT):			
Invested in capital assets	14,491	-	14,491
Restricted			
Service Boards IDOT (State gen rev)	7,969	-	7,969
CTA operating assistance ADA	2,368	-	2,368
SWAP (2% notional)	18,403	-	18,403
Debt service	297,858	-	297,858
Unrestricted (deficit)	(2,133,577)	28,703	(2,104,874)
TOTAL NET ASSETS (DEFICIT)	$ (1,792,488)	$ 28,703	$ (1,763,785)

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

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011
(In Thousands)

	Expenses	Program Operating Grants/ Revenues	Net Expense (Revenue) and Changes in Net Assets		
			Governmental Activities	Business-type Activities	Total
FUNCTIONS/PROGRAMS:					
Governmental activities:					
Financial assistance to Service Boards	$ 128,786	$ -	$ 128,786	$ -	$ 128,786
Administration of capital grants					
Discretionary	7,039	-	7,039	-	7,039
Bonds	229,890	-	229,890	-	229,890
Administration of operating grant					
CTA/PACE	21,680	9,930	11,750	-	11,750
Administrative expenses	8,918	-	8,918	-	8,918
Regional expenses	25,558	2,385	23,173	-	23,173
Technology program expenses	2,356	-	2,356	-	2,356
Interest expense	139,314	-	139,314	-	139,314
Miscellaneous	397	-	397	-	397
Total governmental activities	563,938	12,315	551,623	-	551,623
Business-type activities:					
Insurance financing	6,137	-	-	6,137	6,137
TOTAL PRIMARY GOVERNMENT	$ 570,075	$ 12,315	551,623	6,137	557,760
GENERAL REVENUES AND TRANSFERS:					
General revenues:					
Sales taxes			107,977	-	107,977
Interest on sales taxes			167	-	167
State assistance (PTF)			375,500	-	375,500
State assistance (ASA/AFA)			130,088	-	130,088
Investment income			19,350	95	19,445
Other revenues			5,081	402	5,483
Transfers			(5,380)	5,380	-
Total general revenues and transfers			632,783	5,877	638,660
CHANGES IN NET ASSETS (DEFICIT)			81,160	(260)	80,900
NET ASSETS (DEFICIT):					
Beginning of year			(1,873,648)	28,963	(1,844,685)
End of year			$ (1,792,488)	$ 28,703	$ (1,763,785)

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

REGIONAL TRANSPORTATION AUTHORITY

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011
(In Thousands)

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:				
Investments:				
Restricted investments	$ -	$ 102,582	$ 221,084	$ 323,666
Unrestricted—investments	313,093	-	-	313,093
Due from other funds	-	139,123	-	139,123
Intergovernmental receivables	263,501	-	-	263,501
Accrued interest on investments	176	6	10	192
Other receivable	2,087	56,147	-	58,234
Prepaid items and other assets	568	-	-	568
TOTAL ASSETS	$ 579,425	$ 297,858	$ 221,094	$ 1,098,377
LIABILITIES:				
Due to other funds	$ 140,603	$ -	$ -	$ 140,603
Intergovernmental payables	105,001	-	12,793	117,794
Accrued items	8,406	-	-	8,406
Deferred revenue	40,386	-	-	40,386
Total liabilities	294,396	-	12,793	307,189
FUND BALANCES:				
Nonspendable:				
Prepaid items	568	-	-	568
Restricted:				
Service Boards IDOT (State gen rev)	7,969	-	-	7,969
CTA operating assistance ADA	2,368	-	-	2,368
SWAP (2% Notional)	18,403	-	-	18,403
Debt service	-	297,858	-	297,858
Committed:				
CTAP capital	7,091	-	-	7,091
RTA non-cap tech	4,337	-	-	4,337
Debt svc deposit agrmt reserve (DSDA)	55,627	-	-	55,627
Service Board capital (discretionary)	10,146	-	-	10,146
ICE reserve	26,549	-	-	26,549
RTA capital projects	5,688	-	-	5,688
Bond capital projects	-	-	208,301	208,301
SWAP capital (SB) expense	47,907	-	-	47,907
Unassigned	98,376	-	-	98,376
Total fund balances	285,029	297,858	208,301	791,188
TOTAL LIABILITIES AND FUND BALANCES	$ 579,425	$ 297,858	$ 221,094	$ 1,098,377

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

REGIONAL TRANSPORTATION AUTHORITY

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011
(In Thousands)

TOTAL FUND BALANCE—GOVERNMENTAL FUNDS	$ 791,188
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This is the capital assets, net of accumulated depreciation recognized in the statement of net assets.	14,491
Bond issue costs are paid in the current year and, therefore, are reported as expenditures in the governmental funds. This asset represents the unamortized portion recognized in the statement of net assets.	13,520
General obligation bonds payable are not due and payable in the current period and, therefore, are not reported in the funds. This liability represents the total current and long-term portion of the general obligation bonds payable recognized on the statement of net assets.	(2,441,975)
Bond premiums are paid in the current year and, therefore, are reported in the funds. This liability represents the unamortized portion recognized in the statement of net assets.	(124,608)
Accrued interest payable on bonds is not due and payable in the current period and, therefore, is not reported in the funds. This liability is accrued in the statement of net assets.	(37,970)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(669)
Other post-employment benefit obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(18)
Derivative instruments do not provide or use current financial resources and are not reported in the fund statements. This is the amount by which derivative related liabilities exceeded assets at year-end.	(6,447)
TOTAL NET DEFICIT—GOVERNMENTAL ACTIVITIES	$ (1,792,488)

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

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2011
(In Thousands)

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Sales taxes	$ 107,977	$ -	$ -	$ 107,977
Interest on sales taxes	166	-	-	166
Public Transportation Fund	181,428	-	-	181,428
General State revenue	194,072	-	-	194,072
Innovation, Coordination & Enhancement (ICE)	9,930	-	-	9,930
State assistance	130,088	-	-	130,088
Investment income	18,611	340	150	19,101
Other revenues	5,148	2,318	-	7,466
Total revenues	647,420	2,658	150	650,228
EXPENDITURES:				
Financial assistance to Service Boards	128,786	-	-	128,786
Capital grants-discretionary	6,907	-	-	6,907
PACE discr (CMAQ) grant RTA share	132	-	-	132
South Suburban Job Access Program (PACE)	7,500	-	-	7,500
Innovation, Coordination & Enhancement (ICE)	9,930	-	-	9,930
PACE expenditures (MOU & ADA)	4,250	-	-	4,250
Capital grants-bonds	181,890	-	48,000	229,890
Administrative	8,231	-	-	8,231
Regional	27,102	-	-	27,102
Capital outlay	762	-	-	762
Debt service:				
Principal	-	919,110	-	919,110
Interest	5,884	133,331	-	139,215
Debt related costs	-	4,912	-	4,912
Miscellaneous	-	397	-	397
Total expenditures	381,374	1,057,750	48,000	1,487,124
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	266,046	(1,055,092)	(47,850)	(836,896)
OTHER FINANCING SOURCES (USES):				
Transfers in	186,339	330,187	26	516,552
Transfers out	(335,567)	(186,365)	-	(521,932)
Debt issuance - bonds	-	705,000	-	705,000
Refunding bonds issued	-	95,550	-	95,550
Bond premium	-	11,574	-	11,574
Payment to refund bond escrow agent	-	(103,104)	-	(103,104)
Total other financing sources (uses)	(149,228)	852,842	26	703,640
NET CHANGE IN FUND BALANCES	116,818	(202,250)	(47,824)	(133,256)
FUND BALANCES:				
Beginning of year	168,211	500,108	256,125	924,444
End of year	$ 285,029	$ 297,858	$ 208,301	$ 791,188

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

REGIONAL TRANSPORTATION AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011
(In Thousands)

NET CHANGE IN FUND BALANCES—TOTAL GOVERNMENTAL FUNDS		$ (133,256)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation ($869) exceeded capital outlay ($95) in the current period.		(774)
The issuance of long-term debt provides current financial resources to governmental funds. However, this transaction has no effect on net assets.		
Debt issuance	$ (800,550)	
Defered amount on refunding	(3,481)	
Payment to refund bond escrow agent	103,104	(700,927)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, this transaction has no effect on net assets.		919,110
Accrued interest on bonds reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.		1,226
Governmental funds report bond premiums as an other financing source. However, in the statement of activities, the premiums are amortized over the life of the bonds and recorded as a reduction of bond interest expense. This is the amount by which 2011 issuance premiums ($11,574) exceeded amortization ($7,300).		(4,274)
Unamortized bond issue costs reported in the statement of activities require the use of current financial resources and therefore, are fully recognized in the governmental funds. This is the amount by which 2011 amortization ($1,530) exceeded new issuance costs ($1,298).		(232)
Compensated absenses reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.		56
Net pension employee benefit obligations reported in the statement of activities does not require the use of current financial resources and therefore, is not reported as expenditures in governmental funds.		(18)
Increases (decreases) in the fair values of investment derivative instruments do not provide (use) financial resources and are not reported in the fund financial statements.		249
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ 81,160

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

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF NET ASSETS
BUSINESS TYPE ACTIVITIES—ENTERPRISE FUND
JOINT SELF-INSURANCE (PROPRIETARY) FUND
DECEMBER 31, 2011
(In Thousands)

ASSETS:	
Current:	
Cash and cash equivalents	$ 11,081
Investments	9,330
Accrued interest on investments	33
Note receivable	4,500
Note accrued interest	36
Prepaid insurance	2,009
Total current assets	26,989
Noncurrent assets:	
Note receivable	1,714
Total noncurrent assets	1,714
Total assets	28,703
LIABILITIES	-
NET ASSETS—Unrestricted	$ 28,703

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

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUSINESS TYPE ACTIVITIES—ENTERPRISE FUND
JOINT SELF-INSURANCE (PROPRIETARY) FUND
YEAR ENDED DECEMBER 31, 2011
(In Thousands)

OPERATING REVENUES:	
Note interest	$ 36
OPERATING EXPENSES:	
Insurance expense	5,978
Professional services	158
Bank charges and miscellaneous	1
Total operating expenses	6,137
OPERATING LOSS	(6,101)
NON-OPERATING REVENUES	
Investment income	95
Miscellaneous revenue - insurance refund	366
Total nonoperating revenues	461
Transfer from General Fund	5,380
CHANGE IN NET ASSETS	(260)
NET ASSETS:	
Beginning of year	28,963
End of year	$ 28,703

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

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF CASH FLOWS
BUSINESS TYPE ACTIVITIES—ENTERPRISE FUND
JOINT SELF-INSURANCE (PROPRIETARY) FUND
YEAR ENDED DECEMBER 31, 2011
(In Thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to insurance vendor	$	(5,745)
Payments to other vendors		(223)
Miscellaneous revenue - insurance refund		366
Net cash flows from operating activities		(5,602)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Note interest received		47
Payments received - principal on notes receivable		4,453
Purchases of investments		(17,843)
Proceeds from sale and maturities of investments		14,063
Investment income		123
Net cash flows from investing activities		843
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Contributions received from RTA		5,380
NET CHANGE IN CASH AND CASH EQUIVALENTS		621
CASH AND CASH EQUIVALENTS:		
Beginning of year		10,460
End of year	$	11,081
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	$	(6,101)
Adjustments to reconcile operating loss to net cash flows from operating activities		
Notes interest		(36)
Miscellaneous revenue		366
Changes in:		
Prepaid insurance		233
Due to general fund		(64)
NET CASH FLOWS FROM OPERATING ACTIVITIES	$	(5,602)

SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES:
There were no investing, capital, or financing activities that did not result in cash flows.

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

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2011
(In Thousands)

	Pension Trust Fund	Sales Tax Agency Fund
ASSETS:		
Cash and cash equivalents	$ 10,867	$ -
Investments, at fair value:		
Corporate fixed income mutual fund	38,071	-
Equity mutual funds and common stocks	39,956	-
Common stocks	22,668	-
Balanced funds	10,037	-
Total Investments	110,732	-
Intergovernmental receivables:		
Sales taxes	-	164,270
New sales tax	-	68,892
Interest on sales taxes	-	40
Reduced fare reimbursement	-	34,070
PTF (new sales tax/RETT)	-	53,316
Advances to Service Boards	-	67,105
Pension contribution from Service Boards	11,067	-
Due from General Fund	1,480	-
Accrued dividends and interest	14	-
Total Receivables	12,561	387,693
Total assets	134,160	387,693
LIABILITIES:		
Intergovernmental payables:		
Sales taxes due to Service Boards	-	164,270
New sales tax due to Service Boards	-	68,322
Interest on sales taxes due to Service Boards	-	40
Reduced fare reimbursement	-	34,070
PTF (new sales tax/RETT)	-	53,316
Advances from State	-	67,105
Paratransit funding PACE	-	475
Suburban Community Mobility Fund-SBD	-	95
Accrued other items	134	-
Total liabilities	134	387,693
Net assets held in trust for pension benefits	$ 134,026	$ -

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

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2011
(In Thousands)

	Pension Trust Fund
ADDITIONS:	
Investment gain (loss):	
Net (depreciation) in fair value of investments	$ (2,426)
Interest and dividends	2,057
	(369)
Less investment expenses:	
Investment managers	237
Trust fees	11
Investment advisor	90
Total investment expenses	338
Net investment gain (loss)	(707)
Contributions:	
Metra pension contributions	6,462
Pace pension contributions	4,605
RTA pension contributions	1,480
Total contributions	12,547
Total net additions	11,840
DEDUCTIONS:	
Benefit payments	12,324
Administrative expenses	586
Total deductions	12,910
NET DECREASE IN PLAN NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	(1,070)
PLAN NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:	
Beginning of year	135,096
End of year	$ 134,026

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

NOTE 1. REPORTING ENTITY

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

The Service Boards provide services to different geographic areas within the six-county region. Metra provides transit service to the six-county area, with the majority of the transit riders residing in the suburban metropolitan area and commuting into the City of Chicago. Pace's primary service area is the suburban communities, with limited services to areas within the City of Chicago. The CTA provides service to the City of Chicago and 38 neighboring suburbs within Cook County. Although programs are underway to increase the transfer of ridership between the service entities, trips of this type presently represent a minority of those taken.

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

As defined by accounting principles generally accepted in the United States established by the Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity,* the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

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

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

In the judgment of the management of each of the entities and their analysis and application of Statement No. 14 criteria, while the RTA does exercise some fiscal oversight, the Service Boards are not part of the RTA reporting entity for the purpose of preparing a comprehensive annual financial report in accordance with generally accepted accounting principles in the United States.

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

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

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

In 1999, the Illinois General Assembly passed additional bonding authorization, thereby increasing the RTA bond authority to $800 million outstanding effective January 1, 2000. It also increased SCIP bond issues by $260 million each year for five years from 2000 to 2006 for a total of $1.5 billion additional bond issues.

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

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

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

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

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

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

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

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

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

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

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

Governmental fund financial statements use the current financial resources measurement focus. The funds are accounted for using the modified accrual basis of accounting; i.e., revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or shortly thereafter to pay liabilities of the current period. Sales taxes are considered measurable and available if collected by the retailer by year-end and received by the RTA within 80 days after year-end. ASA/AFA is considered measurable and available if billed and received within 180 days after year-end. Sales taxes and ASA/AFA are susceptible to full accrual. Additionally, certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

Major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds.

Assets, Liabilities and Fund Equity

Cash and Investments—All excess General Fund cash is invested and earnings are credited to the General Fund for use in financing general RTA operations. Most investments are reported at fair value which is determined using various sources. Short-term investments are reported at cost, which approximates fair value due to their short-term nature. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

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

Capital Assets—The RTA sets a capitalization threshold of no less than $5,000 for any capital item(s). Capital assets are recorded at historical cost (or fair market value at the time of donation, if donated) and have a useful life of at least two years following the date of acquisition. Any acquisitions during the year are considered acquired at the beginning of that year for the purpose of computing depreciation. The RTA uses the straight-line method for computing depreciation expense. Leasehold improvements made to RTA's office facilities are capitalized, and their costs amortized during the life of the lease. Leasehold improvements and major equipment repairs, if any, are also capitalized during the remaining life of the lease or the extended useful life of the equipment. The Capital-Technology Program's capitalized assets are for projects in progress; therefore, the assets are non-depreciable.

Description	Useful Life
Furniture and equipment	5 years
Computer equipment and software	5 years
Leasehold improvements	Life of the lease

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

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

Changes in compensated absences for the year ended December 31, 2011 were as follows:

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011	Due Within One Year
Compensated absences payable	$ 725,000	$ 669,000	$ 725,000	$ 669,000	$ 83,000

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

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

Nonspendable – This consists of amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

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

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

Assigned – This consists of net amounts that are constrained by the Authority's intent to be used for specific purpose, but that are neither restricted not committed.

Unassigned – This consists of residual deficit fund balances.

In instances where restricted, committed and assigned fund balances are available for use, RTA's policy is to use restricted resources first, followed by committed resources, then assigned resources, as needed.

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 incident to a sale of a service (a Service Occupation Tax).

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

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

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

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

The Act provides that the RTA withhold 15% of 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 0.3% (i.e. for every $500 in sales price $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. The State has approved an appropriation from the PTF through its 2011 fiscal year which will end June 30, 2012.

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.

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 discretion 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, an 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 2012, which ends June 30, 2012, 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, 2011, the grant was in the amount of $33.6 million. For the state fiscal year ending June 30, 2012, the RTA anticipates a grant in the amount of $34.1 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 bonds plus any debt service savings from the issuance of refunding or advance refunding SCIP bonds, less interest earned on the unspent bond proceeds, or (ii) $55 million per year. The RTA recognized $39.7 million of ASA in 2011.

Beginning with the State's fiscal year 2001, the State has also authorized Additional Financial Assistance ("AFA") to pay for debt service requirements for SCIP bonds authorized under the Illinois First Program. The amount available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP bonds less interest earned on those bond proceeds, or (ii) $100 million in the State's fiscal years 2011 and 2012, per year. The RTA recognized $90.4 million of AFA in 2011.

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

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

Administration consists of those costs of the RTA incurred to carry out its administrative activities. These costs were limited by statute to $17,778,221 for the year ended December 31, 2011.

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

Cash Flows—For purposes of the statement of cash flows, the RTA considers all short-term securities with original maturities of three months or less to be cash equivalents. Cash and cash equivalents aggregated $11.1 million at December 31, 2011 and are included in cash and cash equivalents under business-type activities on the accompanying statement of net assets. The remaining $9.3 million constitutes investments in the Joint Self-Insurance Fund with original maturities in excess of three months.

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

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

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

New Accounting Pronouncements—During 2011, the Authority adopted the following GASB Statements:

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

Statement No. 59, *Financial Instruments Omnibus*, was issued to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The requirements of this Statement will improve financial reporting by providing more complex information by improving consistency of measurements and by providing clarifications of existing standards. The Authority implemented this Statement for the current fiscal year.

Other accounting standards that the Authority is currently reviewing for applicability and potential impact on the financial statements include:

Statement No. 61, *The Financial Reporting Omnibus, An Amendment of GASB Statements No. 14 and No. 34*, was issued to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity* and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination. The Authority is required to implement this Statement for the year ending December 31, 2013.

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance contained in pre-November 1989 FASB and AICPA Pronouncements*, was established to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in certain FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The Authority is required to implement this Statement for the year ending December 31, 2012.

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, was established to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. The Authority is required to implement this Statement for the year ending December 31, 2012.

Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – An Amendment to GASB Statement No. 53*, was established to enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The Authority is required to implement this Statement for the year ending December 31, 2012.

Statement No. 65, *Items Previously Reported as Assets and Liabilities,* was established to reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Authority is required to implement this statement for the year ending December 31, 2013.

Statement No. 66, *Technical Corrections – 2012,* was established to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two earlier pronouncements, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* This Statement also amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and to an internal service fund type. Governments are allowed to base their decision about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and*

Local Governments. Finally, this Statement also amends Statement 62 by modifying the specific guidance on accounting for operating lease payments that vary from a straight-line basis; the difference between the initial investment and principal amount of a purchased loan or group of loans; and servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current servicing fee rate. These changes clarify how to apply Statement 13, *Accounting for Operating Leases with Scheduled Rent Increases* and result in guidance that is consistent with the requirements of Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues.* The Authority is required to implement this statement for the year ending December 31, 2013.

Management has not currently determined what impact, if any, these Statements may have on its financial statements.

Subsequent Events: The Authority has evaluated subsequent events for potential recognition and/or disclosure through June 25, 2012, the date the financial statements were available to be issued.

NOTE 3. BUDGETARY INFORMATION

Excess of Expenditures over Appropriations

For the year ended December 31, 2011, expenditures and transfers exceeded appropriations in the General Fund as follows (amounts in thousands):

Budget	Actual	Variance
$ 204,209	$ 720,266	$ (516,057)

NOTE 4. CASH AND INVESTMENTS

Governmental and Joint Self-Insurance Fund Investments

Cash and investments in the statement of net assets may be restricted by bond covenants or through action of the RTA board as to their use. Unrestricted cash and investments may be used for any purpose.

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

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

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

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

Investments

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

As of December 31, 2011, the RTA's investments were as follows:

Investment Type	Fair Value
Commercial paper	$ 70,485,541
Fixed-income securities	279,230,520
U.S. Agency securities	4,609,545

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

Credit Risk — The RTA's policy for credit risk states no investment shall be made in short-term obligations of corporations unless such obligations are rated at the time of purchase within the highest classification established by at least two standard rating services, the investment matures no later than 180 days from the date of purchase and the issuer is domiciled in the United States.

As of December 31, 2011, the RTA's investments were as follows:

Investment Type	Fair Value	Credit Rating Moody's	Standard & Poor's	Fitch
Commercial paper	$ 70,485,541	P-1	A-1	F1
Fixed-income securities	279,230,520	Aaa	AAAm	*
Illinois Funds	20,187,764	*	AAAm	*
Money market fund	6,753,392	Aaa-mf	AAAm	AAAmmf
U.S. Agency securities	2,078,510	P-1	A-1+	F1+
U.S. Agency securities	1,531,205	Aaa	AA+	*
U.S. Agency securities	999,830	A-1+	P-1	F1+
Total	$ 381,266,762			

* Rating not available

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

The RTA has investments in the following issuers that exceed 5% of the total investments:

In the Governmental funds, there are no investments in a single issuer that exceeds 5% of the total investments.

Joint Self-Insurance Fund Investment	Amount	% of Portfolio
Atlantis One Funding Corp. (Commercial Paper)	$ 2,999,546	15%
Legacy Capital (Commercial Paper)	1,499,077	7%
Federal Home Loan Banks (U.S. Agency Security)	1,531,206	8%

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

The Illinois Funds investment pool (2a7-like pool) is managed by the Treasurer of the State of Illinois and is not registered with the SEC. The Illinois Funds targets maintaining a $1 per share net asset value (NAV) at all times. The fair market of the investment pool is equal to the number of pool shares owned.

Derivative Instruments

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2011, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2011 financial statements are as follows (debit (credit)):

	Changes in Fair Value		Fair Value at December 31, 2011		
	Classification	Amount	Classification	Amount	Notional
Governmental activities					
Fair value hedges:					
Receive-fixed interest rate swap	Deferred inflow	$ 3,150,758	Debt	$ 14,576,492	$ 89,220,000
Receive-fixed interest rate swap	Deferred inflow	4,088,066	Debt	13,505,722	98,102,000
Receive-fixed interest rate swap	Deferred inflow	6,132,100	Debt	20,258,584	147,153,000
Cash flow hedge:					
Pay-fixed interest rate swap	Deferred outflow	(7,443,500)	Debt	(33,424,797)	119,240,000
Investment derivatives:					
Basis swap	Investment revenue	84,199	Investment	(2,670,344)	186,729,000
Basis swap	Investment revenue	83,241	Investment	(2,665,231)	186,729,000
Basis swap	Investment revenue	(30,106)	Investment	(1,111,863)	52,000,000

Objective, Terms, Fair Value and Accounting of Derivative Instruments

The RTA engaged an independent pricing service with no vested interest in the interest rate swap transactions to perform the valuations, the required tests, and evaluation of all the swaps for compliance with GASB 53. The fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of each swap. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement payment on the swaps.

The table below displays the objectives, terms, and fair values of the RTA's derivative instruments outstanding as of December 31, 2011, along with the counterparties and their credit ratings.

Type of Swap	Objective	RTA Pays	RTA Receives	Effective Date	Maturity Date	Current Notional	Counterparty	Ratings	Fair Value
Receive-fixed	Hedge of fair value changes in the Series 1990 A, 1994 B, and 1994 D bonds	SIFMA Swap Index	4.30200%	11/20/2001	06/01/2020	$89,220,000	UBS AG	Aa3/A/A	$ 14,576,492
Pay-fixed	Hedge of changes in cash flows on the Series 2005 B bonds	4.95200%	70% of USD-LIBOR	06/01/2005	06/01/2025	$119,240,000	JPMorgan Chase Bank, N.A.	Aa1/AA+/AA-	$ (33,424,797)
Basis	Reduce interest expense (investment instrument under GASB 53)	SIFMA Swap Index	78.25% of USD-LIBOR (One Month)	08/11/2003	06/01/2024	$186,729,000	Merrill Lynch Capital Services, Inc. (Bank of America)	Baa1/A-/A	$ (2,670,334)
Basis	Reduce interest expense (investment instrument under GASB 53)	SIFMA Swap Index	78.25% of USD-LIBOR (One Month)	08/11/2003	06/01/2024	$186,729,000	UBS AG	Aa3/A/A	$ (2,665,231)
Basis	Reduce interest expense (investment instrument under GASB 53)	SIFMA Swap Index	79% of USD-LIBOR (One Month)	03/29/2005	07/01/2023	$52,000,000	JPMorgan Chase Bank, N.A.	Aa1/AA-/AA-	$ (1,111,863)
Receive-fixed	Hedge of fair value changes in the Series 2000 A and 2006 A	SIFMA Swap Index	4.36700%	06/11/2007	07/01/2030	$98,102,000	JPMorgan Chase Bank, N.A.	Aa1/AA+/AA-	$ 13,505,722
Receive-fixed	Hedge of fair value changes in the Series 2000 A and 2006 A	SIFMA Swap Index	4.36700%	06/11/2007	07/01/2030	$147,153,000	Goldman Sachs Bank USA	Aa3/A-/A	$ 20,258,584

The receive-fixed swap transactions are associated with fixed rate debt. Combining a receive-fixed pay-variable rate swap with fixed-rate debt results in what is termed "synthetic" variable-rate debt. It is called synthetic because the economics are similar to floating-rate debt, but an additional instrument is involved unlike traditional floating-rate debt. When the RTA created synthetic floating-rate debt, it had very little unhedged variable-rate exposure in its overall debt profile. A comparison and determination was made that the terms and costs of issuing traditional floating-rate debt, which would involve ongoing liquidity, credit, and maintenance fees, would have been higher and involved greater risk than by creating synthetic variable-rate debt through the receive-fixed swap.

The three swaps where the RTA receives a fixed rate and pays a floating rate are considered fair value hedges. They all qualify for hedge accounting under GASB 53, therefore all cumulative changes in fair value as of December 31, 2011, which were all assets, were offset by a corresponding deferred inflow liability on the statement of net assets.

The one swap where the RTA pays a fixed rate and receives a floating rate is considered a cash flow hedge. The swap exceeds the underlying $125.9 mm bond principal by approximately $0.5 mm of notional. This pay-fixed swap transaction is associated with variable debt. Combining a pay-fixed/receive-variable rate swap with variable-debt results in what is termed "synthetic" fixed-rate debt. It is called synthetic because the economics are similar to fixed-rate debt, but an additional instrument is involved unlike traditional fixed-rate debt. When the RTA created synthetic fixed-rate debt, a comparison and determination was made that the fixed rate on traditional debt would have been higher than the all-in fixed-rate on the swap, inclusive of credit support costs for the underlying variable-rate demand bonds. The RTA received a payment of $11.7 million when the swap agreement was entered into.

The three swaps where the RTA pays and receives floating rates, basis swaps, are deemed investment instruments under GASB 53 and are accounted for as investment instruments.

There are three main strategies the RTA pursues with respect to each transaction. Each swap can achieve one or more of these strategies. Then as a result of execution of the derivative, its value will change with respect to how prevailing rates in each reporting period compare to when the derivative was put in place. The accumulated changes in fair value, or total fair value of all the derivatives are a function of how prevailing interest rates and other market factors affect each transaction at each reporting period. Pursuant to GASB 53, each swap transaction is then evaluated to determine what type of accounting treatment to apply.

(i) Mitigate the effect of fluctuations in variable interest rates. This is the primary function of the swap. The RTA pays a fixed rate, and receives a floating rate. In an interest rate environment whose level is generally higher than the rate at which the RTA is fixed, the swap would result in a positive value to the RTA. Correspondingly, a lower rate environment than the fixed rate would result in a negative value to the RTA. The value primarily depends on the overall level of interest rates on the reporting date compared to what the RTA pays. The overall level of long-term interest rates from period to period is the primary driver of changes in value recorded from the investment derivatives where the RTA pays fixed and receives a floating rate. Interest rates have trended lower since inception of the pay-fixed swap, therefore, the mark-to-market value is generally more negative to the RTA.

(ii) Reduce interest expense from expected benefit resulting from the difference between tax-exempt and taxable rates. This is a function of the swap where the RTA receives a percentage of 1-month LIBOR when hedging tax-exempt variable debt, with the expectation of receiving an ongoing net benefit from paying a lower fixed rate at the time of putting on the swap transaction. The historical average ratio of 1-month LIBOR (short-term taxable rates) versus tax-exempt rates, a direct function of tax rates, is approximately 70%, but the ratio of long-term taxable rates and long-term tax-exempt rates is normally significantly higher than the percentage received by the RTA on the fixed-rate swap. Therefore, the fixed rate payable in exchange for a smaller percentage of LIBOR plus applicable spread will be significantly less than a long-term tax-exempt fixed rate. This reduction in fixed rate is the value of the benefit, the risk being tax rates change over the life of the percentage of LIBOR swap, or the variable rates on the RTA's hedged bonds do not closely match the percentage of LIBOR variable rate on the swap. The value of such a swap is determined by the prevailing level of taxable interest rates, with no reference to tax-exempt interest rates.

For the three basis swaps, the RTA receives 78.25% and 79% of 1-month LIBOR which is significantly higher than the historical average ratio of 70% stated above. This additional receipt to the RTA is the expected benefit and reduction to interest expense for the life of the basis swap transaction. The value of such a swap is determined by the prevailing level of taxable interest rates received versus the level of tax-exempt interest rates paid.

(iii) Converting a portion of fixed-rate debt to variable in an environment of higher long term fixed rates and lower variable interest rates, with no ongoing liquidity fees. This is the function of the swaps where the RTA receives fixed and pays the SIFMA Swap Index. The cancellation option in the two swaps mirror the RTA's call option on the underlying bonds. Including this option in the receive-fixed swap increased the fixed-rate receivable to the RTA. If either counterparty exercises their option and cancels the swap, interest rates will likely have declined, also allowing the RTA to refund the underlying fixed rate bonds for savings. The value of each swap is determined by the prevailing level of interest rates, and if applicable, the value of the cancellation option which is an asset to the counterparty. Interest rates have trended lower since inception of the receive fixed swaps, therefore, the mark-to-market value is generally more positive to the RTA.

Risks

Credit risk. This is the risk that the counterparty fails to perform according to its contractual obligations. The appropriate measurement of this risk at the reporting date is the sum fair value of swaps netting, or aggregating under a contract between the RTA and each counterparty. The RTA would be exposed to credit risk on derivative instruments under a netting agreement that would sum to an asset position. As of December 31, 2011, the RTA has credit risk exposure to Goldman Sachs Bank USA and UBS AG. This is because the transactions associated with each counterparty net to a positive fair value, meaning the RTA is

exposed to the counterparty in the amount of the derivative contracts' fair values. However, should interest rates change and the fair values become negative, the RTA would not be exposed to credit risk.

The RTA has no credit risk exposure on the rest of the swap contracts because the swaps under each netting agreement with each counterparty have negative fair values, meaning the counterparties are exposed to the RTA in the amount of the derivatives' fair values. However, should interest rates change and the fair values of the swaps become positive, the RTA would be exposed to credit risk.

The swap agreements contain varying collateral agreements with the counterparties. The swaps require collateralization of the fair value of the swap should the counterparty's credit rating fall below the applicable thresholds.

Interest rate risk. The RTA is exposed to interest rate risk on its interest rate swaps. On the receive fixed/pay variable, as interest rates increase, the risk increases. On pay fixed/receive variable, as interest rates decrease, the risk increases.

Basis risk. Basis risk is the risk that the interest rate paid by the RTA on underlying variable rate bonds to bondholders differs from the variable swap rate received from the applicable counterparty. The RTA bears basis risk on its fixed rate swap. The swap has basis risk since the RTA receives a percentage of LIBOR to offset the actual variable bond rate the RTA pays on its bonds. The RTA is exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the RTA pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the expected cost savings from the swap may not be realized.

Termination risk. The RTA or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the respective contracts. If the fixed-rate swap is terminated, the associated variable-rate bonds would no longer be hedged to a fixed rate. If at the time of termination the swaps have a negative fair value, the RTA would be liable to the counterparty for a payment equal to the swap's fair value.

Hedging derivative instrument payments and hedged debt. As of December 31, 2011, aggregate debt service requirements of the RTA's debt (fixed rate and variable rate) and net receipts/payments on associated hedging derivative instruments are as follows. These amounts assume that current interest rates on variable-rate bonds and the current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary. The schedule below represents pay fixed derivative.

	(Amounts in Thousands)			
Year Ending December 31,	Principal	Interest	Hedging Derivatives, Net	Total
2012	$ 7,590	$ 1,471	$ (5,532)	$ 3,529
2013	7,960	1,371	(5,118)	4,213
2014	8,425	1,266	(4,728)	4,963
2015	3,910	1,188	(4,447)	651
2016	685	1,158	(4,336)	(2,493)
2017-2021	36,155	5,031	(18,833)	22,353
2022-2025	53,985	1,314	(4,933)	50,366
Total	$ 118,710	$ 12,799	$ (47,927)	$ 83,582

Pension Fund Investments

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

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

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the RTA's pension deposits may not be returned to it. The RTA's Pension Plan policy does not explicitly indicate custodial credit risk. As of December 31, 2011, none of the Plan's cash and investments was at risk.

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

As of December 31, 2011, the RTA's pension investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Months)
Corporate fixed income mutual fund	$ 38,071,115	75
Money market fund	10,866,791	1
Total fair value	$ 48,937,906	
Portfolio weighted average maturity		59

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

As of December 31, 2011, the credit ratings for RTA pension investments were as follows:

		Credit Rating (where available)		
Investment Type	Total Fair Value	Moody's	Standard & Poor's	Fitch
Corporate fixed income mutual fund	$ 38,071,115	NR	NR	NR
Money market fund	10,866,791	Aa3	*	AA
Total	$ 48,937,906			

* Not available

NR - not rated

Concentration of Credit Risk **-** Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The RTA's pension investment policy states that fixed income securities of a single issuer (excluding obligations of the United States Government and its agencies) should be limited to 5% of the fixed income portfolio, measured at market value. The RTA's pension policy

states the asset allocation policy has been developed based on the objectives and characteristics of the pension liabilities, capital market expectations, and asset-liability projections. This policy is long-term oriented and consistent with the risk posture. The pension fund did not have any investments in a single issuer which were greater than 5% of the total plan's net assets.

NOTE 5. INTERGOVERNMENTAL RECEIVABLES AND PAYABLES

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

Receivable	**Amount**
General Fund:	
Sales taxes	$ 28,988,897
ICE	47,584
State assistance (ASA & AFA)	108,160,529
PTF	115,689,652
General State MOA	8,073,660
Interest on sales tax	27,793
Illinois Department of Transportation (IDOT) grants and others	2,476,789
JSIF Claims and Other Advances	36,276
Total Intergovernmental Receivables	$ 263,501,180
Payable	
General Fund:	
Financial assistance	$ 80,521,348
State bond payable SB	10,170,719
Accelerated sales tax	11,418,316
Capital assistance	522,248
CTA Operating Assistance (ADA)	2,368,289
Total General Fund	105,000,920
Capital Projects Fund:	
Capital grants, (CTA, METRA, PACE)	12,793,012
Total Intergovernmental Payables	$ 117,793,932

NOTE 6. DUE TO/FROM OTHER FUNDS

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

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

On December 31, 2011, the amounts due to/from other funds presented in the Governmental Funds Balance Sheet, the Joint Self-Insurance Fund Statement of Net Assets, and the Fiduciary Funds Statement of Fiduciary Net Assets are as follows:

Receivable Fund	Payable Fund	Amount
Pension Trust	General	$ 1,480,000
Debt Service	General	139,123,271

NOTE 7. INTERFUND TRANSFERS

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

Transfer Out Fund	Transfer In Fund	Amount
General	Debt Service	$ 330,186,799
Debt Service	Capital projects	25,778
Debt Service	General Fund	186,338,685
General	Joint Self-Insurance	5,380,000

The purpose of Interfund transfers from the General Fund to Debt Service is to satisfy the RTA's obligations to bondholders for principal and interest. The purpose of the Interfund transfer from the General Fund to the Joint Self-Insurance Fund is to make a capital contribution to the fund to purchase insurance.

NOTE 8. ADVANCES TO SERVICE BOARDS

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

CTA	$ 31,166,385
Metra	27,318,042
Pace	8,620,227
Total Service Board Advances	$ 67,104,654

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

NOTE 9. CAPITAL ASSETS

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

	Balance at January 1, 2011	Additions	Retirements	Balance at December 31, 2011
Depreciable:				
Office furniture and equipment	$ 912,410	$ 220,098	$ -	$ 1,132,508
Computer equipment	3,940,339	286,578	-	4,226,917
Leasehold improvements	1,938,203	288,984	-	2,227,187
Subtotal	6,790,952	795,660	-	7,586,612
Less accumulated depreciation:				
Office furniture and equipment	578,916	172,999	-	751,915
Computer equipment	2,643,688	510,610	-	3,154,298
Leasehold improvements	801,785	184,985	-	986,770
Subtotal	4,024,389	868,594	-	4,892,983
Total Depreciable	2,766,563	(72,934)	-	2,693,629
Non-depreciable:				
Capital in Progress -Technology Program	12,498,187	1,608,355	2,309,261	11,797,281
Total Capital assets—net of accumulated depreciation	$ 15,264,750	$ 1,535,421	$ 2,309,261	$ 14,490,910

All capital assets are associated with governmental activities.

During 2011, total depreciation expense of $868,594 was allocated between two functions; $144,486 to the regional function and $724,108 to the administrative function.

NOTE 10. GENERAL OBLIGATION BONDS PAYABLE

Changes during the year in bonds payable were as follows:

	January 1, 2011	New Issues	Current Retirements	December 31, 2011	Due Within One Year
1990A	$ 56,985,000	$ -	$ 4,085,000	$ 52,900,000	$ 4,380,000
1991A	55,745,000	-	-	55,745,000	4,090,000
1992A* & 1992B	17,790,000	-	8,610,000	9,180,000	9,180,000
1994A* & 1994B	24,395,000	-	-	24,395,000	-
1994C* & 1994D	54,665,000	-	1,750,000	52,915,000	1,890,000
1997 Refunding	55,355,000	-	5,750,000	49,605,000	1,865,000
1999* Refunding	258,710,000	-	8,525,000	250,185,000	9,025,000
2000A*	219,215,000	-	5,900,000	213,315,000	6,245,000
2001A*	84,560,000	-	2,200,000	82,360,000	2,325,000
2001B* Refunding	29,800,000	-	-	29,800,000	-
2002A*	138,790,000	-	3,315,000	135,475,000	3,495,000
2002B	122,765,000	-	110,950,000	11,815,000	11,815,000
2003A*	232,585,000	-	5,310,000	227,275,000	5,600,000
2003B	134,225,000	-	3,105,000	131,120,000	3,265,000
2004A*	236,905,000	-	5,120,000	231,785,000	5,385,000
2005B Refunding	125,920,000	-	7,210,000	118,710,000	7,590,000
2006A*	238,510,000	-	3,955,000	234,555,000	4,150,000
2009B Cash Note	260,000,000	-	260,000,000	-	-
2010A	60,315,000	-	2,950,000	57,365,000	4,075,000
2010B	112,925,000	-	-	112,925,000	-
2010C Cash Note	140,000,000	-	-	140,000,000	140,000,000
2011A Refunding	-	95,550,000	-	95,550,000	-
2011CP Cash Note	-	705,000,000	580,000,000	125,000,000	125,000,000
Subtotal	2,660,160,000	800,550,000	1,018,735,000	2,441,975,000	349,375,000
Unamortized bond premium	120,334,000	11,574,000	7,300,000	124,608,000	7,300,000
Total	$ 2,780,494,000	$ 812,124,000	$ 1,026,035,000	$ 2,566,583,000	$ 356,675,000

* Strategic Capital Improvement Program (SCIP) Bonds

At December 31, 2011, the total general obligation bonds payable of $2,441,975,000 are classified as current and long-term in the Statement of Net Assets in the amounts of $349,375,000 and $2,092,600,000, respectively.

Advance Refunding-On June 28, 2011, the RTA issued $95,550,000 million in General Obligation bonds with an average interest rate of 5 percent. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to call the 2002B Series bonds June 1, 2012. As a result the 2002B Series bonds are considered to be redeemed and the liability for those bonds has been removed from the government-wide statement of net assets. The refunding resulted in a redemption premium of $11.5 million paid at the call date. The RTA completed the refunding to reduce its total debt service payments over the next 9 years by $7.9 million, resulting in an economic gain of $7.2 million. At December 31, 2011, the balance outstanding for the defeased debt is $99,625,000.

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.

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

The Series 1990A Bonds mature on November 1 over a thirty-year period and interest is payable at rates ranging from 6.00% to 7.30% on May 1, 1990 and semiannually thereafter on November 1 and May 1 in each remaining year.

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 4,380,000	$ 3,808,800	$ 8,188,800
2013	4,695,000	3,493,440	8,188,440
2014	5,035,000	3,155,400	8,190,400
2015	5,395,000	2,792,880	8,187,880
2016	5,785,000	2,404,440	8,189,440
2017-2020	27,610,000	5,142,600	32,752,600
Total	$ 52,900,000	$ 20,797,560	$ 73,697,560

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 4,090,000	$ 3,734,915	$ 7,824,915
2013	4,365,000	3,460,885	7,825,885
2014	4,660,000	3,168,430	7,828,430
2015	4,970,000	2,856,210	7,826,210
2016	5,305,000	2,523,220	7,828,220
2017-2021	32,355,000	6,783,750	39,138,750
Total	$ 55,745,000	$ 22,527,410	$ 78,272,410

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 9,180,000	$ 293,760	$ 9,473,760

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ -	$ 1,951,600	$ 1,951,600
2013	-	1,951,600	1,951,600
2014	-	1,951,600	1,951,600
2015	-	1,951,600	1,951,600
2016	11,725,000	1,482,600	13,207,600
2017-2024	12,670,000	506,799	13,176,799
Total	$ 24,395,000	$ 9,795,799	$ 34,190,799

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

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

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2012	$ 1,890,000	$ 4,027,675	$ 5,917,675
2013	2,045,000	3,875,194	5,920,194
2014	2,210,000	3,710,313	5,920,313
2015	7,360,000	3,339,475	10,699,475
2016	7,955,000	2,746,019	10,701,019
2017-2025	31,455,000	4,313,844	35,768,844
Total	$ 52,915,000	$ 22,012,520	$ 74,927,520

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

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

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2012	$ 1,865,000	$ 2,915,688	$ 4,780,688
2013	3,320,000	2,764,800	6,084,800
2014	3,530,000	2,559,300	6,089,300
2015	3,750,000	2,340,900	6,090,900
2016	3,980,000	2,109,000	6,089,000
2017-2021	23,910,000	6,533,100	30,443,100
2022-2023	9,250,000	490,500	9,740,500
Total	$ 49,605,000	$ 19,713,288	$ 69,318,288

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

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 9,025,000	$ 14,181,619	$ 23,206,619
2013	17,990,000	13,404,938	31,394,938
2014	16,735,000	12,406,594	29,141,594
2015	17,720,000	11,416,012	29,136,012
2016	10,425,000	10,606,844	21,031,844
2017-2021	108,245,000	38,208,132	146,453,132
2022-2025	70,045,000	5,932,381	75,977,381
Total	$ 250,185,000	$ 106,156,520	$ 356,341,520

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 6,245,000	$ 13,601,475	$ 19,846,475
2013	6,610,000	13,211,163	19,821,163
2014	7,005,000	12,798,038	19,803,038
2015	7,425,000	12,360,225	19,785,225
2016	7,870,000	11,896,163	19,766,163
2017-2021	47,200,000	51,474,251	98,674,251
2022-2026	63,860,000	34,675,576	98,535,576
2027-2030	67,100,000	11,236,225	78,336,225
Total	$ 213,315,000	$ 161,253,116	$ 374,568,116

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 2,325,000	$ 4,896,563	$ 7,221,563
2013	2,455,000	4,751,250	7,206,250
2014	2,595,000	4,597,813	7,192,813
2015	2,740,000	4,435,625	7,175,625
2016	2,895,000	4,264,375	7,159,375
2017-2021	17,125,000	18,611,825	35,736,825
2022-2026	22,545,000	13,111,200	35,656,200
2027-2031	29,680,000	5,538,300	35,218,300
Total	$ 82,360,000	$ 60,206,951	$ 142,566,951

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ -	$ 1,639,000	$ 1,639,000
2013	-	1,639,000	1,639,000
2014	2,295,000	1,575,888	3,870,888
2015	2,425,000	1,446,088	3,871,088
2016	2,560,000	1,309,000	3,869,000
2017-2021	15,175,000	4,198,289	19,373,289
2022-2023	7,345,000	409,613	7,754,613
Total	$ 29,800,000	$ 12,216,878	$ 42,016,878

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 3,495,000	$ 8,068,113	$ 11,563,113
2013	3,690,000	7,867,150	11,557,150
2014	3,900,000	7,654,975	11,554,975
2015	4,120,000	7,430,725	11,550,725
2016	4,350,000	7,193,825	11,543,825
2017-2021	25,795,000	31,842,500	57,637,500
2022-2026	34,170,000	23,167,800	57,337,800
2027-2031	45,270,000	11,659,500	56,929,500
2032	10,685,000	641,100	11,326,100
Total	$ 135,475,000	$ 105,525,688	$ 241,000,688

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 11,815,000	$ 324,913	$ 12,139,913

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 5,600,000	$ 13,010,825	$ 18,610,825
2013	5,910,000	12,730,825	18,640,825
2014	6,235,000	12,435,325	18,670,325
2015	6,575,000	12,092,400	18,667,400
2016	6,940,000	11,730,775	18,670,775
2017-2021	40,850,000	52,492,500	93,342,500
2022-2026	53,310,000	39,953,875	93,263,875
2027-2031	68,945,000	22,706,100	91,651,100
2032-2033	32,910,000	2,987,100	35,897,100
Total	$ 227,275,000	$ 180,139,725	$ 407,414,725

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 3,265,000	$ 7,242,950	$ 10,507,950
2013	3,435,000	7,066,863	10,501,863
2014	3,610,000	6,873,125	10,483,125
2015	3,805,000	6,669,213	10,474,213
2016	4,010,000	6,454,300	10,464,300
2017-2021	23,535,000	28,619,915	52,154,915
2022-2026	30,595,000	21,217,738	51,812,738
2027-2031	39,785,000	11,435,439	51,220,439
2032-2033	19,080,000	1,111,476	20,191,476
Total	$ 131,120,000	$ 96,691,019	$ 227,811,019

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 5,385,000	$ 12,775,163	$ 18,160,163
2013	5,660,000	12,499,038	18,159,038
2014	5,950,000	12,208,788	18,158,788
2015	6,255,000	11,880,206	18,135,206
2016	6,575,000	11,511,344	18,086,344
2017-2021	38,540,000	51,393,107	89,933,107
2022-2026	50,115,000	39,418,282	89,533,282
2027-2031	65,155,000	23,587,544	88,742,544
2032-2034	48,150,000	4,249,825	52,399,825
Total	$ 231,785,000	$ 179,523,297	$ 411,308,297

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest*	Total
2012	$ 7,590,000	$ 3,792,195	$ 11,382,195
2013	7,960,000	3,535,620	11,495,620
2014	8,425,000	3,265,268	11,690,268
2015	3,910,000	3,061,740	6,971,740
2016	685,000	2,985,923	3,670,923
2017-2021	36,155,000	12,971,394	49,126,394
2022-2025	53,985,000	3,388,524	57,373,524
Total	$ 118,710,000	$ 33,000,664	$ 151,710,664

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

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 4,150,000	$ 11,473,281	$ 15,623,281
2013	4,390,000	11,265,781	15,655,781
2014	4,630,000	11,046,281	15,676,281
2015	4,970,000	10,814,781	15,784,781
2016	5,285,000	10,566,281	15,851,281
2017-2021	31,540,000	48,529,656	80,069,656
2022-2026	81,025,000	36,437,156	117,462,156
2027-2031	60,545,000	14,796,219	75,341,219
2032-2035	38,020,000	5,571,675	43,591,675
Total	$ 234,555,000	$ 160,501,111	$ 395,056,111

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 4,075,000	$ 2,827,500	$ 6,902,500
2013	4,235,000	2,664,500	6,899,500
2014	4,450,000	2,452,750	6,902,750
2015	4,670,000	2,230,250	6,900,250
2016	4,905,000	1,996,750	6,901,750
2017-2021	28,455,000	6,050,750	34,505,750
2022	6,575,000	328,750	6,903,750
Total	$ 57,365,000	$ 18,551,250	$ 75,916,250

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ -	$ 6,621,635	$ 6,621,635
2013	-	6,621,635	6,621,635
2014	-	6,621,635	6,621,635
2015	-	6,621,635	6,621,635
2016	-	6,621,635	6,621,635
2017-2021	-	33,108,175	33,108,175
2022-2026	29,105,000	30,793,005	59,898,005
2027-2031	43,020,000	20,145,210	63,165,210
2032-2035	40,800,000	6,238,200	47,038,200
Total	$112,925,000	$ 123,392,765	$ 236,317,765

2010 Working Cash Notes—In July 2009, the RTA issued $140 million in General Obligation Working Cash Notes, Series 2010C, to provide funds to be used to manage the cash flow needs of the RTA and the Service Boards, including if necessary, the refinancing of any existing Authority obligations for such purpose and pay the costs of issuance.

The Series 2010C Working Cash Notes mature on July 1, 2012 and interest is payable at 2.843%.

Debt service requirements on the Series 2010C Working Cash Notes to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 140,000,000	$ 1,990,100	$ 141,990,100

General Obligation Bonds—In July 2011, the RTA issued $95.6 million in General Obligation Bonds, Series 2011A, to pay when due, or refund in advance of their maturities a portion of the RTA's Outstanding General Obligation Bonds, Series 2002B maturing from 2013 through 2019 and to pay Costs of Issuance of the Series 2011A Bonds.

The Series 2011A Bonds mature on June 1, over an eight-year period and interest is payable at rates ranging from 4.00% to 5.00% on December 1, 2011 and semi-annually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2011A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ -	$ 4,657,100	$ 4,657,100
2013	12,040,000	4,416,300	16,456,300
2014	12,475,000	3,863,625	16,338,625
2015	13,000,000	3,226,750	16,226,750
2016	13,560,000	2,562,750	16,122,750
2017-2019	44,475,000	3,402,375	47,877,375
Total	$ 95,550,000	$ 22,128,900	$ 117,678,900

2011 Commercial Paper Notes—In January 2011, the RTA was given the authority to issue from time to time CP Notes in an aggregate amount not to exceed $260,000,000, to manage the cash flow needs of the RTA and the Service Boards, which may include refunding certain outstanding working cash notes of the RTA, and to pay the costs of issuance of the CP Notes.

The CP Notes will not bear interest in excess of the lesser of (a) the interest coverage rate or (b) the greater of (i) 13.5% per annum, (ii) 200% of the rate for the most recent date shown in the 20 G.O. Bonds Index of average municipal bond yields as published in the most recent addition of The Bond Buyer, published in New York, New York (or any successor publication or index, or if such publication or index is no longer published, then any index of long-term municipal tax-exempt bond yields selected by the Board, or (iii) such other maximum interest rate for obligations such as the CP Notes under the then applicable laws of the State (the "Maximum Rate").

Debt service requirements on the Series 2011 Commercial Paper Notes to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 125,000,000	$ 53,806	$ 125,053,806

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

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

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

In the Debt Service Fund, $102,581,734 in investments are available to service principal and interest payments of the RTA's long-term debt as of December 31, 2011.

NOTE 11. PENSION

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

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

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

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

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

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

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

Contributions and Vesting—The Plan is funded solely by employer contributions, which are actuarially determined under the projected unit credit method. During 2011, the RTA Board approved a resolution that a contribution of $12,547,000 be made to the Plan. The contribution is allocated as follows: Metra - $6,462,000; Pace - $ 4,605,000; RTA - $1,480,000. As of December 31, 2011, $12,547,000 had not been funded and was reported as contribution receivable by the Pension Fund in the Statements of Plan Net Assets. The RTA has reported its liability of $1,480,000 in the General Fund (due to other funds). The 2011 contribution levels were within the actuarially determined ranges for the respective years.

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

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

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

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

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

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

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

Annual Pension Cost and Net Pension Obligation—For 2009, 2010 and 2011 the RTA's annual pension costs equal the required contributions which were, $10,827,000, $11,288,000, and $12,547,000, respectively. The required contributions were determined as part of the January 1, 2009, 2010 and 2011 actuarial valuations.

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

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

	January 1, 2011	January 1, 2010	January 1, 2009
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Straight-line, open	Straight-line, open	Straight-line, open
Remaining amortization period	30 years	30 years	30 years
Asset valuation method	Smoothed market value	Smoothed market value	Smoothed market value
Actuarial assumptions:			
Investment rate of return	8.25%	8.5%	8.5%
Projected salary increases:			
Age graded scale	Range of 3.5% to 7.5% based on attained age.	Range of 3.5% to 7.5% based on attained age.	Range of 3.5% to 7.5% based on attained age.
Mortality	RP2000 White Collar Mortality Table applied separately for males and females projected to 2018.	RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.	RP2000 White Collar Mortality Table applied separately for male and females projected to 2011.
Withdrawals from service	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47 % at age 20 to 0.39% at age 60 for males.	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47 % at age 20 to 0.39% at age 60 for males.	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47 % at age 20 to 0.39% at age 60 for males.

Funded Status and Funding Progress – As of January 1, 2011, the most recent actuarial valuation date, the plan was 68.70 percent funded. The actuarial accrued liability for benefits was $185,373,843 and the actuarial value of assets was $127,343,037, resulting in an underfunded actuarial accrued liability

("UAAL") of $(58,030,806). The covered payroll (annual payroll of active employees covered by the Plan) was $66,490,058 and the ratio of the UAAL to the covered payroll was 87.28 percent.

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

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The Regional Transportation Authority ("RTA") provides limited health care insurance coverage for its eligible retired employees. This is a single-employer plan. The plan does not issue a publicly available financial report.

Funding Policy. The required contribution is based on projected pay-as-you-go financing requirements. Eligible disabled pensioners receive coverage under the RTA's health plan with an employer contribution rate of 100% of the premiums for the coverage elected by the retiree. There is also an implicit rate subsidy of 20% related to all RTA retirees. The RTA contributed $0 to the plan during fiscal year 2011.

Annual OPEB Cost and Net OPEB Obligation. The RTA's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the *annual required contribution of the employer ("ARC")*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of RTA's annual OPEB cost for the year ended December 31, 2011, the amount actually contributed to the plan, and changes in RTA's net OPEB obligation to the plan:

Annual required contribution (ARC)	$ 18,081
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	18,081
Contribution made	-
Increase in net OPEB obligation	18,081
Net OPEB obligation beginning of year	-
Net OPEB obligation end of year	$ 18,081

RTA's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 is as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2011	$ 18,081	0.0%	$ 18,081

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was $108,778 and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $108,778. The covered payroll (annual payroll of active employees covered by the Plan) was $8,232,426 and the ratio of the UAAL to the covered payroll was 1.32%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and the healthcare cost trend. Amounts determined reporting the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employee and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2011 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.0 percent discount rate (includes inflation at 3.0 percent) annual healthcare cost trend rate of 8.0 percent initially, reduced by decrements to an ultimate rate of 6.0 percent, and anticipated participation of 20.0 percent to 100 percent based on position of employee. The actuarial value of assets was determined using techniques that spread the effects of short-tem volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis over a 30-year period.

NOTE 13. RISK MANAGEMENT

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

The Workers' Compensation and Employers' Liability Insurance Policy is procured through RTA's insurance policy with The Hartford. The RTA is insured for $500,000 each accident for bodily injury by accident, $500,000 each employee for bodily injury by disease and $500,000 policy limit. The RTA property is insured through Pace's Property Insurance with Mesirow Insurance Services, Inc. The RTA's portion of insurance premiums is paid to Pace, and is accounted for in the General Fund. The RTA had no settlements in excess of insurance coverage in the past three years. There have been no significant reductions in the amount of coverage from the prior year.

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

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

The limit of liability to the Fund is established at $50 million less the retained limit (deductible portion) as described below:

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

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

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

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

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

NOTE 14. COMMITMENTS AND CONTINGENCIES

The RTA has an operating lease agreement for its office facilities. In 2011, the total rent paid by the RTA was $1,453,114. Minimum required annual rental payments by the RTA are as follows:

Year Ending December 31	Amount
2012	$ 2,015,904
2013	2,019,362
2014	2,017,063
2015	2,061,841
2016	2,125,602
2017-2024	15,904,806
Total	$ 26,144,578

NOTE 15. SUBSEQUENT EVENTS

The Board has authorized issuing $300 million of short-term senior-lien notes in June 2012 with a maturity of 24 months or less. The proceeds will be used to repay all commercial paper notes outstanding and provide funds to reduce the impact of the State's delinquency in funding State appropriations.

Additionally, the Board has authorized to issue an additional $100 million of short-term debt on an unspecified date subsequent to July 2012. This debt will have a subordinated lien and a maturity not longer than twenty-four months. The structure of this funding has not been finalized.

REQUIRED SUPPLEMENTARY INFORMATION

REGIONAL TRANSPORTATION AUTHORITY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL—(BUDGETARY BASIS)—GENERAL FUND
YEAR ENDED DECEMBER 31, 2011
(in thousands)

	General Fund			
	Budget			
	Original	Amended	Actual	Variance
REVENUES:				
Sales taxes	$ 101,252	$ 107,977	$ 107,977	$ -
Interest on sales taxes	188	188	166	(22)
Public Transportation Fund	168,753	181,428	181,428	-
Innovation, Coordination & Enhancement (ICE)	9,292	9,929	9,930	1
State assistance (AFA & ASA)	123,000	123,000	130,088	7,088
General State revenue	18,700	18,700	194,072	175,372
Investment income	13,435	13,435	18,611	5,176
Other revenues	2,465	2,465	5,148	2,683
Total revenues	437,085	457,122	647,420	190,298
EXPENDITURES:				
Financial assistance to Service Boards	128,786	135,334	128,786	6,548
Capital grants-current year	10,200	10,200	10,200	-
PACE discretionary (CMAQ) grant			132	(132)
South Suburban Job Access Program (PACE)	7,500	7,500	7,500	-
Innovation, Coordination & Enhancement (ICE)	9,292	3,382	9,930	(6,548)
State Funding MOU Pace (ADA)	8,500	8,500	4,250	4,250
Cap grants - State bonds	-	-	181,890	(181,890)
Administration	8,680	8,680	8,231	449
Non-administration:				
Regional services and coordination programs	20,236	20,236	19,873	363
Regional Technical Assistance Program	3,042	3,042	4,872	(1,830)
Capital outlay	795	795	795	-
Technology program	1,160	1,160	2,356	(1,196)
Debt related costs	-	-	5,884	(5,884)
Total expenditures	198,191	198,829	384,699	(185,870)
EXCESS OF REVENUES OVER EXPENDITURES—BUDGETARY BASIS	238,894	258,293	262,721	4,428
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	186,339	186,339
Transfers out - debt related costs and JSIF	(5,380)	(5,380)	(335,567)	(330,187)
Total other financing sources (uses)	(5,380)	(5,380)	(149,228)	(143,848)
NET CHANGE IN FUND BALANCE—BUDGETARY BASIS	$ 233,514	$ 252,913	113,493	$ (139,420)
Budgetary basis to GAAP basis adjustments			3,325	
NET CHANGE IN FUND BALANCE—GAAP BASIS			116,818	
FUND BALANCE:				
Beginning of year			168,211	
End of year			$ 285,029	

Note 1. BUDGET AND BUDGETARY ACCOUNTING

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

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

The annual budget and related appropriations are prepared using the modified accrual basis of accounting in conformity with accounting principles generally accepted in the United States except for RTA capital expenditures and capital grants to 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 is generally the policy of the RTA (ordinance 91-9) to fund the budgets of the Service Boards up to the amount appropriated in the annual Budget Ordinance. However, unfavorable economic conditions created the need to waive this policy for purposes of the adoption of the 2011 budget and 2012-2013 financial plan and the 2012 budget and 2013-2014 financial plan. Also waived for the purpose of the adoption of the 2012 budget and 2013-2014 financial plan was the provision of the RTA funding policy adopted by Ordinance 98-15 that requires that the RTA annual budget and two-year financial plan show a year-end unreserved and undesignated fund balance equal to 5% of the RTA general fund by no later than the end of the three-year planning period.

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 sale tax receipts and other discretionary funds of the RTA shall be made under the terms and conditions of grant agreements governing such expenditures.

Note 2. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS ACCOUNTING

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

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

	General Fund
Excess of expenditures over revenues and other financing use-budgetary basis	$ 113,492,634
Adjustments:	
Capital grant expenditures incurred in current year but considered in prior years' budgets	(6,907,339)
Capital grant expenditures expected to be incurred in future years but considered in current year budget	10,200,000
RTA capital expenditures expected to be incurred in future years but considered in current year operating budget	32,966
Budgetary basis to GAAP basis adjustments	3,325,627
Net change in fund balance - GAAP basis	$ 116,818,261

REGIONAL TRANSPORTATION AUTHORITY
PENSION PLAN

SCHEDULE OF FUNDING PROGRESS
SIX YEARS ENDED DECEMBER 31, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Assets in Excess of AAL/ (AAL in Excess of Assets) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2006	$ 94,697,937	$ 124,521,129	$ (29,823,192)	76.05%	$ 58,883,678	50.6%
January 1, 2007	102,523,735	133,905,851	(31,382,116)	76.56%	61,357,214	51.1%
January 1, 2008	114,031,540	146,417,404	(32,385,864)	77.88%	61,364,198	52.8%
January 1, 2009	106,021,198	153,284,576	(47,263,378)	69.17%	66,010,613	71.6%
January 1, 2010	118,805,281	166,663,123	(47,857,842)	71.28%	68,389,409	70.0%
January 1, 2011	127,343,037	185,373,843	(58,030,806)	68.70%	66,490,058	87.3%

REGIONAL TRANSPORTATION AUTHORITY
PENSION PLAN

SCHEDULE OF EMPLOYER CONTRIBUTIONS
SIX YEARS ENDED DECEMBER 31, 2011

Year Ended:	Annual Required Contribution	Percentage Contributed	
2006	$ 891,766	100%	
2007	999,916	100%	
2008	995,402	100%	
2009	1,137,000	100%	
2010	1,276,000	100%	
2011	1,480,000	N/A	(1)

(1) Contributions for the plan year ended December 31, 2011 will be paid during 2012.

Regional Transportation Authority

Other Post-Employment Benefits
Required Supplementary Information
Year Ended December 31, 2011

Analysis of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Annual Covered Payroll ((b - a) / c)
12/31/11	$ -	$ 108,778	$ 108,778	$ -	$ 8,232,426	1.32 %

Employer Contributions

Fiscal Year Ending	Annual Required Contribution	Percentage Contributed
12/31/11	$ 18,081	- %

Information is presented for as many years as is available.

COMBINING AND INDIVIDUAL FUND SCHEDULES

A. GENERAL FUND

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

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

REGIONAL TRANSPORTATION AUTHORITY

SCHEDULE OF EXPENDITURES—
BUDGET AND ACTUAL—GENERAL FUND
YEAR ENDED DECEMBER 31, 2011
(in thousands)

	General Fund			
	Budget			
	Original	Amended	Actual	Variance
EXPENDITURES:				
Financial assistance to Service Boards	$ 128,786	$ 135,334	$ 128,786	$ 6,548
Capital grants-current year	10,200	10,200	10,200	-
PACE discretionary (CMAQ) grant	-	-	132	(132)
South Suburban Job Access Program(PACE)	7,500	7,500	7,500	-
Innovation, Coordination & Enhancement (ICE)	9,292	3,382	9,930	(6,548)
State funding MOU Pace (ADA)	8,500	8,500	4,250	4,250
Capital grants - State bonds	-	-	181,890	(181,890)
Administration	8,680	8,680	8,231	449
Non-administration:				-
Regional services and coordination programs	20,236	20,236	19,873	363
Regional Technical Assistance Program	3,042	3,042	4,872	(1,830)
Capital outlay	795	795	795	-
Technology program	1,160	1,160	2,356	(1,196)
Debt related costs	-	-	5,884	(5,884)
TOTAL EXPENDITURES	$ 198,191	$ 198,829	$ 384,699	$ (185,870)

REGIONAL TRANSPORTATION AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL—GENERAL AND SALES TAX AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2011
(in thousands)

	General Fund		
	Budget	Actual	Variance
REVENUES:			
Sales taxes	$ 107,977	$ 107,977	$ -
Interest on sales taxes	188	166	(22)
Public Transportation Fund	181,428	181,428	-
Innovation, Coordination & Enhancement (ICE)	9,929	9,930	1
State assistance (AFA & ASA)	123,000	130,088	7,088
Reduced fare reimbursement	-	-	-
General State revenue	18,700	194,072	175,372
Investment income	13,435	18,611	5,176
Other revenue	2,465	5,148	2,683
Total revenues	457,122	647,420	190,298
EXPENDITURES:			
Financial assistance to Service Boards	135,334	128,786	6,548
Capital grants-current year	10,200	10,200	-
PTF (new sales tax/RETT)	-	-	-
Pace Discretionary (CMAQ) grant	-	132	(132)
Paratransit funding - PACE	-	-	-
Suburban Community Mobility Fund	-	-	-
South Suburban Job Access Program	7,500	7,500	-
Innovation, Coordination and Enhancement (ICE)	3,382	9,930	(6,548)
Reduced fare reimbursement	-	-	-
State Funding MOU Pace (ADA)	8,500	4,250	4,250
Capital grants - State bonds	-	181,890	(181,890)
Administration	8,680	8,231	449
Non-administration:			
Regional services and coordination programs	20,236	19,873	363
Regional Technical Assistance Program	3,042	4,872	(1,830)
Interest on sales taxes to Service Boards	-	-	-
Capital outlay	795	795	-
Technology program	1,160	2,356	(1,196)
Debt related costs	-	5,884	(5,884)
Total expenditures	198,829	384,699	(185,870)
EXCESS OF REVENUES OVER EXPENDITURES—BUDGETARY BASIS	258,293	262,721	4,428
OTHER FINANCING USES—			
Transfers in	-	186,339	186,339
Transfers out-debt related costs and JSIF	(5,380)	(335,567)	(330,187)
Total other financing uses	(5,380)	(149,228)	(143,848)
NET CHANGE IN FUND BALANCE—BUDGETARY BASIS	$ 252,913	113,493	$ (139,420)
Budgetary basis to GAAP basis adjustments		3,325	
NET CHANGE IN FUND BALANCE—GAAP BASIS		116,818	
FUND BALANCE:			
Beginning of year		168,211	
End of year		$ 285,029	

Sales Tax Agency Fund			Totals		
Budget	Actual	Variance	Budget	Actual	Variance
$ 857,763	$ 857,763	$ -	$ 965,740	$ 965,740	$ -
1,512	238	(1,274)	1,700	404	(1,296)
123,967	123,967	-	305,395	305,395	-
-	-	-	9,929	9,930	1
-	-	-	123,000	130,088	7,088
33,570	34,070	500	33,570	34,070	500
-	-	-	18,700	194,072	175,372
-	-	-	13,435	18,611	5,176
-	-	-	2,465	5,148	2,683
1,016,812	1,016,038	(774)	1,473,934	1,663,458	189,524
738,605	738,605	-	873,939	867,391	6,548
-	-	-	10,200	10,200	-
123,967	123,967	-	123,967	123,967	-
-	-	-	-	132	(132)
99,298	99,298	-	99,298	99,298	-
19,860	19,860	-	19,860	19,860	-
-	-	-	7,500	7,500	-
-	-	-	3,382	9,930	(6,548)
33,570	34,070	(500)	33,570	34,070	(500)
-	-	-	8,500	4,250	4,250
-	-	-	-	181,890	(181,890)
-	-	-	8,680	8,231	449
-	-	-	20,236	19,873	363
-	-	-	3,042	4,872	(1,830)
1,512	238	1,274	1,512	238	1,274
-	-	-	795	795	-
-	-	-	1,160	2,356	(1,196)
-	-	-	-	5,884	(5,884)
1,016,812	1,016,038	774	1,215,641	1,400,737	(185,096)
-	-	-	258,293	262,721	4,428
-	-	-	-	186,339	186,339
-	-	-	(5,380)	(335,567)	(330,187)
-	-	-	(5,380)	(149,228)	(143,848)
$ -	-	$ -	$ 252,913	113,493	$ (139,420)
	-			3,325	
	-			116,818	
	-			168,211	
	$ -			$ 285,029	

B. DEBT SERVICE FUND

Debt Service Fund Accounts:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2010C –to account for transfers received, investment income and principal and interest payments made for 2010C cash note borrowings.

2011A –to account for transfers received, investment income and principal and interest payments made for 2011A cash note borrowings.

2011 CP –to account for transfers received, investment income and principal and interest payments made for 2011 CP cash note borrowings.

*Strategic Capital Improvement Program (SCIP) Bonds

REGIONAL TRANSPORTATION AUTHORITY

COMBINING BALANCE SHEET SCHEDULE-DEBT SERVICE FUND ACCOUNTS
December 31, 2011

	1990A	1991A	1992 A&B	1994 A&B	1994 C&D	1997	1999	2000A	2001 A	2001 B	2002 A	2002 B
ASSETS:												
Cash and investments	$ 1,617,434	$ 1,508,205	$ 5,772,697	$ 322,336	$ 1,612,265	$ 1,482,979	$ 7,185,962	$ 10,207,099	$ 3,716,465	$ 163,702	$ 5,940,425	$ 8,656,577
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	$ 1,617,434	$ 1,508,205	$ 5,772,697	$ 322,336	$ 1,612,265	$ 1,482,979	$ 7,185,962	$ 10,207,099	$ 3,716,465	$ 163,702	$ 5,940,425	$ 8,656,577
LIABILITIES:												
Total liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FUND BALANCES:												
Restricted for debt service	1,617,434	1,508,205	5,772,697	322,336	1,612,265	1,482,979	7,185,962	10,207,099	3,716,465	163,702	5,940,425	8,656,577
TOTAL LIABILITIES AND FUND BALANCES	$ 1,617,434	$ 1,508,205	$ 5,772,697	$ 322,336	$ 1,612,265	$ 1,482,979	$ 7,185,962	$ 10,207,099	$ 3,716,465	$ 163,702	$ 5,940,425	$ 8,656,577

(continued)

REGIONAL TRANSPORTATION AUTHORITY

COMBINING BALANCE SHEET SCHEDULE-DEBT SERVICE FUND ACCOUNTS
December 31, 2011

	2003 A	2003 B	2004 A	2005 B	2006 A	2009B	2010A	2010B	2010C Note	2011 Note	2011 A	Total
ASSETS:												
Cash and investments	$ 9,559,960	$ 2,815,238	$ 4,646,027	$ 5,206,883	$ 8,049,462	$ -	$ 8,411,995	$ 13,143,150	$ 1,990,108	$ 11	$ 103,972,798	$ 205,981,778
Due from other funds	-	-	-	-	-	-	-	-	139,123,271	-	-	139,123,271
Accrued interest	-	-	19	2	2,895	-	2,689	22	11	-	-	5,638
Other receivable	-	-	-	-	-	56,147,000	-	-	-	-	-	56,147,000
Total assets	$ 9,559,960	$ 2,815,238	$ 4,646,046	$ 5,206,885	$ 8,052,357	$ 56,147,000	$ 8,414,684	$ 13,143,172	$ 141,113,390	$ 11	$ 103,972,798	$ 401,257,687
LIABILITIES:												
Total liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FUND BALANCES:												
Restricted for debt service	9,559,960	2,815,238	4,646,046	5,206,885	8,052,357	56,147,000	8,414,684	13,143,172	141,113,390	11	103,972,798	401,257,687
TOTAL LIABILITIES AND FUND BALANCES	$ 9,559,960	$ 2,815,238	$ 4,646,046	$ 5,206,885	$ 8,052,357	$ 56,147,000	$ 8,414,684	$ 13,143,172	$ 141,113,390	$ 11	$ 103,972,798	$ 401,257,687

Regional Transportation Authority

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund Accounts
Year Ended December 31, 2011

	1990A	1991A	1992 A&B	1994 A&B	1994 C&D
REVENUE:					
Investment income	$ 17	$ 2	$ 42	$ 8	$ 26
Other revenue	-	-	-	-	-
Total revenue	17	2	42	8	26
EXPENDITURES:					
Debt Service - principal	4,085,000	-	8,610,000	-	1,750,000
Debt Service - interest	4,102,920	3,734,915	863,040	1,951,600	4,168,725
Other debt related costs	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total expenditures	8,187,920	3,734,915	9,473,040	1,951,600	5,918,725
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,187,903)	(3,734,913)	(9,472,998)	(1,951,592)	(5,918,699)
OTHER FINANCING SOURCES (USES):					
Transfers in - principal	4,138,637	743,636	8,972,727	-	1,839,091
Transfers in - interest	4,044,096	3,734,914	807,894	1,951,592	4,155,137
Transfers in - other	-	-	-	-	-
Transfers out - other	-	-	-	-	-
Debt issuance - bonds	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Bond premium	-	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	8,182,733	4,478,550	9,780,621	1,951,592	5,994,228
NET CHANGE IN FUND BALANCES	(5,170)	743,637	307,623	-	75,529
FUND BALANCES:					
Beginning of year	1,622,604	764,568	5,465,074	322,336	1,536,736
End of year	$ 1,617,434	$ 1,508,205	$ 5,772,697	$ 322,336	$ 1,612,265

(Continued)

Regional Transportation Authority

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund Accounts (Continued)
Year Ended December 31, 2011

	1997	1999	2000 A	2001 A	2001 B
REVENUE:					
Investment income	$ 28	$ 100	$ 90	$ 33	$ 10
Other revenue	-	-	-	-	-
Total revenue	28	100	90	33	10
EXPENDITURES:					
Debt Service - principal	5,750,000	8,525,000	5,900,000	2,200,000	-
Debt Service - interest	3,125,100	14,686,181	13,955,475	5,017,563	1,639,000
Other debt related costs	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total expenditures	8,875,100	23,211,181	19,855,475	7,217,563	1,639,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,875,072)	(23,211,081)	(19,855,385)	(7,217,530)	(1,638,990)
OTHER FINANCING SOURCES (USES):					
Transfers in - principal	3,277,727	8,843,182	6,088,180	2,268,182	-
Transfers in - interest	3,093,447	14,637,062	13,778,383	4,957,030	1,638,990
Transfers in - other	-	-	-	-	-
Transfers out - other	-	-	-	-	-
Debt issuance - bonds	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Bond premium	-	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	6,371,174	23,480,244	19,866,563	7,225,212	1,638,990
NET CHANGE IN FUND BALANCES	(2,503,898)	269,163	11,178	7,682	-
FUND BALANCES:					
Beginning of year	3,986,877	6,916,799	10,195,921	3,708,783	163,702
End of year	$ 1,482,979	$ 7,185,962	$ 10,207,099	$ 3,716,465	$ 163,702

(Continued)

Regional Transportation Authority

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance -
Debt Service Fund Accounts (Continued)
Year Ended December 31, 2011**

	2002 A	2002 B	2003 A	2003 B	2004A
REVENUE:					
Investment income	$ 52	$ 64	$ 84	$ 47	$ 336
Other revenue	-	-	-	-	-
Total revenue	52	64	84	47	336
EXPENDITURES:					
Debt Service - principal	3,315,000	11,325,000	5,310,000	3,105,000	5,120,000
Debt Service - interest	8,250,438	6,331,525	13,276,325	7,402,200	13,037,788
Other debt related costs	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total expenditures	11,565,438	17,656,525	18,586,325	10,507,200	18,157,788
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,565,386)	(17,656,461)	(18,586,241)	(10,507,153)	(18,157,452)
OTHER FINANCING SOURCES (USES):					
Transfers in - principal	3,413,181	11,636,818	5,468,180	3,206,818	5,288,636
Transfers in - interest	8,159,227	4,121,068	13,143,493	7,386,628	12,940,560
Transfers in - other	-	-	-	-	-
Transfers out - other	-	-	-	-	-
Debt issuance - bonds	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Bond premium	-	-	-	-	-
Payment to refund bond escrow agent	-	2,685,131	-	-	-
Total other financing sources (uses)	11,572,408	18,443,017	18,611,673	10,593,446	18,229,196
NET CHANGE IN FUND BALANCES	7,022	786,556	25,432	86,293	71,744
FUND BALANCES:					
Beginning of year	5,933,403	7,870,021	9,534,528	2,728,945	4,574,302
End of year	$ 5,940,425	$ 8,656,577	$ 9,559,960	$ 2,815,238	$ 4,646,046

(Continued)

Regional Transportation Authority

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance -
Debt Service Fund Accounts (Continued)
Year Ended December 31, 2011

	2005 B	2006 A	2009 B Note	2010 A	2010 B
REVENUE:					
Investment income	$ -	$ 180,993	$ 32,544	$ 98,829	$ 12,281
Other revenue	-	-	-	-	2,317,572
Total revenue	-	180,993	32,544	98,829	2,329,853
EXPENDITURES:					
Debt Service - principal	7,210,000	3,955,000	260,000,000	2,950,000	-
Debt Service -iInterest	1,575,040	11,671,031	3,183,917	2,945,500	6,621,635
Other debt related costs	140,383	-	-	-	-
Miscellaneous	396,594	-	-	-	-
Total expenditures	9,322,017	15,626,031	263,183,917	5,895,500	6,621,635
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,322,017)	(15,445,038)	(263,151,373)	(5,796,671)	(4,291,782)
OTHER FINANCING SOURCES (USES):					
Transfers in - principal	7,451,819	4,061,364	-	3,563,636	-
Transfers in - interest	1,481,346	11,426,343	2,363,406	2,782,884	4,303,912
Transfers in - other	140,383	-	-	-	-
Transfers out - other	-	-	57,501,315	-	(25,778)
Debt issuance - bonds	-	-		-	-
Refunding bonds issued	-	-	-	-	-
Bond premium	-	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	9,073,548	15,487,707	59,864,721	6,346,520	4,278,134
NET CHANGE IN FUND BALANCES	(248,469)	42,669	(203,286,652)	549,849	(13,648)
FUND BALANCES:					
Beginning of year	5,455,354	8,009,688	259,433,652	7,864,835	13,156,820
End of year	$ 5,206,885	$ 8,052,357	$ 56,147,000	$ 8,414,684	$ 13,143,172

(Continued)

Regional Transportation Authority

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance -
Debt Service Fund Accounts (Continued)
Year Ended December 31, 2011

	2010C Note	2011 Note	2011 A	Total
REVENUE:				
Investment income	$ 14,268	$ 31	$ 12	$ 339,897
Other revenue	-	-	-	2,317,572
Total revenue	14,268	31	12	2,657,469
EXPENDITURES:				
Debt Service - principal	-	580,000,000	-	919,110,000
Debt Service - interest	3,681,685	324,302	1,785,222	133,331,127
Other debt related costs	-	3,473,016	1,298,452	4,911,851
Miscellaneous	-	-	-	396,594
Total expenditures	3,681,685	583,797,318	3,083,674	1,057,749,572
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,667,417)	(583,797,287)	(3,083,662)	(1,055,092,103)
OTHER FINANCING SOURCES (USES):				
Transfers in - principal	-	-	-	80,261,814
Transfers in - interest	3,917,663	-	2,322,228	127,147,303
Transfers in - other	-	122,637,298	-	122,777,681
Transfers out - other	-	(243,840,000)	-	(186,364,463)
Debt issuance - bonds	-	705,000,000	-	705,000,000
Refunding bonds issued	-	-	95,550,000	95,550,000
Bond premium	-	-	11,573,967	11,573,967
Payment to refund bond escrow agent	-	-	(105,789,783)	(103,104,652)
Total other financing sources (uses)	3,917,663	583,797,298	3,656,412	852,841,650
NET CHANGE IN FUND BALANCES	250,246	11	572,750	(202,250,453)
FUND BALANCES:				
Beginning of year	140,863,144	-	-	500,108,092
End of year	$ 141,113,390	$ 11	$ 572,750	$ 297,857,639

C. CAPITAL PROJECTS FUND

Capital Projects Fund Accounts:

Strategic Capital Improvement Bonds (SCIP)—to account for 1992, 1994, 2000, 2001, 2002, 2003, 2004 and 2006 bond sales proceeds and related SCIP capital grants made to the Service Boards as expenditures are incurred. Investment income earned on SCIP bonds is recorded in the related Debt Service Fund accounts.

Non-SCIP Bonds—to account for 1990, 1991, 1992, 1994, 2002, and 2010 bond sale proceeds, investment income earned and related Non-SCIP investment income capital grants made to the Service Boards as expenditures are incurred.

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

REGIONAL TRANSPORTATION AUTHORITY

COMBINING BALANCE SHEET SCHEDULE
CAPITAL PROJECTS FUND ACCOUNTS
DECEMBER 31, 2011

	SCIP Bonds	Non-SCIP Bonds	Investment Income on Bonds	Eliminations	Total
ASSETS:					
Cash and investments	$ 82,434,973	$ 138,649,278	$ -	$ -	$ 221,084,251
Due from other funds	-	-	5,090,860	(5,090,860)	-
Accrued interest	-	9,996	-	-	9,996
TOTAL ASSETS	$ 82,434,973	$ 138,659,274	$ 5,090,860	$ (5,090,860)	$ 221,094,247
LIABILITIES:					
Due to Service Boards	$ 1,229,383	$ 11,540,393	$ 23,237	$ -	$ 12,793,013
Due to other funds	-	5,090,860	-	(5,090,860)	-
Total liabilities	1,229,383	16,631,253	23,237	(5,090,860)	12,793,013
FUND BALANCES:					
Committed-capital projects	81,205,590	122,028,021	5,067,623	-	208,301,234
TOTAL LIABILITIES AND FUND BALANCES	$ 82,434,973	$ 138,659,274	$ 5,090,860	$ (5,090,860)	$ 221,094,247

REGIONAL TRANSPORTATION AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CAPITAL PROJECTS FUND ACCOUNTS
YEAR ENDED DECEMBER 31, 2011

	SCIP Bonds	Non-SCIP Bonds	Investment Income on Bonds	Total
REVENUES:				
Investment income	$ -	$ 151,067	$ -	$ 151,067
Total revenues	-	151,067	-	151,067
EXPENDITURES:				
Capital grants—bonds	8,766,799	39,090,192	143,111	48,000,102
Total expenditures	8,766,799	39,090,192	143,111	48,000,102
Excess (deficiency) of revenues over expenditu	(8,766,799)	(38,939,125)	(143,111)	(47,849,035)
OTHER FINANCING SOURCES (USES):				
Transfer in	1,627,426	25,778	-	1,653,204
Transfer out	-	-	(1,627,426)	(1,627,426)
Total other financing sources	1,627,426	25,778	(1,627,426)	25,778
NET CHANGE IN FUND BALANCES	(7,139,373)	(38,913,347)	(1,770,537)	(47,823,257)
FUND BALANCES:				
Beginning of year	88,344,963	160,941,368	6,838,160	256,124,491
End of year	$ 81,205,590	$ 122,028,021	$ 5,067,623	$ 208,301,234

D. AGENCY FUND

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

REGIONAL TRANSPORTATION AUTHORITY

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
SALES TAX AGENCY FUND
YEAR ENDED DECEMBER 31, 2011

	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
ASSETS:				
Intergovernmental receivables:				
Sales taxes	$ 159,793,851	$ 561,155,156	$ 556,678,592	$ 164,270,415
New sales tax	65,893,624	296,608,010	293,609,270	68,892,364
Interest on sales taxes	-	238,068	198,420	39,648
Reduced fare reimbursement	33,570,000	34,070,001	33,570,000	34,070,001
PTF (new sales tax/RETT)	50,388,972	123,966,831	121,039,671	53,316,132
Advances to Service Boards	66,384,343	720,311	-	67,104,654
TOTAL ASSETS	$ 376,030,790	$ 1,016,758,377	$ 1,005,095,953	$ 387,693,214
LIABILITIES:				
Intergovernmental payables:				
Sales taxes due to Service Boards	$ 159,793,851	$ 561,155,156	$ 556,678,592	$ 164,270,415
New sales tax due to Service Boards	60,502,292	126,734,328	118,914,184	68,322,436
Interest on sales taxes due to Service Boards	-	238,068	198,420	39,648
Reduced fare reimbursement	33,570,000	34,070,001	33,570,000	34,070,001
PTF (new sales tax /RETT)	50,388,973	174,682,807	171,755,648	53,316,132
Advances from State	66,384,343	720,311	-	67,104,654
Paratransit funding PACE	4,493,109	99,298,087	103,315,887	475,309
Suburban Community Mobility Fund-SBD	898,222	19,859,619	20,663,222	94,619
TOTAL LIABILITIES	$ 376,030,790	$ 1,016,758,377	$ 1,005,095,953	$ 387,693,214

E. CAPITAL ASSETS

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

REGIONAL TRANSPORTATION AUTHORITY

SCHEDULE OF CAPITAL ASSETS—BY FUNCTION
DECEMBER 31, 2011

	Office Furniture and Equipment	Computer Equipment	Leasehold Improvements	Capital In Progress Technology Program	Total
Administrative	$ 831,021	$ 3,066,272	$ 1,778,940	$ 11,797,281	$ 17,473,514
Travel Information Center	301,487	1,160,645	448,247	-	1,910,379
Total capital assets	1,132,508	4,226,917	2,227,187	11,797,281	19,383,893
Less accumulated depreciation:					
Administrative	667,133	2,010,294	927,447	-	3,604,874
Travel Information Center	84,782	1,144,004	59,323	-	1,288,109
Total accumulated depreciation	751,915	3,154,298	986,770	-	4,892,983
Total capital assets—net	$ 380,593	$ 1,072,619	$ 1,240,417	$ 11,797,281	$ 14,490,910

STATISTICAL SECTION
(UNAUDITED)

CONTENTS

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

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

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

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

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

Schedules in this section provide an overview of RTA's general obligation bonds (SCIP versus Non-SCIP) outstanding balances as of December 31, 2010 and a 10-year analysis of the debt service requirement to revenues and expenses.

Demographic and Economic Information (Tables 13, 14, 15)

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

Operating Information (Tables 16, 17, 18)

Schedules in this section provide various statistics on passenger services offered by the service boards for fiscal year 2011, a look at system ridership over the last ten years and the RTA's full-time employees by function over the last five years.

TABLE 1

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities—										
Capital assets, net of related debt	$ 1,286	$ 3,081	$ 5,629	$ 6,877	$ 8,449	$ 9,754	$ 11,118	$ 12,660	$ 15,265	$ 14,491
Restricted Net Assets	426,509	562,169	64,727	-	-	-	-	270,019	83,277	326,598
Unrestricted Net Assets	(1,558,217)	(2,026,325)	(1,785,276)	(1,901,466)	(1,932,898)	(1,947,173)	(2,062,740)	(2,234,127)	(1,972,190)	(2,133,577)
Total Net Assets-Governmental Activities	$ (1,130,422)	$ (1,461,075)	$ (1,714,920)	$ (1,894,589)	$ (1,924,449)	$ (1,937,419)	$ (2,051,621)	$ (1,951,448)	$ (1,873,648)	$ (1,792,488)
Business-type activities—										
Unrestricted Net Assets	$ 46,735	$ 44,271	$ 39,621	$ 36,011	$ 31,831	$ 28,393	$ 28,859	$ 29,067	$ 28,963	$ 28,703
Total Net Assets-Business-Type Activities	$ 46,735	$ 44,271	$ 39,621	$ 36,011	$ 31,831	$ 28,393	$ 28,858	$ 29,067	$ 28,963	$ 28,703
Primary government—										
Capital assets, net of related debt	$ 1,286	$ 3,081	$ 5,629	$ 6,877	$ 8,449	$ 9,754	$ 11,118	$ 12,660	$ 15,265	$ 14,491
Restricted Net Assets	426,509	562,169	64,727	-	-	-	-	270,019	83,277	326,598
Unrestricted Net Assets	(1,511,482)	(1,982,054)	(1,745,655)	(1,865,455)	(1,901,067)	(1,918,780)	(2,033,882)	(2,205,060)	(1,943,227)	(2,104,874)
Total Net Assets-Primary government	$ (1,083,687)	$ (1,416,804)	$ (1,675,299)	$ (1,858,578)	$ (1,892,618)	$ (1,909,026)	$ (2,022,764)	$ (1,922,381)	$ (1,844,685)	$ (1,763,785)

TABLE 2

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
EXPENSES:											
Governmental activities:											
Financial assistance to Service Boards	$ 168,857	$ 209,106	$ 213,127	$ 179,799	$ 168,076	$ 162,434	$ 209,931	$ 249,948	$ 93,453	$ 97,648	$ 128,786
Administration capital grants											
Discretionary	31,736	31,096	34,830	33,767	25,437	26,730	25,272	26,288	19,166	15,310	7,039
Bonds	169,812	319,945	319,253	290,102	251,693	138,706	88,056	93,085	47,957	103,456	229,890
Administration of operating grant											
CTA/PACE	-	-	-	-	54,252	54,252	40,010	58,142	74,138	27,230	21,680
Administrative expenses	5,402	6,510	6,666	6,554	6,534	7,561	6,967	7,532	12,014	8,551	8,918
Regional expenses	13,265	15,071	13,378	14,781	17,920	20,674	20,243	20,656	19,793	21,576	25,558
Technology program expenses	1,277	3,570	1,786	3,265	1,822	1,890	1,409	2,467	1,416	1,979	2,356
Interest expense	90,960	88,038	109,981	114,574	126,027	122,790	130,079	127,495	131,775	135,530	139,314
Miscellaneous	-	-	-	-	-	-	-	-	-	-	397
Total governmental activities	481,309	673,336	699,021	642,842	651,761	535,037	521,967	585,613	399,712	411,280	563,938
Business-type activities:											
Insurance Financing	5,012	4,849	3,082	5,319	4,624	5,566	4,855	4,375	3,827	4,740	6,137
Total business-type activities	5,012	4,849	3,082	5,319	4,624	5,566	4,855	4,375	3,827	4,740	6,137
Total primary government expenses	$ 486,321	$ 678,185	$ 702,103	$ 648,161	$ 656,385	$ 540,603	$ 526,822	$ 589,988	$ 403,539	$ 416,020	$ 570,075
REVENUES:											
General:											
Sales taxes	$ 98,028	$ 97,153	$ 98,248	$ 101,344	$ 105,059	$ 112,024	$ 112,938	$ 109,003	$ 99,027	$ 103,168	$ 107,977
Interest on sales taxes	131	68	41	53	137	317	376	1,081	309	137	167
Operating grant -(ADA)	-	-	-	-	54,252	54,252	54,252	14,441	9,101	9,480	9,930
Public Transportation Fund	164,987	165,665	164,738	170,397	175,668	186,136	188,931	227,201	228,501	242,318	375,500
State assistance	43,662	67,455	85,226	86,785	111,419	112,743	117,807	121,870	123,008	130,115	130,088
Regional program reimbursement	712	1,484	1,058	1,033	866	1,053	1,153	1,361	2,904	582	2,385
Technology program reimbursement	258	1,664	-	-	-	-	-	-	-	-	-
Investment income	25,283	20,595	16,548	27,538	24,608	35,534	31,534	(1,495)	39,174	8,607	19,350
Other revenues	900	1,724	2,509	1,847	83	3,118	2,006	1,868	1,437	2,269	5,081
Transfers (out)	(3,000)	-	-	-	-	-	-	(3,920)	(3,575)	(4,425)	(5,380)
Total governmental activities revenues	330,961	355,808	368,368	388,997	472,092	505,177	508,997	471,410	499,886	492,251	645,098
Business-type activities:											
General:											
Investment income	1,838	1,055	618	669	1,014	1,386	1,210	770	402	164	95
Other revenues	-	-	-	-	-	-	207	151	58	47	402
Transfers in	3,000	-	-	-	-	-	-	3,920	3,575	4,425	5,380
Total business-type activities revenues	4,838	1,055	618	669	1,014	1,386	1,417	4,841	4,035	4,636	5,877
Total primary government revenues	335,799	356,863	368,986	389,666	473,106	506,563	510,414	476,251	503,921	496,887	650,975
Governmental activities:											
CHANGES IN NET ASSETS (DEFICIT)	(150,348)	(317,528)	(330,653)	(253,845)	(179,669)	(29,860)	(12,970)	(114,203)	100,174	80,971	81,160
NET ASSETS (DEFICIT):											
Beginning of year	(662,546)	(812,894)	(1,130,422)	(1,461,075)	(1,714,920)	(1,894,589)	(1,924,449)	(1,937,419)	(2,051,622)	(1,954,619)	(1,873,648)
End of year	(812,894)	(1,130,422)	(1,461,075)	(1,714,920)	(1,894,589)	(1,924,449)	(1,937,419)	(2,051,622)	(1,954,619)	(1,873,648)	(1,792,488)
Business-type activities:											
CHANGES IN NET ASSETS (DEFICIT)	(174)	(3,794)	(2,464)	(4,650)	(3,610)	(4,180)	(3,438)	466	208	(104)	(260)
NET ASSETS (DEFICIT):											
Beginning of year	50,703	50,529	46,735	44,271	39,621	36,011	31,831	28,393	28,859	29,067	28,963
End of year	50,529	46,735	44,271	39,621	36,011	31,831	28,393	28,859	29,067	28,963	28,703
Total primary government	$ (762,365)	$ (1,083,687)	$ (1,416,804)	$ (1,675,299)	$ (1,858,578)	$ (1,892,618)	$ (1,909,026)	$ (2,022,763)	$ (1,925,552)	$ (1,844,685)	$ (1,763,785)
CHANGE IN NET ASSETS:											
Governmental activities	$ (150,348)	$ (317,528)	$ (330,653)	$ (253,845)	$ (179,669)	$ (29,860)	$ (12,970)	$ (114,203)	$ 100,174	$ 80,971	$ 81,160
Business-type activities	(174)	(3,794)	(2,464)	(4,650)	(3,610)	(4,180)	(3,438)	466	208	(104)	(260)
Total primary government	$ (150,522)	$ (321,322)	$ (333,117)	$ (258,495)	$ (183,279)	$ (34,040)	$ (16,408)	$ (113,737)	$ 100,382	$ 80,867	$ 80,900

TABLE 3

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	$ 54,463	$ 66,406	$ 58,955	$ 93,384	$ 102,765	$ 107,948	$ 106,822	$ 155,551	$ 160,895	$ -
Unreserved	65,491	4,889	12,507	1,654	38,828	41,220	(53,482)	(27,893)	7,318	-
Nonspendable [1]	-	-	-	-	-	-	-	-	-	568
Restricted [1]	-	-	-	-	-	-	-	-	-	28,740
Committed [1]	-	-	-	-	-	-	-	-	-	157,345
Unassigned [1]	-	-	-	-	-	-	-	-	-	98,376
Total general fund balances	$ 119,954	$ 71,295	$ 71,462	$ 95,038	$ 141,593	$ 149,168	$ 53,340	$ 127,658	$ 168,213	$ 285,029
All other governmental funds										
Reserved	$ 418,454	$ 569,278	$ 567,100	$ 308,345	$ 433,055	$ 349,402	$ 259,165	$ 468,582	$ 756,233	$ -
Restricted [1]	-	-	-	-	-	-	-	-	-	297,858
Committed [1]	-	-	-	-	-	-	-	-	-	208,301
Total all other governmental funds	$ 418,454	$ 569,278	$ 567,100	$ 308,345	$ 433,055	$ 349,402	$ 259,165	$ 468,582	$ 756,233	$ 506,159

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

TABLE 4

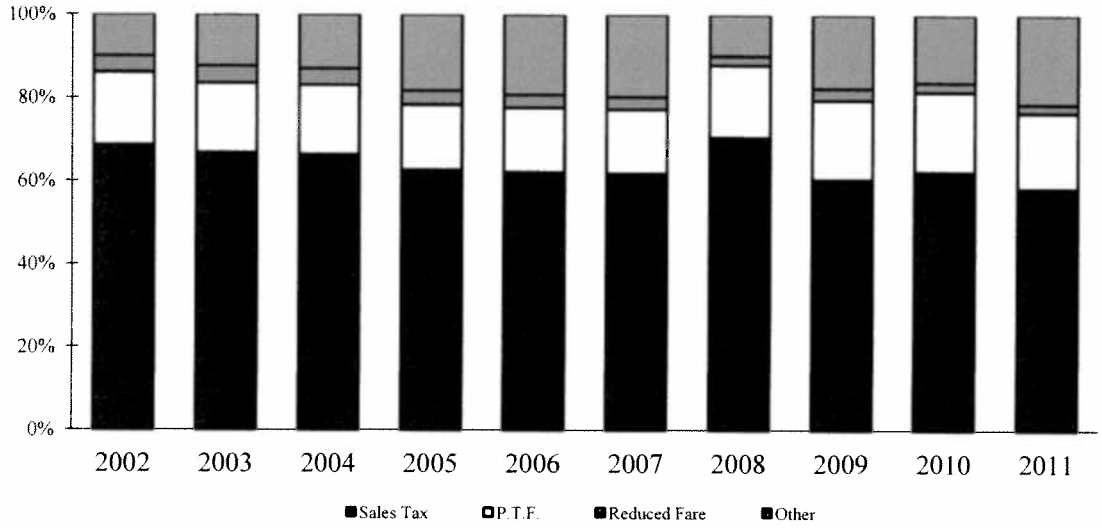
REGIONAL TRANSPORTATION AUTHORITY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
REVENUES:										
Sales taxes	$ 97,153	$ 98,248	$ 101,344	$ 105,059	$ 112,024	$ 112,938	$ 109,003	$ 99,027	$ 103,168	$ 107,977
Interest on sales taxes	68	41	53	137	317	376	1,081	309	137	166
Public Transportation Fund	165,665	164,738	170,397	175,668	186,136	188,931	188,829	169,354	171,169	181,428
New 5% PTF Advance Recovery	-	-	-	-	-	-	38,372	-	-	-
General State Revenue									65,149	194,072
Innovation, Coordination, & Enhancement (ICE)	-	-	-	-	-	-	10,000	9,101	9,480	9,930
Operating assistance -CTA/PACE	-	-	-	54,252	54,252	54,252	4,441	-	-	-
PACE Loan PTF Advance Recovery	-	-	-	-	-	-	-	3,000	6,000	-
CTA Loan PTF Advance Recovery	-	-	-	-	-	-	-	56,147	-	-
State assistance	67,455	85,226	86,785	111,419	112,743	117,807	121,870	123,008	130,115	130,088
Investment income	20,595	16,548	27,538	24,608	35,533	31,534	(1,495)	39,174	16,799	19,101
Other revenues	4,872	3,469	2,839	912	4,172	3,159	3,229	4,341	2,852	7,466
Total revenues	355,808	368,270	388,956	472,055	505,176	508,997	475,330	503,461	504,869	650,228
EXPENDITURES:										
Financial assistance to Service Boards	209,106	213,127	179,799	168,076	162,434	209,931	249,948	93,453	97,648	128,786
Capital grants—discretionary	31,096	34,830	33,767	25,437	26,731	25,272	26,288	19,166	15,310	6,907
Capital Projects Expense-Working Cash Note	-	-	-	-	-	-	-	56,147	-	-
PACE Discr (CMAQ) Grant RTA share	-	-	-	-	-	-	-	-	-	132
South Suburban Job Access Program - (PACE)	-	-	-	-	-	-	3,750	7,500	7,500	7,500
5% PTF/RETT & ADA Paratransit (New Sales Tax)	-	-	-	-	-	-	42,813	-	-	-
Innovation, Coordination, & Enhancement (ICE)	-	-	-	-	-	-	10,000	9,101	9,480	9,930
PACE (PTF) expenditures	-	-	-	54,252	54,252	40,010	1,579	1,390	10,250	4,250
Capital grants—bonds	319,945	319,253	290,103	251,693	138,706	88,055	93,086	47,957	103,456	229,890
Administrative	5,997	6,480	6,370	6,380	6,747	6,772	7,258	11,441	7,699	8,231
Regional	18,395	16,833	20,617	19,705	23,967	22,528	24,509	22,105	25,689	27,102
Capital outlay	1,115	214	160	1,438	373	610	263	1,110	1,323	762
Debt service:										
Principal	25,560	37,940	40,430	49,570	55,110	59,135	64,685	68,455	74,060	919,110
Interest	84,310	102,668	119,271	128,852	125,155	131,233	131,705	135,361	134,121	139,215
Debt related costs	-	-	-	1,798	44	-	-	-		
Debt issuance costs	3,458	4,240	3,424	975	2,222	1,529	1,590	2,965	2,982	4,912
Miscellaneous	-	-	-	-	-	-	-	-	-	397
Total expenditures	698,982	735,585	693,941	708,176	595,740	585,075	657,474	476,151	489,518	1,487,124
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(343,174)	(367,315)	(304,985)	(236,121)	(90,563)	(76,078)	(182,144)	27,310	15,351	(836,896)
OTHER FINANCING SOURCES (USES):										
Bond proceeds (gross)	390,486	457,167	260,000	-	250,350	-	-	-	-	705,000
Refunding bond proceeds (gross)	-	12,313	-	-	-	-	-	-	-	-
Issuance of refunding bonds	-	-	-	148,110	-	-	-	-	-	95,550
Payment to refunded bond escrow agent	-	-	-	(147,186)	-	-	-	-	-	(103,104)
SCIP II bond proceeds (gross)	-	-	-	-	1,826	-	-	-	-	-
Other financing sources (premium)	-	-	42,974	18	9,652	-	-	-	6,846	11,574
2009B Note Proceeds	-	-	-	-	-	-	-	260,000	315,100	-
Transfers out										
Capital Projects Fund	-	-	(6,225)	(70)	-	-	-	-	-	-
Debt Service Fund		(136,006)	(140,786)	(171,240)	(175,995)	(179,116)	186,268	195,261	228,065	(186,365)
General Fund	-	-	-	(540)	-	179,116	(190,188)	(198,836)	(217,174)	(335,567)
Joint Self-Insurance Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	(41)	-	-	-	(15,316)	-
Transfers in										
Capital Projects Fund	-	(85)	-	8,541	3,315	-	-	-	-	-
Debt Service Fund	-	-	6,225	610	41	-	-	-	-	330,187
General Fund	-	136,091	140,786	162,699	172,680	-	-	-	-	186,339
Transfers in	-	-	-	-	-	-	-	-	-	26
Total other financing (uses) sources	390,486	469,480	302,974	942	261,827	-	(3,920)	256,425	317,521	703,640
NET CHANGE IN FUND BALANCES	$ 47,312	$ 102,165	$ (2,011)	$ (235,179)	$ 171,264	$ (76,078)	$ (186,064)	$ 283,735	$ 332,872	$ (133,256)
Debt Service as a percentage of noncapital expenditures	15.74%	19.12%	23.02%	25.50%	30.29%	32.57%	29.88%	42.90%	42.76%	71.17%

Table 5

RTA REVENUE BY SOURCE

2002-2011



Last Ten Years *(In Thousands)*

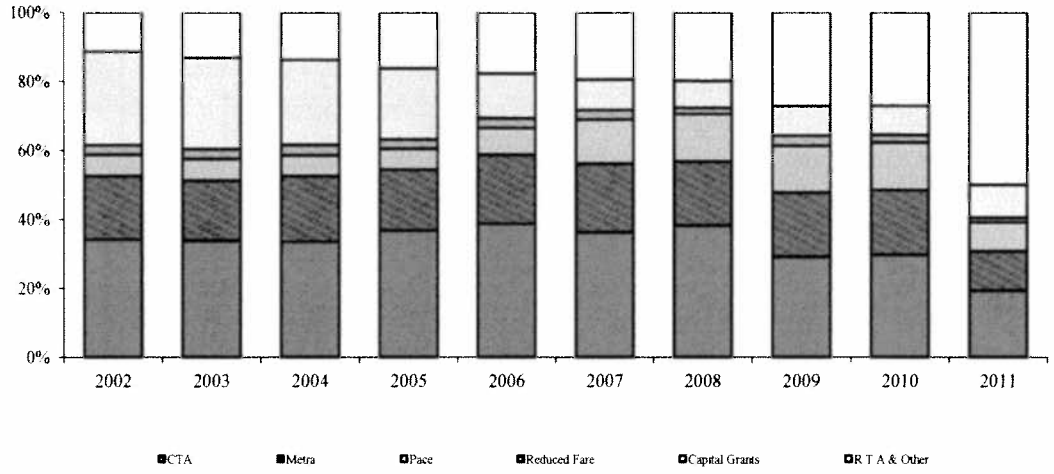
	Sales Tax	Public Transportation Fund	Reduced Fare	Other	Total
12 Months Ended 12/31/02	$ 647,685	$ 165,665	$ 36,260	$ 95,167	$ 944,777
Percentage of Total	68.55%	17.53%	3.84%	10.07%	100%
12 Months Ended 12/31/03	654,988	164,739	39,662	122,517	981,906
Percentage of Total	66.71%	16.78%	4.04%	12.48%	100%
12 Months Ended 12/31/04	675,628	170,397	40,153	132,664	1,018,842
Percentage of Total	66.30%	16.72%	3.94%	13.02%	100%
12 Months Ended 12/31/05	700,395	175,668	37,127	204,904	1,118,094
Percentage of Total	62.64%	15.71%	3.32%	18.33%	100%
12 Months Ended 12/31/06	746,829	186,136	37,327	232,193	1,202,485
Percentage of Total	62.11%	15.48%	3.10%	19.31%	100%
12 Months Ended 12/31/07	752,922	188,931	36,678	241,262	1,219,794
Percentage of Total	61.73%	15.49%	3.01%	19.78%	100%
12 Months Ended 12/31/08	921,245	227,201	28,919	129,784	1,307,149
Percentage of Total	70.48%	17.38%	2.21%	9.93%	100%
12 Months Ended 12/31/09	894,238	282,541	41,970	262,098	1,480,847
Percentage of Total	60.39%	19.08%	2.83%	17.70%	100%
12 Months Ended 12/31/10	931,435	287,404	33,570	243,845	1,496,254
Percentage of Total	62.25%	19.21%	2.24%	16.30%	100%
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%

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

Table 6

DISTRIBUTION OF EXPENDITURES

2002-2011



Last Ten Years *(In Thousands)*

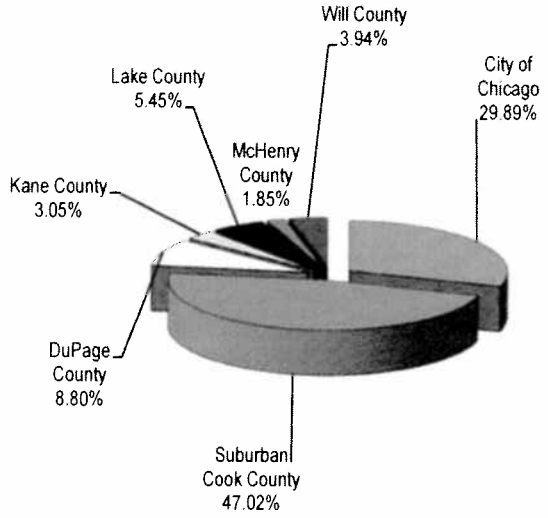
	Financial Assistance				Reduced	Capital	R T A	
	CTA	Metra	Pace	Total	Fare	Grants	and Other	Total
12 Months Ended 12/31/02	$ 441,632	$ 238,955	$ 79,052	$ 759,639	$ 36,260	$ 351,041	$ 147,086	$ 1,294,026
Percentage of Total	34.13%	18.47%	6.11%	58.71%	2.80%	27.13%	11.36%	100%
12 Months Ended 12/31/03	453,488	233,632	82,747	769,867	39,662	354,083	175,838	1,339,450
Percentage of Total	33.86%	17.44%	6.18%	57.48%	2.96%	26.43%	13.13%	100%
12 Months Ended 12/31/04	441,630	252,493	79,051	773,174	40,153	323,869	182,417	1,319,613
Percentage of Total	33.47%	19.13%	5.99%	58.59%	3.04%	24.54%	13.82%	100%
12 Months Ended 12/31/05	495,885	241,728	80,052	817,665	37,127	277,130	220,202	1,352,124
Percentage of Total	36.67%	17.88%	5.92%	60.47%	2.75%	20.50%	16.29%	100%
12 Months Ended 12/31/06	496,690	256,301	98,500	851,490	37,327	165,436	227,481	1,281,735
Percentage of Total	38.75%	20.00%	7.68%	66.43%	2.91%	12.91%	17.75%	100%
12 Months Ended 12/31/07	468,349	257,374	164,202	889,925	36,678	113,328	252,301	1,292,232
Percentage of Total	36.24%	19.92%	12.71%	68.87%	2.84%	8.77%	19.52%	100%
12 Months Ended 12/31/08	591,760	287,181	211,620	1,090,561	28,919	119,374	308,308	1,547,161
Percentage of Total	38.25%	18.56%	13.68%	70.49%	1.87%	7.72%	19.93%	100%
12 Months Ended 12/31/09	417,288	267,576	194,698	879,562	41,970	123,069	389,857	1,434,457
Percentage of Total	29.09%	18.65%	13.57%	61.32%	2.93%	8.58%	27.18%	100%
12 Months Ended 12/31/10	436,467	277,506	202,463	916,436	33,570	122,998	398,531	1,471,534
Percentage of Total	29.66%	18.86%	13.76%	62.28%	2.28%	8.36%	27.08%	100%
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%

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

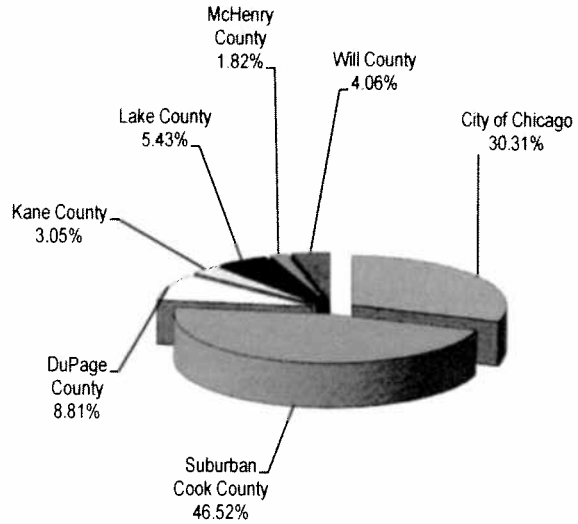
Table 7

SALES TAX REVENUE SOURCE BY COUNTY/CITY OF CHICAGO

2010



2011



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 12/31/02	$195,417	$353,999	$40,961	$12,256	$24,913	$7,373	$12,766	$647,685
Percentage of Total	30.17%	54.66%	6.32%	1.89%	3.85%	1.14%	1.97%	100%
12 Months Ended 12/31/03	198,383	356,386	40,916	12,828	24,968	7,599	13,905	654,985
Percentage of Total	30.29%	54.41%	6.25%	1.96%	3.81%	1.16%	2.12%	100%
12 Months Ended 12/31/04	205,355	363,792	42,785	13,954	26,150	8,160	15,432	675,628
Percentage of Total	30.39%	53.85%	6.33%	2.07%	3.87%	1.21%	2.28%	100%
12 Months Ended 12/31/05	214,134	373,317	44,495	15,328	27,348	8,635	17,138	700,395
Percentage of Total	30.57%	53.30%	6.35%	2.19%	3.90%	1.23%	2.45%	100%
12 Months Ended 12/31/06	231,273	395,727	46,867	16,008	28,743	9,194	19,016	746,828
Percentage of Total	30.97%	52.99%	6.28%	2.14%	3.85%	1.23%	2.55%	100%
12 Months Ended 12/31/07	236,783	395,163	46,592	16,015	29,058	9,494	19,817	752,922
Percentage of Total	31.45%	52.48%	6.19%	2.13%	3.86%	1.26%	2.63%	100%
12 Months Ended 12/31/08	272,121	447,437	77,227	26,472	48,166	16,034	33,788	921,245
Percentage of Total	29.54%	48.57%	8.38%	2.87%	5.23%	1.74%	3.67%	100%
12 Months Ended 12/31/09	267,553	418,793	79,060	27,144	49,782	16,627	35,279	894,238
Percentage of Total	29.92%	46.83%	8.84%	3.04%	5.57%	1.86%	3.95%	100%
12 Months Ended 12/31/10	278,394	438,000	81,996	28,368	50,789	17,193	36,695	931,435
Percentage of Total	29.89%	47.02%	8.80%	3.05%	5.45%	1.85%	3.94%	100%
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%

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

Table 8

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

	Governmental Activities					
Fiscal Year	General Obligation Bonds [a]	Working Cash Notes [a]	Total Primary Government	Percentage of Sales Tax	Percentage of Personal Income [b]	Per Capita [b]
2002	$1,160,380	$ -	$ 1,160,380	55.82 %	0.27 %	9
2003	1,982,345	-	1,982,345	33.04	0.45	16
2004	2,201,915	-	2,201,915	30.68	0.48	17
2005	2,156,155	-	2,156,155	32.48	0.46	17
2006	2,351,395	-	2,351,395	31.76	0.47	19
2007	2,292,260	56,000	2,348,260	32.06	0.44	18
2008	2,227,575	40,000	2,267,575	40.63	0.41	18
2009	2,419,120	-	2,419,120	36.97	0.46	19
2010	2,260,160	400,000	2,660,160	35.01	0.49	21
2011	2,176,975	265,000	2,441,975	39.95	0.43	19

Note:

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

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

LEGAL DEBT CAPACITY

2011

Legal Debt Margin:	Balance Outstanding at December 31, 2011	Issued	
Debt Limitation per Act for General Obligations			$2,600,000,000
Debt applicable to limitation :			
Non-SCIP Bonds:			
1990A General Obligation Bonds	$52,900,000		
1991A General Obligation Bonds	55,745,000		
1992B General Obligation Bonds	1,265,000		
1994B General Obligation Bonds	7,095,000		
1994D General Obligation Bonds	29,225,000		
1997 General Obligation Refunding Bonds	49,605,000		
2002B General Obligation Bonds	11,815,000		
2003B General Obligation Bonds	131,120,000		
2005B General Obligation Refunding Bonds	118,710,000		
2010A General Obligation Bonds	57,365,000		
2010B General Obligation Bonds	112,925,000		
2011A General Obligation Refunding Bonds	95,550,000		
Total RTA Bonds Applicable to Limitation	723,320,000		(723,320,000)
SCIP Bonds:			
1992A General Obligation Bonds	$7,915,000	$188,000,000	
1993A General Obligation Bonds		$55,000,000	
1994A General Obligation Bonds	17,300,000	195,000,000	
1994C General Obligation Bonds	23,690,000	62,000,000	
1999 General Obligation Refunding Bonds	250,185,000		
2000 General Obligation Bonds	213,315,000	260,000,000	
2001A General Obligation Bonds	82,360,000	100,000,000	
2001B General Obligation Refunding Bonds	29,800,000		
2002A General Obligation Bonds	135,475,000	160,000,000	
2003A General Obligation Bonds	227,275,000	260,000,000	
2004A General Obligation Bonds	231,785,000	260,000,000	
2006A General Obligation Bonds	234,555,000	250,350,000	
	1,453,655,000		
Total SCIP Bonds Applicable to Limitation		1,790,350,000	(1,790,350,000)
Total SCIP Bonds Outstanding			
Total Bonds Outstanding	$2,176,975,000		
Debt Margin for General Obligations			86,330,000
Debt Limitation per Act for Working Cash Notes			400,000,000
* Total RTA Working Cash Notes Applicable to Limitation	$265,000,000	$265,000,000	(265,000,000)
Debt Margin for Working Cash Notes			135,000,000
Total Legal Debt Margin			$221,330,000

* 2011 CP Notes are short-term and mature within 60 days; total 2011 CP Notes Issued: $705,000,000 & Matured $580,000,000

TABLE 10

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

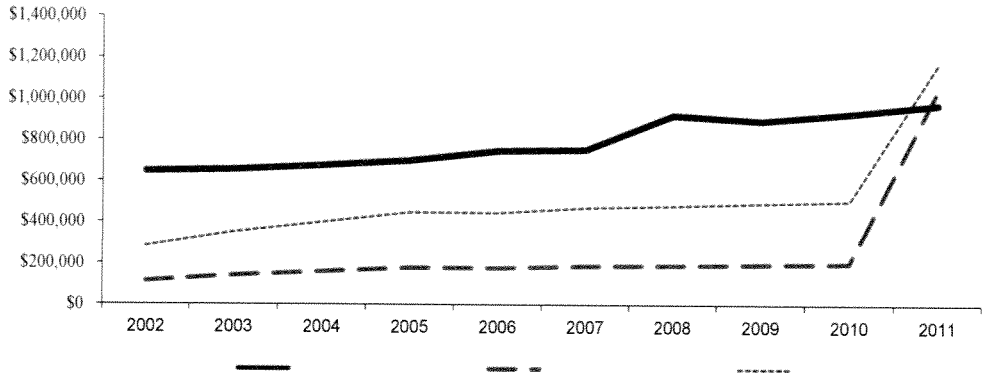
	Fiscal Year									
	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011 ***
Debt limit for General Obligations	$ 2,080,000	$ 2,340,000	$ 2,600,000	$ 2,600,000	$ 2,600,000	$ 2,600,000	$ 2,600,000	$ 2,600,000	$ 2,600,000	$ 2,600,000
Total net debt applicable to limit	1,661,975	2,051,930	2,291,115	2,270,665	2,495,485	2,468,755	2,440,700	2,411,155	2,553,355	2,513,670
Debt margin for General Obligations	418,025	288,070	308,885	329,335	104,515	131,245	159,300	188,845	46,645	86,330
Debt limit for Working Cash Notes	100,000	100,000	100,000	100,000	100,000	100,000	400,000	400,000	400,000	400,000
Total net debt applicable to limit	-	-	-	-	-	40,000	56,000	260,000	400,000	265,000
	100,000	100,000	100,000	100,000	100,000	60,000	344,000	140,000	-	135,000
Legal debt margin	$ 518,025	$ 388,070	$ 408,885	$ 429,335	$ 204,515	$ 191,245	$ 503,300	$ 328,845	$ 46,645	$ 221,330
Total net debt applicable to the limit as a percentage of debt limit	23.76%	15.90%	15.14%	15.90%	7.57%	7.08%	16.78%	10.96%	1.55%	7.38%

* 2011 CP Notes are short-term and mature within 60 days; total 2011 CP Notes Issued: $705,000,000 & Matured $580,000,000

Table 11

COMPARISON OF SALES TAX REVENUE TO DEBT SERVICE REQUIREMENT

2001 - 2010
(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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*
Sales Tax Revenue	$647,685	$654,985	$675,628	$700,395	$746,829	$752,922	$921,245	$894,238	$931,435	$975,670
Debt Service Requirement	$113,526	$140,607	$159,702	$179,536	$178,086	$188,551	$192,555	$197,529	$201,994	$1,052,441
2.5 Times Debt Service Requirement	$283,815	$351,518	$399,255	$448,840	$445,215	$471,378	$481,388	$493,823	$504,985	$1,175,310

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

Table 12

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

Last Ten Years *(In Thousands)*

	Debt Service Requirements			Total	Ratio of Debt Service to Total
Year	Principal	Interest	Total	Expenditures	Expenditures
2002	$ 27,262	$ 86,264	$ 113,526	$ 1,294,026	8.77%
2003	37,940	102,667	140,607	1,339,450	10.50%
2004	40,430	119,272	159,702	1,319,613	12.10%
2005	49,570	129,966	179,536	1,352,124	13.28%
2006	55,110	122,976	178,086	1,281,765	13.89%
2007	59,135	129,416	188,551	1,292,232	14.59%
2008	64,685	127,870	192,555	1,547,161	12.45%
2009	68,455	129,074	197,529	1,434,457	13.77%
2010	74,060	127,934	201,994	1,475,959	13.69%
2011*	919,110	133,331	1,052,441	2,519,926	41.76%

*2011 CP Notes are short-term and mature within 60 days: total 2011 CP Notes issued: $705,000; Matured $580,000

Table 13

FEDERAL ALLOCATION OF CAPITAL FUNDS TO NORTHEASTERN ILLINOIS

Last Ten Calendar Years

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

Federal Fiscal Year	Total Awarded	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division
2002	$ 430.08	$ 225.42	$ 174.29	$ 30.37
2003	463.90	256.70	173.50	33.70
2004	493.16	291.76	168.05	33.35
2005	536.83	330.08	174.80	31.95
2006	496.62	280.03	168.69	47.90
2007	449.49	288.61	128.45	32.43
2008	489.91	279.38	169.55	40.98
2009	917.78	535.32	297.57	84.89
2010	459.25	266.23	154.97	38.05
2011	489.37	299.50	145.02	44.85
Total	$ 5,226.39	$ 3,053.03	$ 1,754.89	$ 418.47

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

REGIONAL TRANSPORTATION AUTHORITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population [1]	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate [2]
2002	12,525,556	$ 423,278,085	$ 33,793	6.6%
2003	12,556,006	435,900,840	34,717	6.7%
2004	12,589,773	455,290,572	36,164	6.2%
2005	12,609,903	472,072,676	37,437	5.8%
2006	12,643,955	504,493,021	39,900	4.7%
2007	12,695,866	532,587,009	41,950	5.1%
2008	12,747,038	554,521,494	43,502	6.4%
2009	12,796,778	525,246,646	41,045	10.0%
2010	12,841,980	539,879,687	42,040	10.5%
2011	12,869,257	568,049,349	44,140	9.8%

(1) Source: Bureau of Economic Analysis U.S. Department of Commerce
(2) Source: Bureau of Labor Statistics Data U.S. Department of Labor

REGIONAL TRANSPORTATION AUTHORITY
PRINCIPAL EMPLOYERS

CURRENT YEAR				Nine Years Ago			
	2011				2002		
Employer [1]	Employees	Rank	% of Total Region Employment	Employer [1]	Employees	Rank	% of Total Region Employment
United States Government	55,183	1	1.44%	United States Government	75,000	1	1.86%
Chicago Public Schools	39,667	2	1.04%	Chicago Public Schools	46,179	2	1.15%
City of Chicago	31,307	3	0.82%	City of Chicago	40,324	3	1.00%
Cook County	21,785	4	0.57%	Jewel/Osco	39,201	4	0.97%
Advocate Health Care	18,485	5	0.48%	Cook County	27,042	5	0.67%
State of Illinois	15,800	6	0.41%	SBC Ameritech	22,400	6	0.56%
AT&T Inc	15,000	7	0.39%	Advocate Health Care	20,573	7	0.51%
Provena Health/Resurrection	14,806	8	0.39%	United Parcel Service of Am	19,373	8	0.48%
Walgreen Co.	14,688	9	0.38%	State of Illinois	18,915	9	0.47%
University of Chicago	14,584	10	0.38%	United Airlines	18,276	10	0.45%
Total	241,305		6.30%		327,283		8.14%

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

(1) Crain's Chicago Business

Table 16

RTA & SERVICE BOARDS OPERATING CHARACTERISTICS

2011

Chicago Transit Authority

Rapid Transit

- 8 rail routes
- 143 stations served
- 1,142 rapid transit cars
- 221.6 million riders per year
- 1,598 STO* positions

Motor Bus

- 140 bus routes
- 1,780 buses
- 310.4 million riders per year
- 3,710 STO* positions

CTA Totals

- 1.4 billion rail passenger miles per year
- 712.9 million bus passenger miles per year
- 116.7 million vehicle revenue miles per year
- 3,784 without STO* positions

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

Metra Commuter Rail Division*

- 11.0 rail routes
- 487.7 route miles
- 1,155 miles of track
- 241 stations
- 157 locomotives
- 1,086 passenger cars
- 191 electric cars
- 703 weekly trains operated
- 95.9% on-time performance
- 82.7 million riders per year
- 4,380 full-time employees
- 1.6 billion passenger miles per year
- 42.9 million vehicle miles per year

All data exclude NICTD South Shore

Pace Suburban Bus Division

Fixed Route Bus

- 137 regular routes
- 35 feeder routes
- 15 shuttle routes
- 579 vehicles in use during peak periods
- 30.6 million riders per year
- 7 seasonal routes
- 589 Pace-owned buses
- 1,416 full-time employees

ADA Paratransit

- 212 Pace owned lift-equipped buses in service
- 3.4 million riders per year
- 36 full-time employees

Dial-A-Ride

- 68 local services
- 157 Pace owned lift-equipped buses in service
- 210 communities served
- 1.2 million riders per year

Vanpool

- 696 vanpool vehicles in operation
- 1.8 million riders for the year

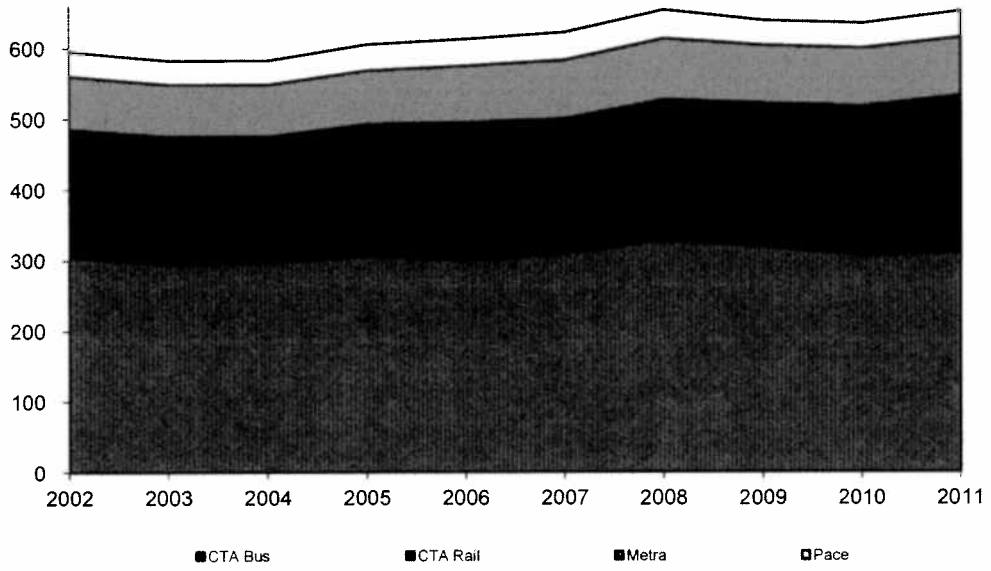
Source of data: Information obtained from the Service Boards, the NTD and RTA records.

Table 17

System Ridership and Unlinked Passenger Trips

2002-2011

(In Millions)



Last Ten Years *(In Millions)*

Service Consumed:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
CTA - Bus	304.8	293.6	296.0	305.5	299.6	309.3	328.2	318.7	306.0	310.4
CTA - Rail	180.4	181.1	178.7	186.8	195.2	190.3	198.1	202.6	210.8	221.6
Total CTA*	485.2	474.7	474.7	492.3	494.8	499.6	526.3	521.3	516.8	532.0
Metra	75.5	74.0	73.8	76.1	79.9	83.3	86.8	82.3	82.2	82.7
Pace**	34.8	33.7	34.1	36.9	38.0	39.2	40.5	35.1	35.1	37.1
System Total	595.5	582.4	582.6	605.3	612.7	622.1	653.6	638.7	634.1	651.8
Percent Change	68%	-2.20%	0.03%	3.90%	1.22%	1.53%	5.06%	-2.28%	-0.72%	2.79%

CTA Stat amounts include rail-to-rail transfers.

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

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

Table 18

Regional Transportation Authority
Full-time Employee by Function

Last Five Fiscal Years

	2007	2008	2009	2010	2011
Audit[1]	0	0	0	0	3
Executive Office	3	3	3	3	3
Communications[2]	4	4	6	5	12
Finance & Performance Management[2,3]	33	30	30	18	24
Human Resources[1]	0	0	0	0	3
Information Technology[1]	0	0	0	0	7
Administration[2]	0	0	0	14	0
Legal[2]	5	4	5	3	8
Government and Community Affairs[3]	0	0	0	2	4
Planning[3]	46	38	43	49	46
Research, Analysis & Policy Development[2]	0	6	6	11	0
Totals	**91**	**85**	**93**	**105**	**110**

[1] Previously part of another division
[2] Merge with other department
[3] Dept Name change in 2011

Regional Transportation Authority

The six-county public transportation system serving northeastern Illinois

RTA Main Office
175 W. Jackson Blvd, Ste. 1650
Chicago, Illinois 60604
312-913-3200
www.RTAchicago.com

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

Community Outreach
312-913-3237

RTA ADA Certification Helpline
Voice 312-663-4357
TTY 312-913-3122

Travel Information Center and RTA Reduced Fare Card
Voice 312-836-7000
TTY 312-836-4949
www.RTAchicago.com

RTA Transit Benefit Program
800-531-2828
www.LessTaxingCommute.com

Chicago Transit Authority
567 W. Lake St.
Chicago, Illinois 60661
1-888-968-7282
www.transitchicago.com

Metra
547 W. Jackson Blvd.
Chicago, Illinois 60661
312-322-6777
www.metrarail.com

Pace
550 W. Algonquin Rd.
Arlington Heights, Illinois 60005
847-364-7223
www.pacebus.com

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Comprehensive Annual Financial Report

2012

Regional Transportation Authority

The six-county public transportation system serving northeastern Illinois

Fiscal Year Ended December 31, 2012

REGIONAL TRANSPORTATION AUTHORITY
NORTHEASTERN ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

Prepared by:

Department of Finance and Performance Management

Bea Reyna-Hickey
Senior Deputy Executive Director

and

Controller Division

REGIONAL TRANSPORTATION AUTHORITY
2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Regional Transportation Authority

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Chicago, IL 60604
(312) 913-3200
www.rtachicago.com

June 26, 2013

To the Board of Directors
Regional Transportation Authority
Chicago, Illinois

I have the pleasure to submit to you the Comprehensive Annual Financial Report ("CAFR") of the Regional Transportation Authority ("RTA") for the year ended December 31, 2012. The RTA staff has prepared this report as required by, and in accordance with, the RTA Act. This state law requires that the RTA publish financial statements presented in conformity with generally accepted accounting principles and audited by an independent certified public accountant.

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

In addition to the statutory requirement of the RTA Act for an annual audit by independent certified public accountants, the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments, and Non-Profit Organizations, require the RTA to undergo an annual Single Audit. The RTA has engaged the firm of McGladrey LLP to meet these requirements. The firm followed auditing standards generally accepted in the United States of America and the standards set forth in the above circular in conducting the engagement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the RTA's financial statements for the year ended December 31, 2012 are presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first part of the financial section of this report.

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

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

OVERVIEW OF THE REGIONAL TRANSPORTATION AUTHORITY

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

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

History

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

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

The CTA provides bus and rail transportation services within Chicago and 38 adjacent suburbs. Illinois State law (the Metropolitan Transportation Authority Act) created the CTA in 1945. The law established the CTA as an Illinois municipal corporation "separate and apart from all other government agencies" to consolidate Chicago's public and private transportation carriers. The CTA commenced operations in 1947 and completed the consolidation of public transportation in 1952 upon purchasing the Chicago Motor Coach System.

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

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

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

Mission

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

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

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

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

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

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

Budget

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

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

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

Budget Calendar

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

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

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

Statutory Requirements

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

- *Balanced Budget*: A balance between anticipated revenues from all sources including operating subsidies and the costs of providing the services and of funding any operating deficits or encumbrances incurred in prior periods, including provision for payment when due of principal and interest on outstanding indebtedness;

- *Cash Flow*: Cash balances including the proceeds of any anticipated cash flow borrowing sufficient to pay with reasonable promptness all costs and expenditures as incurred;

- *Recovery Ratio*: A level of fares or charges, and operating or administrative costs, to allow the Service Board to meet its required recovery ratio;

- *Assumptions*: Employ assumptions and projections which are reasonable and prudent;

- *Financial Practices*: Prepared in accordance with sound financial practices as determined by the Board;

- *Strategic Plan:* Maintain consistency with the goals and objectives adopted by the RTA in the Strategic Plan; and

- *Other Requirements*: Other financial, budgetary, or fiscal requirements that the Board may establish by rule or regulation.

Oversight

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

- After the end of each fiscal quarter, each Service Board must report to the RTA "its financial condition and results of operations and the financial condition and results of operations of the public transportation services subject to its jurisdiction" for such quarter. If in compliance, the Board so states and approves each Service Board's compliance by adopted resolution.

- If in the judgment of the Board these results are not substantially in accordance with the Service Board's budget for such period as adopted by the RTA, the Board shall so advise the Service Board and the service board "shall, within the period specified by the Board, submit a revised budget incorporating such results."

- Once a Service Board submits a revised budget, the RTA must determine if it meets the seven statutory budget criteria necessary to pass an annual budget. If not, the RTA must withhold from the Service Board (i) 25% of the cash proceeds of taxes imposed by the RTA and (ii) 25% of any state matching funds that are allocated to each Service Board.

- If a Service Board then submits a revised budget and plan which shows that the statutory budget criteria will be met within a four quarter period, the RTA "shall release any such withheld funds to the Service Board."

Amendment

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

Reporting Entity

As defined by Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, the financial reporting entity consists of the primary government (the RTA, as legally defined), as well as its component units—legally separate entities for which the primary government has financial accountability.

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

RTA System Characteristics

The six-county area served by the RTA system covers 3,700 square miles. According to the Census Bureau, the population of the region was 8.3 million in 2010. The U.S. Department of Commerce-Bureau of Economic Analysis reported regional employment of 5 million during the same year. The RTA system carried 666 million riders in 2012, an increase of 2.2% from the prior year.

Governance

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

The RTA employs a professional staff of approximately one hundred and eleven employees. The RTA Act limits the amount of administrative costs that the RTA may incur annually. The limit was set at $5 million for 1985 and increases at a rate of 5% per year. The RTA has always held its administrative expenses under the prescribed limit.

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

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

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

Financing

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

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

Sales Taxes

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

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

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

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

Car Rental Tax

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

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

Motor Fuel Tax

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

Off-Street Parking Tax

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

Replacement Vehicle Tax

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

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

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

FACTORS AFFECTING ECONOMIC CONDITION

Financing

The RTA's primary source of operating funding is a regional (occupation and use) sales tax and a sales tax match from the State of Illinois. Illinois Public Act 95-0708 increased the RTA sales tax rate throughout the region (from the equivalent of 1.0% in Cook County and 0.25% in the remainder of the region to the equivalent of 1.25% in Cook County and 0.5% in the remainder of the region) beginning on April 1, 2008, increased the real estate transfer tax in the City of Chicago to fund the CTA, and raised from 25% to 30% the portion of RTA tax revenues matched by the State Public Transportation Fund (PTF). In 2012, actual RTA sales tax receipts of $1.022 billion increased 4.7% from prior year and exceeded budget by 2.4%.

The RTA 2013 operating budget approved by the Board of Directors on January 16, 2013 assumes sales tax revenues of $1.037 billion, an increase of 3.9% over the 2012 budget and 2.75% over 2012 estimated receipts. In addition to the 30% sales tax and real estate transfer tax match from the PTF, the 2013 budget recognizes these funds from the State of Illinois: $130.2 million to reimburse the debt service expenses for the RTA's Strategic Capital Improvement Program (SCIP) bonds and $34.1 million as partial reimbursement to the Service Boards for mandated reduced fare and free ride programs for student, elderly, and disabled riders.

Regional and Illinois Economy

The Chicago region comprises one of the most diversified economies in the United States. The region is home to more than 400 major corporate headquarters, including thirty-one Fortune 500 companies. A global leader in options, futures, and derivatives trading, the Chicago area economy's strengths include business and financial services, manufacturing, information technology, health services, and transportation and distribution. Chicago is not only a leader in sustainable business but also ranks as one of the most sustainable cities in the country. The unemployment rate in the Chicago region increased from 4.7% in 2006 to 10.5% in 2010 before declining to 9.8% in 2011 and 8.9% in 2012. This is consistent with unemployment trends across Illinois since 2006. In the first quarter of 2013, the Illinois unemployment rate increased to 9.5% on a non-seasonally adjusted basis, up from 8.9% in 2012. In the Chicago region, the unemployment rate also increased to 9.5% on a non-seasonally adjusted basis during the first quarter of 2013, up from 8.9% in 2012.

The March 2013 Monthly Revenue Briefing issued by the State Commission on Government Forecasting and Accountability noted that during the first nine months of the State's 2013 fiscal year, sales tax receipts of $5.5 billion increased $62 million or 1.1% compared to the same period of the previous fiscal year.

National Economy

Annual growth of real gross domestic product (GDP), the output of goods and services produced in the United States, declined from 2.6% in 2006 to 2.2% in 2007. Real GDP contracted 3.3% in 2008 and 0.1% in 2009. In 2010 real GDP grew by 2.4% followed by 2.0% growth in 2011 and 1.9% growth in 2012. The Congressional Budget Office (CBO) predicts annual real GDP growth of 1.4% in 2013 and 3.4% in 2014.

Following increases of 2.8% in 2007 and 3.8% in 2008, the consumer price index (CPI), a measure of the pace of inflation, declined 0.4% in 2009. In 2010 and 2011, CPI rose 1.6% and 3.2%, respectively. CPI then increased 2.1% in 2012 and is projected to increase 1.6% in 2013, according to the CBO.

The national unemployment rate rose from 4.6% in 2006 to 9.6% in 2010, the highest average annual rate since 1983. National unemployment declined to 8.9% in 2011 and to 8.1% in 2012. The CBO forecasts a national unemployment rate of 7.9% in 2013.

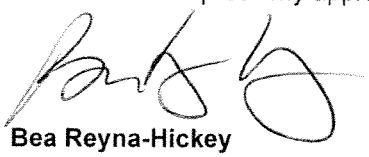
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the RTA for its Comprehensive Annual Financial Report ("CAFR") for the year ended December 31, 2011. This was the eighteenth consecutive year that the RTA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the RTA received the GFOA Award for Distinguished Budget Presentation for its annual budget for the year ending December 31, 2012. This marks the sixteenth consecutive year that the RTA has achieved this accomplishment. The Distinguished Budget Presentation Award requires that the GFOA judge the budget document as proficient in several categories, including policy documentation, financial planning, and organization.

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



Bea Reyna-Hickey
Chief Financial Officer and
Senior Deputy Executive Director,
Finance and Performance Management

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Regional Transportation Authority

Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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

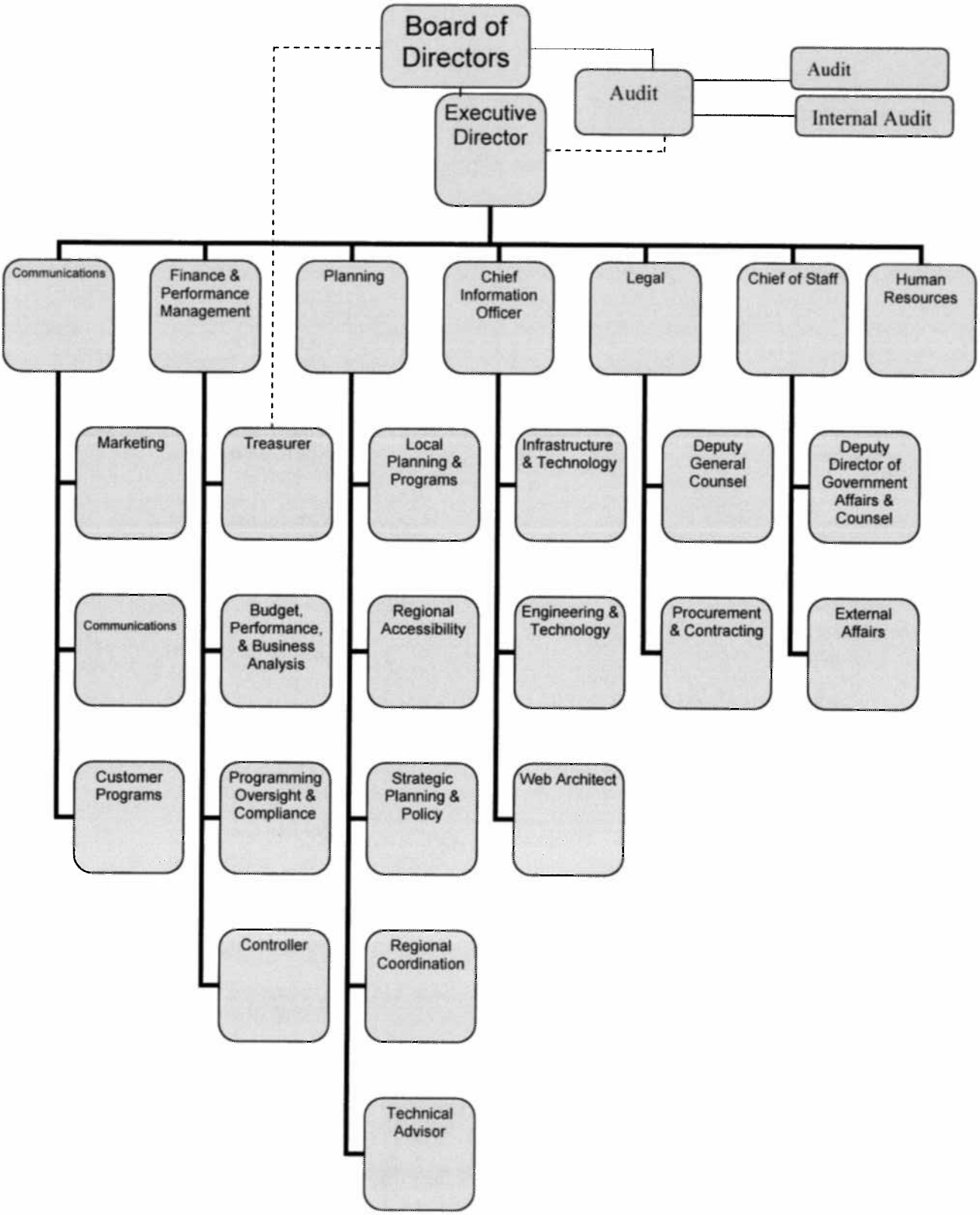
Christopher P Morrill

President

Jeffrey P. Ellis

Executive Director

REGIONAL TRANSPORTATION AUTHORITY
ORGANIZATION CHART
December 31, 2012



REGIONAL TRANSPORTATION AUTHORITY

LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2012

Board of Directors	
Chairman	John S. Gates, Jr.
Directors	Anthony Anderson Carole L.Brown James Buchanan Jan Carlson William R. Coulson Rev. L. Tyrone Crider, Sr Patrick J. Durante John V. Frega Phil Fuentes Al Jourdan Dwight A. Magalis Christopher Melvin J.D. Ross Donald L. Totten Douglas M. Troiani
Administration	
Executive Director	Joseph G. Costello
Senior Deputy Executive Director Finance and Performance Management, CFO	Bea Reyna-Hickey
Senior Deputy Executive Director Planning	Leanne P. Redden
General Counsel	Nadine Lacombe
Deputy Executive Director Communications	Diane J. Palmer
Chief of Staff	Jordan Matyas
Deputy Executive Director Information Technology, CIO	Arnold Crater

INDEPENDENT AUDITOR'S REPORT

McGladrey

Independent Auditor's Report

Board of Directors
Regional Transportation Authority
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Transportation Authority (RTA), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise RTA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Member of the RSM International network of independent accounting, tax and consulting firms.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of RTA, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information and pension related information on pages 16-24 and 72-77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise RTA's basic financial statements. The introductory section, combining and individual fund schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual fund schedules is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

McGladrey LLP

Schaumburg, Illinois
June 26, 2013

REGIONAL TRANSPORTATION AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") provides an overview of the financial activity affecting the operation of the Regional Transportation Authority ("RTA") for the fiscal year ended December 31, 2012. Please read it in conjunction with the RTA's basic financial statements which follow this section.

Financial Highlights

- For the year ended December 31, 2012, the RTA statement of activities for the governmental activities shows expenses increasing $16 million to $580 million from $564 million for the same period in 2011. This increase is due to an increase in financial assistance to the CTA, Metra, and Pace ("Service Boards") by $42 million. The interest expense and the Regional and Technology Program expenses were lower by $22 million and $9 million, respectively. Also, the PTF and the State Assistance Revenues decreased by $63 million from 2011.

- The government-wide statement of net position shows assets of $1,045 million for the governmental activities, a net increase of $9 million. The increase is mainly due to an increase in cash and investments of $23 million offset by a decrease in receivables of $15 million. The decrease in receivable was due to the timing of receipts. In the government-wide statement of net position, bond-related liabilities decreased by $66 million, which reflects the decrease in general-obligation bonds payable in 2012.

- At the end of 2012, the government-wide statement of net position shows a deficit of $1.8 billion for governmental activities. In contrast, the governmental funds balance sheet presented a total fund balance of $736 million. There is a $2.5 billion difference between the fund balance and the net deficit. This does not in any way represent a precarious financial position for the RTA. Rather, it is how GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, requires RTA's general obligation bonds to be presented in the government-wide statement of net position.

- The RTA has the obligation to pay the bonds it has issued to fund the Service Boards' capital expenditures. These expenditures and the related assets appear in the Service Boards' financial statements. The sales taxes imposed by the RTA in the region represent the primary source of payment for the bond obligations.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

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

1. Introductory Section—This section includes the letter of transmittal, the GFOA Certificate of Achievement, the organizational chart, and the list of principal officials.

2. Financial Section—This section is comprised of the independent auditor's report, the management's discussion and analysis, the basic financial statements, and the required supplementary information and combining and individual fund schedules.

3. Statistical Section (Unaudited)—This section provides additional analysis and is not a required part of the basic financial statements of the RTA.

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

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

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

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

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

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

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

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

funds, and fiduciary funds. These financial statements are prepared following the modified accrual basis of accounting.

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

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

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

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

- ***Proprietary Funds***—The RTA maintains a proprietary fund to account for the RTA Joint Self-Insurance Fund. This type of proprietary fund, referred to as an enterprise fund, reports the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. As required by Article II of the Loss Financing Plan, the RTA Joint Self-Insurance Fund issues separate annual audited financial statements.

- ***Fiduciary Funds***—Fiduciary funds account for resources held for the benefit of parties outside the government activity. In the case of the RTA, the fiduciary fund accounts for the assets of the RTA defined-benefit Pension Plan and the Sales Tax Agency Fund. The government-wide financial statements do not reflect fiduciary funds as these funds are not available to support the programs and operations of the RTA. The RTA Pension Plan issues annual audited financial statements separately.

ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table summarizes the Statement of Net Position:

SUMMARY OF NET POSITION
DECEMBER 31, 2012 AND 2011
(In Thousands)

	Governmental Activities			Business-type Activities			Total		
	2012	2011	Variance	2012	2011	Variance	2012	2011	Variance
Assets:									
Cash and investments	$ 659,287	$ 636,759	$ 22,528	$ 24,006	$ 20,411	$ 3,595	$ 683,293	$ 657,170	$ 26,123
Other assets	312,781	324,027	(11,246)	3,839	6,578	(2,739)	316,620	330,605	(13,985)
Noncurrent assets	57,876	60,329	(2,453)	-	1,714	(1,714)	57,876	62,043	(4,167)
Capital assets—net	14,809	14,491	318	-	-	-	14,809	14,491	318
Total assets	1,044,753	1,035,606	9,147	27,845	28,703	(858)	1,072,598	1,064,309	8,289
Deferred outflow of resources									
Accumulated decrease in fair value of hedging derivatives	31,951	33,425	(1,474)	-	-	-	31,951	33,425	(1,474)
Liabilities:									
Current non bond-related liabilities	154,380	128,256	26,124	-	-	-	154,380	128,256	26,124
Current bond related liabilities	137,384	394,645	(257,261)	-	-	-	137,384	394,645	(257,261)
Long-term non-bond-related liabilities	114,637	80,369	34,268	-	-	-	114,637	80,369	34,268
Long-term bond-related liabilities	2,401,418	2,209,908	191,510	-	-	-	2,401,418	2,209,908	191,510
Total liabilities	2,807,819	2,813,178	(5,359)	-	-	-	2,807,819	2,813,178	(5,359)
Deferred inflow of resources									
Accumulated increase in fair value of hedging derivatives	47,802	48,341	(539)	-	-	-	47,802	48,341	(539)
Net position (deficit):									
Net investment in capital assets	14,809	14,491	318	-	-	-	14,809	14,491	318
Restricted	175,643	326,598	(150,955)	-	-	-	175,643	326,598	(150,955)
Unrestricted (deficit)	(1,969,369)	(2,133,577)	164,208	27,845	28,703	(858)	(1,750,030)	(1,763,360)	13,330
Total net position (deficit)	$ (1,778,917)	$ (1,792,488)	$ 13,571	$ 27,845	$ 28,703	$ (858)	$ (1,751,072)	$ (1,763,785)	$ 12,713

As of December 31, 2012, cash and investments for governmental activities increased by $22 million over the previous year. The RTA's cash balance increased from last year due to a partial catch up by the state of Illinois on unpaid RTA Requisition. During 2012, the Capital Projects Fund decreased by $29 million, and the Debt Service Fund decreased by $139 million mainly due to the 2012 cash note payment.

As of December 31, 2012, the current bond and non bond-related liabilities decreased by $231 million from the previous year due primarily to the payoff of the short-term cash note.

The presentation of financial statements under GASB Statement No. 34 requires the recognition in the statements of net position of $2.5 billion in current and long-term general obligation bonds payable. The issuance of these bonds was for the specific purpose of funding capital grants to acquire and construct assets used to provide public transportation within the RTA region.

The RTA net deficit at December 31, 2012 will not affect the availability of RTA fund resources for future use. In fact, the RTA maintains its operations funding levels for 2013 as established in September 2012 during the 2013 budget process.

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

SUMMARY OF ACTIVITIES
DECEMBER 31, 2012 AND 2011
(In Thousands)

	Governmental Activities			Business-type Activities			Total		
	2012	2011	Variance	2012	2011	Variance	2012	2011	Variance
Expenses:									
Financial assistance to Service Boards	$ 171,700	$ 128,786	$ (42,914)	$ -	$ -	$ -	$ 171,700	$ 128,786	$ (42,914)
Administration of capital grants	218,804	236,929	18,125	-	-	-	218,804	236,929	18,125
Administration of operating grant	36,687	21,680	(15,007)	-	-	-	36,687	21,680	(15,007)
Administrative expenses	16,507	8,918	(7,589)	5,942	6,137	195	22,449	15,055	(7,394)
Regional and technology program expenses	19,015	27,914	8,899	-	-	-	19,015	27,914	8,899
Interest expense	117,254	139,314	22,060	-	-	-	117,254	139,314	22,060
Miscellaneous	-	397	397	-	-	-	-	397	397
Total expenses	579,967	563,938	(16,029)	5,942	6,137	195	585,909	570,075	(15,834)
Revenues and transfers:									
Sales taxes	113,152	107,977	5,175	-	-	-	113,152	107,977	5,175
PTF and state assistance	442,143	505,588	(63,445)	-	-	-	442,143	505,588	(63,445)
Note interest	-	-	-	-	36	(36)	-	36	(36)
Operating grant - CTA/PACE	10,398	9,930	468	-	-	-	10,398	9,930	468
Regional expenses	4,077	2,385	1,692	-	-	-	4,077	2,385	1,692
Investment income and other	28,768	24,598	4,170	84	461	(377)	28,852	25,059	3,793
Transfers	(5,000)	(5,380)	380	5,000	5,380	(380)	-	-	-
Total revenues and transfers	593,538	645,098	(51,560)	5,084	5,877	(793)	598,622	650,975	(52,353)
Change in net position	13,571	81,160	(67,589)	(858)	(260)	(598)	12,713	80,900	(68,187)
Net position - beginning of year	(1,792,488)	(1,873,648)	81,160	28,703	28,963	(260)	(1,763,785)	(1,844,685)	80,900
Net position - end of year	$ (1,778,917)	$ (1,792,488)	$ 13,571	$ 27,845	$ 28,703	$ (858)	$ (1,751,072)	$ (1,763,785)	$ 12,713

In 2012, financial assistance to the Service Boards increased by $43 million from 2011. But, the capital grants to the Service Boards decreased by $18 million from 2011 to $219 million in 2012, which reflects the activity in capital expenses to the Service Boards during 2011. Furthermore, the amount of bond interest expense decreased by $22 million from $139 million to $117 million in 2012. PTF and state assistance decreased by $63 million but the sales tax increased by $5 million, an increase in investment income and other of $4 million was mainly due to an increase in swap investments market value and the market value of investments.

During 2012, $5 million was transferred to the Joint Self-Insurance Fund for excess liability. Insurance premiums representing the only major expense, and investment income represents the only revenue for the Business-type activities (insurance financing).

FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS

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

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

General Fund—Assets in the General Fund primarily represent the amounts for Service Boards' operations and capital projects. Assets increased by $50 million from $579 million in 2011 to $629 million in 2012, mainly due to timing differences. The RTA's cash balance increased significantly from last year due to a

partial catch up by the State of Illinois on unpaid RTA requisitions. Conversely, intergovernmental receivables decreased slightly by $13 million due to timing differences.

At December 31, 2012, the majority of RTA's liabilities of $229 million are comprised of intergovernmental payables and deferred revenue, i.e., accrued financial assistance, sales taxes, capital and other grants due to the Service Boards and deferred revenue and notes payable.

The total fund balance of the General Fund equals $399 million at December 31, 2012. The General Fund balance increased by $114 million primarily due to timing and increase in financial assistance to the Service Boards.

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

These applications include the following:

- A regional open fare payment system to promote seamless regional mobility, making it easier for transit customers to pay for travel on different segments of the RTA system with a simple single payment method. Key components of this initiative include development of an interagency fare model, demonstration and deployment of handheld fare collection onboard Metra trains, and extension of the CTA's open fare payment system. CTA began development of their open standards fare payment system with expected installation to begin in fall 2012. RTA contracted in February 2012 for the development of a regional fare model to help identify possible interagency fare scenarios. Work is expected to be complete on the model, fall 2012.

- The RTA has been mandated by the state legislature to develop and implement a regional fare payment system by January 2015. To inform the general policy discussion regarding the configuration of this system, the RTA and the Service Boards have been building an econometric tool to understand the relationships between fares, ridership and revenue. Unfortunately, the RTA and Service Boards have limited information to assess the inter-agency travel market, the market segment that would most likely benefit from a regional payment system. The Regional Fare Model will enable the RTA and Service Boards to test and evaluate alternative regional fare products and prices. The Regional Fare Model provides a framework to better understand the fundamental relationships between fares, ridership and revenue allowing a more informed decision regarding the ultimate configuration of a regional fare payment system. The Regional Fare Model is scheduled to be delivered in the second quarter of 2013.

- A regional real-time information system that integrates CTA's BusTracker and TrainTracker, Pace's WebWatch, and Metra's future next train information system. This initiative includes online delivery of the integrated information on desktop and mobile channels, the RTA's Travel Information Center, and the installation of electronic displays at bus stops and train stations that provide real-time "next train" or "next bus" service information. In 2012, the RTA added the Train Trackers page on www.goroo.com. It provides real-time arrival information for CTA buses and trains, Metra trains, and Pace buses.

- A five-year program of Transit Signal Priority (TSP) implementation along priority corridors and strategic CTA and Pace bus routes. TSP gives/extends a green signal to transit buses under certain circumstances to reduce passenger travel times, improve bus schedule adherence, and reduce bus operating costs. In 2012, the RTA and project stakeholders - CTA, Pace, IDOT, CDOT, Lake County DOT kicked-off a five-year, $40 million regional TSP implementation program with the goal of installing TSP on key transit corridors. The initial corridors for TSP implementation include the CTA's Ashland and Western Avenue Bus Rapid Transit corridors.

- A comprehensive Chicagoland Commute Options program that utilizes social networking and employer outreach to shift commute trips away from single-occupancy vehicle (SOV) use toward sustainable transportation modes like transit and vanpools. The RTA has submitted the FTA grant application for this project and work is estimated to begin in Fall 2013.

- Interagency Transit Passenger Information Display (ITPID) that utilizes regional wayfinding and static information sign standards to promote seamless travel on multi-agency transit facilities. The four pilot sites are being installed Second Quarter 2012 *(right now).* User testing of the sites will be conducted in the second half of 2012.

- Interagency Signs is a CMAQ funded project to provide coordinated signage and wayfinding information at major transit locations to promote seamless regional travel between CTA, Metra and Pace. The overall goal is to enhance the customer experience by making interagency transfer process as seamless as possible.

  RTA received CMAQ grant for development of the signage and a pilot installation. RTA, CTA, Metra and Pace worked together to develop the signage and information products. The signage was installed in 2012. The locations are:
  - Davis - Evanston (Metra, CTA Rapid Transit, CTA Bus, and Pace Bus)
  - Joliet Union Station (Metra and Pace Bus)
  - Van Buren – Downtown (Metra, CTA Rapid Transit, and CTA Bus)
  - 95th and Western (CTA Bus and Pace Bus)

  During the first year there will be usability and functional testing of the installed products, which includes public input. In this interim period the signage standards will be finalized for usage at other locations. In 2011, CMAQ granted the RTA funding for an additional 19 stations, which design will begin late 2013.

- Multi-Modal Trip Planner System (MMTPS) to provide side by side comparisons of trip itineraries using transit, driving, or any combination of non-motorized modes such as biking and walking. It will give customers a comprehensive decision support tool for choosing travel options that incorporate convenience, efficiency, and cost – from the traveler's perspective. The MMTPS project has been completed. The system has been operating since May 2009 and is available online at www.goroo.com. In 2012, the RTA released the goroo® web app which can be accessed by logging on to www.goroo.com from the browser of any web-enabled smart phone, including devices powered by Apple's iOS, Google's Android, and Microsoft's Windows Phone software. The web app includes the same great features that travelers in the region have been enjoying on the goroo® desktop site.

Debt Service Fund—The RTA establishes a Debt Service Fund to account for transfers received from the General Fund, investment income, and principal and interest payments made for each of its outstanding series of bonds. As of December 31, 2012, the RTA has nineteen series of general obligation bonds/notes outstanding. Each respective bond/note agreement sets forth the debt service funding requirements. The 2012 Debt Service Fund balance decreased by $139 million from 2012 to $158 million.

Capital Projects Fund—The RTA has established a Capital Projects Fund to account for bond proceeds, earnings on the investment of such proceeds, and the expenditure of such monies for capital assets of the Service Boards. In addition, the RTA can use a portion of these funds to pay for debt service on the related bonds. During 2012, the Capital Projects Fund decreased by $29 million. The decrease in cash and investment for the capital project fund reflects the activity in bond capital expenditure during 2012.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

In 2012, the actual change in revenues over expenditures of $195.5 million, including other financing (Debt Service) use, was $17.2 million lower than the budget figure of $212.7 million.

In the General Fund total revenues were under budget by $61.8 million. The variance in the General Fund is due to the slower state reimbursement and other grant funded revenues.

Total Expenditures in the General Fund, before transfers out is under budget by $44.6 million. The variance is the direct results of budgeting for the multi-year grant funded Technology program.

SERVICE BOARDS CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The financial statements of the Service Boards reflect the capital assets discussed in this section. The statement of net position for the RTA reflects the RTA bonds issued to provide a portion of the funding for these assets. The details of the RTA bond program are discussed further in Note 10 of this report.

Service Boards Capital Assets—The RTA System provides 666 million unlinked passenger trips annually. This has the beneficial impact of reducing road congestion, improving the flow of goods and services, and enhancing air quality. In addition, the RTA System provides essential mobility to those persons unable to utilize other transportation. The System represents an asset with replacement cost estimated at more than $151.2 billion for the entire region. To continue these public benefits, the RTA strives to maximize the amount of resources devoted to investment in its System for it to remain in good working order. The RTA Five-Year Capital Program report contains the details of this investment. The Five-Year Capital Program report is updated and adopted annually by the RTA Board, as required by the RTA Act.

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

RTA Capital Assets—For more detailed information on capital asset activity, please see Note 9 in the notes to the financial statements.

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

Prior to January 1, 2000, the RTA had the authority to issue up to $500 million in SCIP bonds and to have up to $500 million in Non-SCIP bonds outstanding. Effective January 1, 2000, the RTA Act was amended to increase the RTA authorization by an additional $260 million of SCIP bonds in each year for the period of 2000 through 2004, and to issue and have outstanding up to $800 million of Non-SCIP bonds. As of year-end 2012, the RTA has issued $1.790 billion in SCIP bonds, with total SCIP bonds outstanding of $1.408 billion. The remaining $685 million of bonds outstanding are Non-SCIP bonds.

For 2012, the bonds issued by the RTA carried a rating of "AA" from Standard & Poor's, Aa3 by Moody's Investors Service, Inc. and AA by Fitch, Inc.

For more detailed information on debt activity, please see Note 10 in the Notes to Financial Statements.

CONTACTING THE FINANCIAL MANAGEMENT OF THE REGIONAL TRANSPORTATION AUTHORITY

This CAFR provides a general overview of the finances of the RTA. Users of the CAFR should address questions concerning the information, or requests for additional financial information, to the Regional Transportation Authority, c/o Senior Deputy Executive Director, Finance and Performance Management/CFO, 175 West Jackson Blvd., Suite 1650, Chicago, Illinois 60604 or visit our website at www.rtachicago.org.

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF NET POSITION
DECEMBER 31, 2012
(In Thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Current portion of:			
Cash and investments:			
Cash and cash equivalents	$ 148,250	$ 10,285	$ 158,535
Restricted—investments (external)	284,852	-	284,852
Unrestricted—investments	226,185	13,721	239,906
Intergovernmental receivables	250,535	-	250,535
Unamortized bond issue costs	2,193	-	2,193
Accrued interest on investments	137	20	157
Loan to SB-note and interest	-	1,561	1,561
Prepaid expenses and other assets	59,903	2,271	62,174
Internal balances	13	(13)	-
Total current assets	972,068	27,845	999,913
Non-current portion of:			
Unamortized bond issue costs	10,074	-	10,074
Derivative instrument - asset	47,802	-	47,802
Capital assets—net of accumulated depreciation	2,146	-	2,146
Capital assets—non-depreciable	12,663	-	12,663
Total non-current assets	72,685	-	72,685
Total assets	1,044,753	27,845	1,072,598
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated decrease in fair value of hedging derivatives	31,951	-	31,951
LIABILITIES:			
Current portion of:			
General obligation bonds payable plus unamortized bond premium of $13,495	102,295	-	102,295
Unearned revenue	1,999	-	1,999
Due to fiduciary funds	1,578	-	1,578
Intergovernmental payables	143,815	-	143,815
Accrued interest payable	35,089	-	35,089
Accrued other expenses	6,988	-	6,988
Total current liabilities	291,764	-	291,764
Non-current portion of:			
Deferred rent	2,158	-	2,158
Unearned revenue	77,590	-	77,590
Derivative instrument-liability	34,889	-	34,889
General obligation bonds payable plus unamortized bond premium of $97,618	2,401,418	-	2,401,418
Total non-current liabilities	2,516,055	-	2,516,055
Total liabilities	2,807,819	-	2,807,819
DEFERRED INFLOWS OF RESOURCES			
Accumulated increase in fair value of hedging derivatives	47,802	-	47,802
NET POSITION (DEFICIT):			
Net investment in capital assets	14,809	-	14,809
Restricted			
SWAP (2% notional)	17,174	-	17,174
Debt service	158,469	-	158,469
Unrestricted (deficit)	(1,969,369)	27,845	(1,941,524)
TOTAL NET POSITION (DEFICIT)	$ (1,778,917)	$ 27,845	$ (1,751,072)

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

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012
(In Thousands)

	Expenses	Program Operating Grants/ Revenues	Net Expense (Revenue) and Changes in Net Assets		
			Governmental Activities	Business-type Activities	Total
FUNCTIONS/PROGRAMS:					
Governmental activities:					
Financial assistance to Service Boards	$ 171,700	$ -	$ 171,700	$ -	$ 171,700
Administration of capital grants					
Discretionary	5,410	-	5,410	-	5,410
Bonds	213,394	-	213,394	-	213,394
Administration of operating grant					
CTA/PACE	36,687	10,398	26,289	-	26,289
Administrative expenses	16,507	-	16,507	-	16,507
Regional expenses	17,542	4,077	13,465	-	13,465
Technology program expenses	1,473	-	1,473	-	1,473
Interest expense	117,254	-	117,254	-	117,254
Total governmental activities	579,967	14,475	565,492	-	565,492
Business-type activities:					
Insurance financing	5,942	-	-	5,942	5,942
TOTAL PRIMARY GOVERNMENT	$ 585,909	$ 14,475	565,492	5,942	571,434
GENERAL REVENUES AND TRANSFERS:					
General revenues:					
Sales taxes			113,152	-	113,152
Interest on sales taxes			119	-	119
State assistance (PTF)			355,159	-	355,159
State assistance (ASA/AFA)			86,984	-	86,984
Investment income			22,213	77	22,290
Other revenues			6,436	7	6,443
Transfers			(5,000)	5,000	-
Total general revenues and transfers			579,063	5,084	584,147
CHANGES IN NET POSITION (DEFICIT)			13,571	(858)	12,713
NET POSITION (DEFICIT):					
Beginning of year			(1,792,488)	28,703	(1,763,785)
End of year			$ (1,778,917)	$ 27,845	$ (1,751,072)

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

REGIONAL TRANSPORTATION AUTHORITY

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012
(In Thousands)

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:				
Cash and cash equivalents	$ 148,250	$ -	$ -	$ 148,250
Investments:				
Restricted investments	-	102,324	182,528	284,852
Unrestricted—investments	226,185	-	-	226,185
Due from other funds	31	-	-	31
Intergovernmental receivables	250,535	-	-	250,535
Accrued interest on investments	124	7	14	145
Other receivable	3,401	56,147	-	59,548
Prepaid items and other assets	327	-	-	327
TOTAL ASSETS	$ 628,853	$ 158,478	$ 182,542	$ 969,873
LIABILITIES:				
Due to other funds	$ 1,578	$ -	$ -	$ 1,578
Intergovernmental payables	140,336	-	3,479	143,815
Accrued items	8,401	9	-	8,410
Deferred revenue	79,589	-	-	79,589
Total liabilities	229,904	9	3,479	233,392
FUND BALANCES:				
Nonspendable:				
Prepaid items	327	-	-	327
Restricted:				
SWAP (2% Notional)	17,173	-	-	17,173
Debt service	-	158,469	-	158,469
Committed:				
CTAP capital	14,512	-	-	14,512
RTA non-cap tech	3,762	-	-	3,762
Debt svc deposit agrmt reserve (DSDA)	46,987	-	-	46,987
Grant Incentive Program	9,531	-	-	9,531
Service Board capital (discretionary)	33,804	-	-	33,804
ICE reserve	26,252	-	-	26,252
RTA capital projects	6,770	-	-	6,770
Bond capital projects	-	-	179,063	179,063
SWAP capital (SB) expense	63,277	-	-	63,277
Unassigned	176,554	-	-	176,554
Total fund balances	398,949	158,469	179,063	736,481
TOTAL LIABILITIES AND FUND BALANCES	$ 628,853	$ 158,478	$ 182,542	$ 969,873

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

REGIONAL TRANSPORTATION AUTHORITY

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2012
(In Thousands)

TOTAL FUND BALANCE—GOVERNMENTAL FUNDS	$ 736,481
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This is the capital assets, net of accumulated depreciation recognized in the statement of net position.	14,809
Bond issue costs are paid in the current year and, therefore, are reported as expenditures in the governmental funds. This asset represents the unamortized portion recognized in the statement of net position.	12,267
General obligation bonds payable are not due and payable in the current period and, therefore, are not reported in the funds. This liability represents the total current and long-term portion of the general obligation bonds payable recognized on the statement of net position.	(2,392,600)
Bond premiums are paid in the current year and, therefore, are reported in the funds. This liability represents the unamortized portion recognized in the statement of net position.	(111,113)
Accrued interest payable on bonds is not due and payable in the current period and, therefore, is not reported in the funds. This liability is accrued in the statement of net position.	(35,089)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(699)
Other post-employment benefit obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(36)
Derivative instruments do not provide or use current financial resources and are not reported in the fund statements. This is the amount by which derivative related liabilities exceeded assets at year-end.	(2,937)
TOTAL NET DEFICIT—GOVERNMENTAL ACTIVITIES	$ (1,778,917)

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

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2012
(In Thousands)

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Sales taxes	$ 113,152	$ -	$ -	$ 113,152
Interest on sales taxes	119	-	-	119
Public Transportation Fund	189,523	-	-	189,523
General State revenue	155,369	-	-	155,369
Innovation, Coordination & Enhancement (ICE)	10,398	-	-	10,398
IDOT State Grant - PACE (ADA)	8,500	-	-	8,500
Pace ADA 2012 Surplus Refund	1,767	-	-	1,767
State assistance	86,983	-	-	86,983
Investment income	18,466	179	58	18,703
Other revenues	8,201	2,317	-	10,518
Total revenues	592,478	2,496	58	595,032
EXPENDITURES:				
Financial assistance to Service Boards	171,700	-	-	171,700
Capital grants-discretionary	5,414	-	-	5,414
South Suburban Job Access Program (PACE)	7,500	-	-	7,500
Innovation, Coordination & Enhancement (ICE)	10,278	-	-	10,278
State General Revenue CTA	7,969	-	-	7,969
IDOT Cap Grant - PACE (ADA)	10,940	-	-	10,940
Capital grants- State bonds	184,089	-	29,303	213,392
Administrative	15,713	-	-	15,713
Regional	19,785	-	-	19,785
Capital outlay	295	-	-	295
Debt service:				
Principal	-	999,375	-	999,375
Interest	5,548	124,336	-	129,884
Debt related costs	-	942	-	942
Miscellaneous	-	1,552	-	1,552
Total expenditures	439,231	1,126,205	29,303	1,594,739
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	153,247	(1,123,709)	(29,245)	(999,707)
OTHER FINANCING SOURCES (USES):				
Transfers in	173,130	207,457	7	380,594
Transfers out	(212,457)	(173,137)	-	(385,594)
Debt issuance	-	950,000	-	950,000
Total other financing sources (uses)	(39,327)	984,320	7	945,000
NET CHANGE IN FUND BALANCES	113,920	(139,389)	(29,238)	(54,707)
FUND BALANCES:				
Beginning of year	285,029	297,858	208,301	791,188
End of year	$ 398,949	$ 158,469	$ 179,063	$ 736,481

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

REGIONAL TRANSPORTATION AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012
(In Thousands)

NET CHANGE IN FUND BALANCES—TOTAL GOVERNMENTAL FUNDS	$ (54,707)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay ($1,512) exceeded depreciation ($843) in the current period.	669
Proceeds (if any) from disposals of capital assets are reported as financing sources in governmental funds; however, the gain (loss) on sale of disposal is recorded in the Statement of Activities.	(351)
The issuance of long-term debt provides current financial resources to governmental funds. However, this transaction has no effect on net position.	(950,000)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, this transaction has no effect on net position.	999,375
Accrued interest on bonds reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	2,881
Governmental funds report bond premiums as an other financing source. However, in the statement of activities, the premiums are amortized over the life of the bonds and recorded as a reduction of bond interest expense.	13,495
Unamortized bond issue costs reported in the statement of activities require the use of current financial resources and therefore, are fully recognized in the governmental funds. This is the amount by which 2012 amortization ($2,193) exceeded new issuance costs ($941).	(1,252)
Compensated absenses reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	(30)
Net pension employee benefit obligations reported in the statement of activities does not require the use of current financial resources and therefore, is not reported as expenditures in governmental funds.	(18)
Increases (decreases) in the fair values of investment derivative instruments do not provide (use) financial resources and are not reported in the fund financial statements.	3,509
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 13,571

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

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF NET POSITION
BUSINESS TYPE ACTIVITIES—ENTERPRISE FUND
JOINT SELF-INSURANCE (PROPRIETARY) FUND
DECEMBER 31, 2012
(In Thousands)

ASSETS:	
Current:	
Cash and cash equivalents	$ 10,285
Investments	13,721
Accrued interest on investments	20
Note receivable	1,554
Note accrued interest	7
Recoverable premium	259
Prepaid insurance	2,012
Total assets	27,858
LIABILITIES	
Due to General Fund	13
NET POSITION - Unrestricted	$ 27,845

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

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUSINESS TYPE ACTIVITIES—ENTERPRISE FUND
JOINT SELF-INSURANCE (PROPRIETARY) FUND
YEAR ENDED DECEMBER 31, 2012
(In Thousands)

OPERATING REVENUES:	
Note interest	$ 7
OPERATING EXPENSES:	
Insurance expense	5,779
Professional services	150
Bank charges and miscellaneous	13
Total operating expenses	5,942
OPERATING LOSS	(5,935)
NON-OPERATING REVENUES	
Investment income	77
Total nonoperating revenues	77
Transfer from General Fund	5,000
CHANGE IN NET POSITION	(858)
NET POSITION:	
Beginning of year	28,703
End of year	$ 27,845

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

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF CASH FLOWS
BUSINESS TYPE ACTIVITIES—ENTERPRISE FUND
JOINT SELF-INSURANCE (PROPRIETARY) FUND
YEAR ENDED DECEMBER 31, 2012
(In Thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to insurance vendor	$	(6,040)
Payments to other vendors		(150)
Net cash flows from operating activities		(6,190)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Note interest received		36
Payments received - principal on notes receivable		4,659
Purchases of investments		(23,866)
Proceeds from sale and maturities of investments		19,475
Investment income		90
Net cash flows from investing activities		394
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Contributions received from RTA		5,000
NET CHANGE IN CASH AND CASH EQUIVALENTS		(796)
CASH AND CASH EQUIVALENTS:		
Beginning of year		11,081
End of year	$	10,285
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	$	(5,935)
Adjustments to reconcile operating loss to net cash flows from operating activities		
Note interest		(7)
Changes in:		
Prepaid insurance		(2)
Recoverable premium		(259)
Due to General Fund		13
NET CASH FLOWS FROM OPERATING ACTIVITIES	$	(6,190)

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

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012
(In Thousands)

	Pension Trust Fund	Sales Tax Agency Fund
ASSETS:		
Cash and cash equivalents	$ 13,940	$ -
Investments, at fair value:		
Corporate fixed income mutual fund	40,302	-
Equity mutual funds and common stocks	46,538	-
Common stocks	26,460	-
Balanced funds	18,117	-
Total Investments	131,417	-
Intergovernmental receivables:		
Sales taxes	-	169,970
New sales tax	-	70,551
Interest on sales taxes	-	23
Reduced fare reimbursement	-	34,070
PTF (new sales tax/RETT)	-	56,242
Advances to Service Boards	-	71,186
Pension contribution from Service Boards	11,915	-
Due from General Fund	1,578	-
Accrued dividends and interest	13	-
Total Receivables	13,506	402,042
Total assets	158,863	402,042
LIABILITIES:		
Intergovernmental payables:		
Sales taxes due to Service Boards	-	169,970
New sales tax due to Service Boards	-	70,073
Interest on sales taxes due to Service Boards	-	23
Reduced fare reimbursement	-	34,070
PTF (new sales tax/RETT)	-	56,242
Advances from State	-	71,186
Paratransit funding PACE	-	-
Due to RTA General Fund	18	-
Suburban Community Mobility Fund-SBD	-	478
Accrued other items	115	-
Total liabilities	133	402,042
Net position held in trust for pension benefits	$ 158,730	$ -

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

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2012
(In Thousands)

	Pension Trust Fund
ADDITIONS:	
Investment gain:	
Net appreciation in fair value of investments	$ 13,526
Interest and dividends	2,212
	15,738
Less investment expenses:	
Investment managers	295
Trust fees	41
Investment advisor	123
Total investment expenses	459
Net investment gain	15,279
Contributions:	
Metra pension contributions	9,921
Pace pension contributions	7,951
RTA pension contributions	2,368
Total contributions	20,240
Total net additions	35,519
DEDUCTIONS:	
Benefit payments	10,360
Administrative expenses	455
Total deductions	10,815
NET INCREASE IN PLAN NET POSITION HELD IN TRUST FOR PENSION BENEFITS	24,704
PLAN NET POSITION HELD IN TRUST FOR PENSION BENEFITS:	
Beginning of year	134,026
End of year	$ 158,730

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

NOTE 1. REPORTING ENTITY

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

The Service Boards provide services to different geographic areas within the six-county region. Metra provides transit service to the six-county area, with the majority of the transit riders residing in the suburban metropolitan area and commuting into the City of Chicago. Pace's primary service area is the suburban communities, with limited service within the City of Chicago. The CTA provides service to the City of Chicago and 38 neighboring suburbs within Cook County. Although programs are underway to encourage riders to transfer between the service entities, trips of this type presently represent a minority of those taken.

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

As defined by accounting principles generally accepted in the United States established by the Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity,* the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

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

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

In the judgment of the management of each of the entities and their analysis and application of Statement No. 14 criteria, while the RTA does exercise some fiscal oversight, the Service Boards are not part of the

RTA reporting entity for the purpose of preparing a comprehensive annual financial report in accordance with generally accepted accounting principles in the United States.

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

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

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Capital Projects Fund—In 1989, the Illinois General Assembly authorized the RTA to issue a maximum of $500 million of Strategic Capital Improvement Program ("SCIP") bonds, and to have a maximum of $500 million RTA bonds outstanding. The Capital Projects Fund is utilized for the receipt and disbursement of the proceeds of the bond issues. The Capital Projects Fund was first established in 1990 with the issuance of $100 million of RTA bonds to fund capital projects at the Service Boards. The proceeds from the bonds issued under the General Assembly's authorization

were allocated by the RTA as follows: 50% for capital projects of the CTA; 45% for capital projects of Metra; and 5% for capital projects of Pace. Projects included in approved five-year Capital Programs will be eligible for reimbursements from these proceeds by the RTA without further review or action by the RTA Board of Directors.

In 1999, the Illinois General Assembly passed additional bonding authorization, thereby increasing the RTA bond authority to $800 million outstanding effective January 1, 2000. It also increased SCIP bond issues by $260 million each year for five years from 2000 to 2006 for a total of $1.5 billion additional bond issues.

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

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

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

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

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

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

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

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

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

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

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

Governmental fund financial statements use the current financial resources measurement focus. The funds are accounted for using the modified accrual basis of accounting; i.e., revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or shortly thereafter to pay liabilities of the current period. Sales taxes are considered measurable and available if collected by the retailer by year-end and received by the RTA within 80 days after year-end. ASA/AFA is considered measurable and available if billed and received within 180 days after year-end. Sales taxes and ASA/AFA are susceptible to full accrual. Additionally, certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

Major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds.

Assets, Liabilities and Fund Equity

Cash and Investments—All excess General Fund cash is invested and earnings are credited to the General Fund for use in financing general RTA operations. Most investments are reported at fair value which is determined using various sources. Short-term investments are reported at cost, which approximates fair value due to their short-term nature. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

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

Capital Assets—The RTA sets a capitalization threshold of no less than $5,000 for any capital item(s). Capital assets are recorded at historical cost (or fair market value at the time of donation, if donated) and have a useful life of at least two years following the date of acquisition. Any acquisitions during the year are considered acquired at the beginning of that year for the purpose of computing depreciation. The RTA uses the straight-line method for computing depreciation expense. Leasehold improvements made to RTA's office facilities are capitalized, and their costs amortized during the life of the lease. Leasehold improvements and major equipment repairs, if any, are also capitalized during the remaining life of the lease or the extended

useful life of the equipment. The Capital-Technology Program's capitalized assets are for projects in progress; therefore, the assets are non-depreciable.

Description	Useful Life
Furniture and equipment	5 years
Computer equipment and software	5 years
Leasehold improvements	Life of the lease

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

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

Changes in compensated absences for the year ended December 31, 2012 were as follows (amounts in thousands):

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012	Due Within One Year
Compensated absences payable	$ 669	$ 699	$ 669	$ 699	$ 65

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

Unearned/Deferred Revenue—These amounts are recorded as assets and revenue recognition is based on certain time requirements.

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

Nonspendable – This consists of amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

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

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

Assigned – This consists of net amounts that are constrained by the Authority's intent to be used for specific purpose, but that are neither restricted not committed.

Unassigned – This consists of residual deficit fund balances.

In instances where restricted, committed and assigned fund balances are available for use, RTA's policy is to use restricted resources first, followed by committed resources, then assigned resources, as needed.

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 incident to a sale of a service (a Service Occupation Tax).

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

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

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

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

The Act provides that the RTA withhold 15% of 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 0.3% (i.e. for every $500 in sales price $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. The State has approved an appropriation from the PTF through its 2011 fiscal year which will end June 30, 2012.

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.

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 discretion 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, an 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 2013, which ends June 30, 2013, 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, 2012, the grant was in the amount of $34.1 million. For the state fiscal year ending June 30, 2013, the RTA anticipates a grant in the amount of $17 million.

Additional State Assistance/Additional Financial Assistance—The State has authorized Additional State Assistance ("ASA") which is supplemental financing for the RTA's Strategic Capital Improvement Program ("SCIP") bonds. The ASA available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP I bonds plus any debt service savings from the issuance of currently refunding or advance refunding SCIP I bonds, less interest earned on the unspent bond proceeds, or (ii) $55 million per year. The RTA recognized $34.6 million of ASA in 2012.

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 2012 and 2013, per year. The RTA recognized $52.3 million of AFA in 2012.

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

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

Administration consists of those costs of the RTA incurred to carry out its administrative activities. These costs were limited by statute to $18.7 million for the year ended December 31, 2012.

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

Cash Flows—For purposes of the statement of cash flows, the RTA considers all short-term securities with original maturities of three months or less to be cash equivalents. Cash and cash equivalents aggregated $10.3 million at December 31, 2012 and are included in cash and cash equivalents under business-type activities on the accompanying statement of net position. The remaining $13.7 million constitutes investments in the Joint Self-Insurance Fund with original maturities in excess of three months.

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

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

New Accounting Pronouncements—During 2012, the Authority adopted the following GASB Statements:

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance contained in pre-November 1989 FASB and AICPA Pronouncements*, was established to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in certain FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, was established to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – An Amendment to GASB Statement No. 53*, was established to enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced.

Other accounting standards that the Authority is currently reviewing for applicability and potential impact on the financial statements include:

Statement No. 65, *Items Previously Reported as Assets and Liabilities,* was established to reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Authority is required to implement this statement for the year ending December 31, 2013.

Statement No. 66, *Technical Corrections – 2012,* was established to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two earlier pronouncements, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* This Statement also amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and to an internal service fund type. Governments are allowed to base their decision about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.* Finally, this Statement also amends Statement 62 by modifying the specific guidance on accounting for operating lease payments that vary from a straight-line basis; the difference between the initial investment and principal amount of a purchased loan or group of loans; and servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases* and result in guidance that is consistent with the requirements of Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues.* The Authority is required to implement this statement for the year ending December 31, 2013.

Statement No. 67, *Financial Reporting for Pension Plans*, will be effective for the Authority beginning with its year ended December 31, 2014. This statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This statement enhances note disclosures and RSI for both defined benefit and defined contribution pension plans and requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules.

Statement No. 68, *Accounting and Financial Reporting for Pensions*, will be effective for the Authority beginning with its year ended December 31, 2015. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

Management has not currently determined what impact, if any, these Statements may have on its financial statements.

NOTE 3. CASH AND INVESTMENTS

Governmental and Joint Self-Insurance Fund Investments

Cash and investments in the statement of net position may be restricted by bond covenants or through action of the RTA board as to their use. Unrestricted cash and investments may be used for any purpose.

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

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

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

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

Investments

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

As of December 31, 2012, the RTA's investments were as follows (amounts in thousands):

Investment Type	Fair Value
Commercial paper	$ 95,071
Fixed-income securities	56,543
Illinois Funds	82,838
Money market fund	9,583
U.S. Agency securities	280,483
Total	$ 524,518

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

Credit Risk — The RTA's policy for credit risk states no investment shall be made in short-term obligations of corporations unless such obligations are rated at the time of purchase within the highest classification established by at least two standard rating services, the investment matures no later than 180 days from the date of purchase and the issuer is domiciled in the United States.

As of December 31, 2012, the RTA's investments were as follows (amounts in thousands):

		Credit Rating		
Investment Type	Fair Value	Moody's	Standard & Poor's	Fitch
Commercial paper	$ 95,071	P-1	A-1	F1
Fixed-income securities	56,543	Aaa-mf	AAAm	*
Illinois Funds	82,838	*	AAAm	*
Money market fund	9,583	Aaa-mf	AAAm	AAAmmf
U.S. Agency securities	128,990	Aaa	AA+	AAA
U.S. Agency securities	151,493	Aaa	AA+	*
Total	$ 524,518			

* Rating not available

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

The RTA has investments in the following issuers that exceed 5% of the total investments:

In the Governmental funds, there are no investments in a single issuer that exceeds 5% of the total investments.

Joint Self-Insurance Fund Investment	Amount	% of Portfolio
Starbird Funding	$ 2,999,311	12%
Mizuho Funding	2,997,119	12%
Lexington Parker	1,498,528	6%

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

The Illinois Funds investment pool (2a7-like pool) is managed by the Treasurer of the State of Illinois and is not registered with the SEC. The Illinois Funds targets maintaining a $1 per share net asset value (NAV) at all times. The fair market of the investment pool is equal to the number of pool shares owned.

Derivative Instruments

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2012, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2012 financial statements are as follows (amounts in thousands):

	Changes in Fair Value		Fair Value at December 31, 2012		
	Classification	Amount	Classificatio	Amount	Notional
Governmental activities					
Fair value hedges:					
Receive-fixed interest rate swap	Deferred inflow	$ (776)	Debt	$ 13,800	$ 84,840
Receive-fixed interest rate swap	Deferred inflow	391	Debt	13,897	96,442
Receive-fixed interest rate swap	Deferred inflow	(153)	Debt	20,105	144,663
Cash flow hedge:					
Pay-fixed interest rate swap	Deferred outflow	1,474	Debt	(31,951)	111,650
Investment derivatives:					
Basis swap	Investment revenu	1,437	Investment	(1,234)	184,539
Basis swap	Investment revenu	1,431	Investment	(1,234)	184,539
Basis swap	Investment revenu	641	Investment	(470)	52,000

Objective, Terms, Fair Value and Accounting of Derivative Instruments

The RTA engaged an independent pricing service with no vested interest in the interest rate swap transactions to perform the valuations, the required tests, and evaluation of all the swaps for compliance with GASB 53. The fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of each swap. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement payment on the swaps.

The table below displays the objectives, terms, and fair values of the RTA's derivative instruments outstanding as of December 31, 2012, along with the counterparties and their credit ratings.

Type of Swap	Objective	RTA Pays	RTA Receives	Trade Date	Effective Date	Maturity Date	Current Notional	Counterparty	Ratings	Fair Value
Receive-fixed	Hedge of fair value changes in the Series 1990 A, 1994 B, and 1994 D bonds	SIFMA Swap Index	4.30200%	11/16/2001	11/20/2001	06/01/2020	$84,840,000	UBS AG	A2/A/A	$ 13,800,170
Pay-fixed	Hedge of changes in cash flows on the Series 2005 B bonds	4.95200%	70% of USD-LIBOR	12/13/2002	06/01/2005	06/01/2025	$111,650,000	JPMorgan Chase Bank, N.A.	Aa3/A+/A+	$ (31,950,685)
Basis	Reduce interest expense (investment instrument under GASB 53)	SIFMA Swap Index	78.25% of USD-LIBOR	08/07/2003	08/11/2003	06/01/2024	$184,539,000	Merrill Lynch Capital Services, Inc. (Bank of America)	Baa2/A-/A	$ (1,233,770)
Basis	Reduce interest expense (investment instrument under GASB 53)	SIFMA Swap Index	78.25% of USD-LIBOR	08/07/2003	08/11/2003	06/01/2024	$184,539,000	UBS AG	A2/A/A	$ (1,233,770)
Basis	Reduce interest expense (investment instrument under GASB 53)	SIFMA Swap Index	79% of USD-LIBOR	03/22/2005	03/29/2005	07/01/2023	$52,000,000	JPMorgan Chase Bank, N.A.	Aa3/A+/A+	$ (470,913)
Receive-fixed	Hedge of fair value changes in the Series 2000 A and 2006 A	SIFMA Swap Index	4.36700%	06/07/2007	06/11/2007	07/01/2030	$96,442,000	JPMorgan Chase Bank, N.A.	Aa3/A+/A+	$ 13,896,601
Receive-fixed	Hedge of fair value changes in the Series 2000 A and 2006 A	SIFMA Swap Index	4.36700%	06/07/2007	06/11/2007	07/01/2030	$144,663,000	Goldman Sachs Bank USA	A2/A/A	$ 20,105,667

The receive-fixed swap transactions are associated with fixed rate debt. Combining a receive-fixed pay-variable rate swap with fixed-rate debt results in what is termed "synthetic" variable-rate debt. It is called synthetic because the economics are similar to floating-rate debt, but an additional instrument is involved unlike traditional floating-rate debt. When the RTA created synthetic floating-rate debt, it had very little unhedged variable-rate exposure in its overall debt profile. A comparison and determination was made that the terms and costs of issuing traditional floating-rate debt, which would involve ongoing liquidity, credit, and maintenance fees, would have been higher and involved greater risk than by creating synthetic variable-rate debt through the receive-fixed swap.

The three swaps where the RTA receives a fixed rate and pays a floating rate are considered fair value hedges. They all qualify for hedge accounting under GASB 53, therefore all cumulative changes in fair value as of December 31, 2012, which were all assets, were offset by a corresponding deferred inflow liability on the statement of net position.

The one swap where the RTA pays a fixed rate and receives a floating rate is considered a cash flow hedge. The swap exceeds the underlying $125.9 million bond principal by approximately $0.5 million of notional. This pay-fixed swap transaction is associated with variable debt. Combining a pay-fixed/receive-variable rate swap with variable-debt results in what is termed "synthetic" fixed-rate debt. It is called synthetic because the economics are similar to fixed-rate debt, but an additional instrument is involved unlike traditional fixed-rate debt. When the RTA created synthetic fixed-rate debt, a comparison and determination was made that the fixed rate on traditional debt would have been higher than the all-in fixed-rate on the swap, inclusive of credit support costs for the underlying variable-rate demand bonds. The RTA received a payment of $11.7 million when the swap agreement was entered into.

The three swaps where the RTA pays and receives floating rates, basis swaps, are deemed investment instruments under GASB 53 and are accounted for as investment instruments.

There are three main strategies the RTA pursues with respect to each transaction. Each swap can achieve one or more of these strategies. Then as a result of execution of the derivative, its value will change with respect to how prevailing rates in each reporting period compare to when the derivative was put in place. The accumulated changes in fair value, or total fair value of all the derivatives are a function of how prevailing interest rates and other market factors affect each transaction at each reporting period. Pursuant to GASB 53, each swap transaction is then evaluated to determine what type of accounting treatment to apply.

(i) Mitigate the effect of fluctuations in variable interest rates. This is the primary function of the swap. The RTA pays a fixed rate, and receives a floating rate. In an interest rate environment whose level is generally higher than the rate at which the RTA is fixed, the swap would result in a positive value to the RTA. Correspondingly, a lower rate environment than the fixed rate would result in a negative value to the RTA. The value primarily depends on the overall level of interest rates on the reporting date compared to what the RTA pays. The overall level of long-term interest rates from period to period is the primary driver of changes in value recorded from the investment derivatives where the RTA pays fixed and receives a floating rate. Interest rates have trended lower since inception of the pay-fixed swap, therefore, the mark-to-market value is generally more negative to the RTA.

(ii) Reduce interest expense from expected benefit resulting from the difference between tax-exempt and taxable rates. This is a function of the swap where the RTA receives a percentage of 1-month LIBOR when hedging tax-exempt variable debt, with the expectation of receiving an ongoing net benefit from paying a lower fixed rate at the time of putting on the swap transaction. The historical average ratio of 1-month LIBOR (short-term taxable rates) versus tax-exempt rates, a direct function of tax rates, is approximately 70%, but the ratio of long-term taxable rates and long-term tax-exempt rates is normally significantly higher than the percentage received by the RTA on the fixed-rate swap. Therefore, the fixed rate payable in exchange for a smaller percentage of LIBOR plus applicable spread will be significantly less than a long-term tax-exempt fixed rate. This reduction in fixed rate is the value of the benefit, the risk being tax rates change over the life of the percentage of LIBOR swap, or the variable rates on the RTA's hedged bonds do not closely match the percentage of LIBOR variable rate on the swap. The value of such a swap is determined by the prevailing level of taxable interest rates, with no reference to tax-exempt interest rates.

For the three basis swaps, the RTA receives 78.25% and 79% of 1-month LIBOR which is significantly higher than the historical average ratio of 70% stated above. This additional receipt to the RTA is the expected benefit and reduction to interest expense for the life of the basis swap transaction. The value of such a swap is determined by the prevailing level of taxable interest rates received versus the level of tax-exempt interest rates paid.

(iii) Converting a portion of fixed-rate debt to variable in an environment of higher long term fixed rates and lower variable interest rates, with no ongoing liquidity fees. This is the function of the swaps where the RTA receives fixed and pays the SIFMA Swap Index. The cancellation option in the two swaps mirror the RTA's call option on the underlying bonds. Including this option in the receive-fixed swap increased the fixed-rate receivable to the RTA. If either counterparty exercises their option and cancels the swap, interest rates will likely have declined, also allowing the RTA to refund the underlying fixed rate bonds for savings. The value of each swap is determined by the prevailing level of interest rates, and if applicable, the value of the cancellation option which is an asset to the counterparty. Interest rates have trended lower since inception of the receive fixed swaps, therefore, the mark-to-market value is generally more positive to the RTA.

Risks

Credit risk. This is the risk that the counterparty fails to perform according to its contractual obligations. The appropriate measurement of this risk at the reporting date is the sum fair value of swaps netting, or aggregating under a contract between the RTA and each counterparty. The RTA would be exposed to credit risk on derivative instruments under a netting agreement that would sum to an asset position. As of December 31, 2012, the RTA has credit risk exposure to Goldman Sachs Bank USA and UBS AG. This is because the transactions associated with each counterparty net to a positive fair value, meaning the RTA is exposed to the counterparty in the amount of the derivative contracts' fair values. However, should interest rates change and the fair values become negative, the RTA would not be exposed to credit risk.

The RTA has no credit risk exposure on the rest of the swap contracts because the swaps under each netting agreement with each counterparty have negative fair values, meaning the counterparties are exposed to the RTA in the amount of the derivatives' fair values. However, should interest rates change and the fair values of the swaps become positive, the RTA would be exposed to credit risk.

The swap agreements contain varying collateral agreements with the counterparties. The swaps require collateralization of the fair value of the swap should the counterparty's credit rating fall below the applicable thresholds.

Interest rate risk. The RTA is exposed to interest rate risk on its interest rate swaps. On the receive fixed/pay variable, as interest rates increase, the risk increases. On pay fixed/receive variable, as interest rates decrease, the risk increases.

Basis risk. Basis risk is the risk that the interest rate paid by the RTA on underlying variable rate bonds to bondholders differs from the variable swap rate received from the applicable counterparty. The RTA bears basis risk on its fixed rate swap. The swap has basis risk since the RTA receives a percentage of LIBOR to offset the actual variable bond rate the RTA pays on its bonds. The RTA is exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the RTA pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the expected cost savings from the swap may not be realized.

Termination risk. The RTA or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the respective contracts. If the fixed-rate swap is terminated, the associated variable-rate bonds would no longer be hedged to a fixed rate. If at the time of termination the swaps have a negative fair value, the RTA would be liable to the counterparty for a payment equal to the swap's fair value.

Hedging derivative instrument payments and hedged debt. As of December 31, 2012, aggregate debt service requirements of the RTA's debt (fixed rate and variable rate) and net receipts/payments on associated hedging derivative instruments are as follows. These amounts assume that current interest rates on variable-rate bonds and the current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary. The schedule below represents pay fixed derivative.

Year Ending December 31,	(Amounts in Thousands) Principal	Interest	Hedging Derivatives, Net	Total
2013	$ 25,700	$ 35,173	$ (4,993)	$ 55,880
2014	27,305	33,980	(4,603)	56,682
2015	29,060	32,534	(4,321)	57,273
2016	39,305	30,355	(4,210)	65,450
2017	42,150	27,560	(4,176)	65,534
2018-2022	184,250	106,423	(16,662)	274,011
2023-2027	195,380	73,080	(2,551)	265,909
2028-2032	92,585	18,708	126	111,419
2033-2035	36,800	3,861	-	40,661
Total	$ 672,535	$ 361,674	$ (41,390)	$ 992,819

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

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the RTA's pension deposits may not be returned to it. The RTA's Pension Plan policy does not explicitly indicate custodial credit risk. As of December 31, 2012, none of the Plan's cash and investments was at risk.

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

As of December 31, 2012, the RTA's pension investments were as follows (amounts in thousands):

Investment Type	Fair Value	Weighted Average Maturity (Months)
Corporate fixed income mutual fund	$ 40,302	54
Money market fund	13,940	1
Total fair value	$ 54,242	
Portfolio weighted average maturity		40

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

As of December 31, 2012, the credit ratings for RTA pension investments were as follows:

Investment Type	Total Fair Value (Amounts in Thousands)	Credit Rating (where available) Moody's	Standard & Poor's	Fitch
Corporate fixed income mutual fund	$ 40,302	NR	NR	NR
Money market fund	13,940	Aa3	AA-	AA
Balanced mutual fund	6,370	NR	NR	NR
Total	$ 60,612			

NR - not rated

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

NOTE 4. INTERGOVERNMENTAL RECEIVABLES AND PAYABLES

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

Receivable	Amount (In Thousands)
General Fund:	
Sales taxes	$ 30,045
Innovation, Coordination & Enhancement (ICE)	239
State assistance (ASA & AFA)	106,293
Public Transportation Fund (PTF)	107,832
Pace ADA Paratransit	1,767
Interest on sales tax	16
Illinois Department of Transportation (IDOT) grants and others	4,321
JSIF Claims and Other Advances	22
Total Intergovernmental Receivables	$ 250,535
Payable	
General Fund:	
Financial assistance	$ 97,796
State bond payable SB	30,496
Accelerated sales tax	12,015
Capital assistance	29
Total General Fund	140,336
Capital Projects Fund:	
Capital grants, (CTA, METRA, PACE)	3,479
Total Intergovernmental Payables	$ 143,815

NOTE 5. DUE TO/FROM OTHER FUNDS

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

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

On December 31, 2012, the amounts due to/from other funds presented in the Governmental Funds Balance Sheet, the Joint Self-Insurance Fund Statement of Net Position, and the Fiduciary Funds Statement of Fiduciary Net Position are as follows:

Receivable Fund	Payable Fund	Amount (In Thousands)
General	Pension	$ 18
General	Joint Self-Insurance	13
Pension Trust	General	1,578

NOTE 6. INTERFUND TRANSFERS

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

Transfer Out Fund	Transfer In Fund	Amount (In Thousands)
Debt Service	General	$ 173,130
Debt Service	Capital projects	7
General	Debt Service	207,457
General	Joint Self-Insurance	5,000

The purpose of Interfund transfers from the General Fund to Debt Service is to satisfy the RTA's obligations to bondholders for principal and interest. The purpose of the Interfund transfer from the General Fund to the Joint Self-Insurance Fund is to make a capital contribution to the fund to purchase insurance.

NOTE 7. ADVANCES TO SERVICE BOARDS

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

CTA	$ 33,138
Metra	28,916
Pace	9,132
Total Service Board Advances	$ 71,186

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

NOTE 8. CAPITAL ASSETS

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

	Balance at January 1, 2012	Additions	Retirements	Balance at December 31, 2012
Depreciable:				
Office furniture and equipment	$ 1,133	$ 10	$ -	$ 1,143
Computer equipment	4,227	285	-	4,512
Leasehold improvements	2,227	-	-	2,227
Subtotal	7,587	295	-	7,882
Less accumulated depreciation:				
Office furniture and equipment	752	123	-	875
Computer equipment	3,154	536	-	3,690
Leasehold improvements	987	184	-	1,171
Subtotal	4,893	843	-	5,736
Total Depreciable	2,694	(548)	-	2,146
Non-depreciable:				
Capital in Progress -Technology Program	11,797	1,217	351	12,663
Total Capital assets—net of accumulated depreciation	$ 14,491	$ 669	$ 351	$ 14,809

All capital assets are associated with governmental activities.

During 2012, total depreciation expense of $843 thousand was allocated between two functions; $98 thousand to the regional function and $745 thousand to the administrative function.

NOTE 9. GENERAL OBLIGATION BONDS PAYABLE

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

	January 1, 2012	New Issues	Current Retirements	December 31, 2012	Due Within One Year
1990A	$ 52,900	$ -	$ 4,380	$ 48,520	$ 4,695
1991A	55,745	-	4,090	51,655	4,365
1992A* & 1992B	9,180	-	9,180	-	-
1994A* & 1994B	24,395	-	-	24,395	-
1994C* & 1994D	52,915	-	1,890	51,025	2,045
1997 Refunding	49,605	-	1,865	47,740	3,320
1999* Refunding	250,185	-	9,025	241,160	17,990
2000A*	213,315	-	6,245	207,070	6,610
2001A*	82,360	-	2,325	80,035	2,455
2001B* Refunding	29,800	-	-	29,800	-
2002A*	135,475	-	3,495	131,980	3,690
2002B	11,815	-	11,815	-	-
2003A*	227,275	-	5,600	221,675	5,910
2003B	131,120	-	3,265	127,855	3,435
2004A*	231,785	-	5,385	226,400	5,660
2005B Refunding	118,710	-	7,590	111,120	7,960
2006A*	234,555	-	4,150	230,405	4,390
2010A	57,365	-	4,075	53,290	4,235
2010B	112,925	-	-	112,925	-
2010C Cash Note	140,000	-	140,000	-	-
2011A Refunding	95,550	-	-	95,550	12,040
2011CP Cash Note	125,000	650,000	775,000	-	-
2012A Cash Note	-	300,000	-	300,000	-
Subtotal	2,441,975	950,000	999,375	2,392,600	88,800
Unamortized bond premium	124,608	-	13,495	111,113	13,495
Total	$ 2,566,583	$ 950,000	$ 1,012,870	$ 2,503,713	$ 102,295

* Strategic Capital Improvement Program (SCIP) Bonds

At December 31, 2012, the total general obligation bonds payable of $2,392.6 million are classified as current and long-term in the Statement of Net Position in the amounts of $88.8 million and $2,303.8 million, respectively.

Advance Refunding-On June 28, 2011, the RTA issued $95.55 million in General Obligation bonds with an average interest rate of 5 percent. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to call the 2002B Series bonds June 1, 2012. As a result, the 2002B Series bonds are considered to be redeemed and the liability for those bonds has been removed from the government-wide statement of net position. The refunding resulted in a redemption premium of $11.5 million paid at the call date. The RTA completed the refunding to reduce its total debt service payments over the next 9 years by $7.9 million, resulting in an economic gain of $7.2 million.

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.

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

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

The Series 1990A Bonds mature on November 1 over a thirty-year period and interest is payable at rates ranging from 6.00% to 7.30% on May 1, 1990 and semiannually thereafter on November 1 and May 1 in each remaining year.

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 4,695	$ 3,494	$ 8,189
2014	5,035	3,155	8,190
2015	5,395	2,793	8,188
2016	5,785	2,404	8,189
2017	6,200	1,988	8,188
2018-2020	21,410	3,155	24,565
Total	$ 48,520	$ 16,989	$ 65,509

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 4,365	$ 3,461	$ 7,826
2014	4,660	3,168	7,828
2015	4,970	2,856	7,826
2016	5,305	2,523	7,828
2017	5,660	2,168	7,828
2018-2021	26,695	4,616	31,311
Total	$ 51,655	$ 18,792	$ 70,447

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ -	$ 1,952	$ 1,952
2014	-	1,952	1,952
2015	-	1,952	1,952
2016	11,725	1,482	13,207
2017	12,670	506	13,176
Total	$ 24,395	$ 7,844	$ 32,239

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 2,045	$ 3,875	$ 5,920
2014	2,210	3,710	5,920
2015	7,360	3,340	10,700
2016	7,955	2,746	10,701
2017	8,600	2,105	10,705
2018-2020	22,855	2,209	25,064
Total	$ 51,025	$ 17,985	$ 69,010

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 3,320	$ 2,765	$ 6,085
2014	3,530	2,559	6,089
2015	3,750	2,341	6,091
2016	3,980	2,109	6,089
2017	4,230	1,863	6,093
2018-2022	25,380	5,054	30,434
2023	3,550	107	3,657
Total	$ 47,740	$ 16,798	$ 64,538

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 17,990	$ 13,405	$ 31,395
2014	16,735	12,407	29,142
2015	17,720	11,416	29,136
2016	10,425	10,607	21,032
2017	11,045	9,990	21,035
2018-2022	128,090	31,413	159,503
2023-2025	39,155	2,737	41,892
Total	$ 241,160	$ 91,975	$ 333,135

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 6,610	$ 13,211	$ 19,821
2014	7,005	12,798	19,803
2015	7,425	12,360	19,785
2016	7,870	11,896	19,766
2017	8,345	11,405	19,750
2018-2022	50,125	48,524	98,649
2023-2027	67,860	30,583	98,443
2028-2030	51,830	6,875	58,705
Total	$ 207,070	$ 147,652	$ 354,722

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 2,455	$ 4,751	$ 7,206
2014	2,595	4,598	7,193
2015	2,740	4,436	7,176
2016	2,895	4,264	7,159
2017	3,060	4,090	7,150
2018-2022	18,090	17,655	35,745
2023-2027	23,820	11,758	35,578
2028-2031	24,380	3,758	28,138
Total	$ 80,035	$ 55,310	$ 135,345

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ -	$ 1,639	$ 1,639
2014	2,295	1,576	3,871
2015	2,425	1,446	3,871
2016	2,560	1,309	3,869
2017	2,710	1,164	3,874
2018-2022	16,035	3,340	19,375
2023	3,775	104	3,879
Total	$ 29,800	$ 10,578	$ 40,378

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 3,690	$ 7,867	$ 11,557
2014	3,900	7,655	11,555
2015	4,120	7,431	11,551
2016	4,350	7,194	11,544
2017	4,600	6,944	11,544
2018-2022	27,280	30,306	57,586
2023-2027	36,150	21,118	57,268
2028-2032	47,890	8,943	56,833
Total	$ 131,980	$ 97,458	$ 229,438

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 5,910	$ 12,731	$ 18,641
2014	6,235	12,435	18,670
2015	6,575	12,092	18,667
2016	6,940	11,731	18,671
2017	7,320	11,349	18,669
2018-2022	43,095	50,246	93,341
2023-2027	56,160	36,963	93,123
2028-2032	72,565	18,569	91,134
2033	16,875	1,013	17,888
Total	$ 221,675	$ 167,129	$ 388,804

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 3,435	$ 7,067	$ 10,502
2014	3,610	6,873	10,483
2015	3,805	6,669	10,474
2016	4,010	6,454	10,464
2017	4,225	6,228	10,453
2018-2022	24,805	27,291	52,096
2023-2027	32,245	19,490	51,735
2028-2032	41,930	9,095	51,025
2033	9,790	281	10,071
Total	$ 127,855	$ 89,448	$ 217,303

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 5,660	$ 12,499	$ 18,159
2014	5,950	12,209	18,159
2015	6,255	11,880	18,135
2016	6,575	11,511	18,086
2017	6,920	11,123	18,043
2018-2022	40,620	49,189	89,809
2023-2027	52,815	36,663	89,478
2028-2032	68,670	19,755	88,425
2033-2034	32,935	1,919	34,854
Total	$ 226,400	$ 166,748	$ 393,148

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest*	Total
2013	$ 7,960	$ 3,535	$ 11,495
2014	8,425	3,265	11,690
2015	3,910	3,062	6,972
2016	685	2,986	3,671
2017	720	2,963	3,683
2018-2022	49,320	11,561	60,881
2023-2025	40,100	1,836	41,936
Total	$ 111,120	$ 29,208	$ 140,328

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

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 4,390	$ 11,266	$ 15,656
2014	4,630	11,046	15,676
2015	4,970	10,815	15,785
2016	5,285	10,566	15,851
2017	5,615	10,302	15,917
2018-2022	40,540	46,953	87,493
2023-2027	87,420	32,386	119,806
2028-2032	40,755	11,833	52,588
2033-2035	36,800	3,861	40,661
Total	$ 230,405	$ 149,028	$ 379,433

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 4,235	$ 2,664	$ 6,899
2014	4,450	2,453	6,903
2015	4,670	2,230	6,900
2016	4,905	1,997	6,902
2017	5,150	1,752	6,902
2018-2022	29,880	4,628	34,508
Total	$ 53,290	$ 15,724	$ 69,014

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ -	$ 6,622	$ 6,622
2014	-	6,622	6,622
2015	-	6,622	6,622
2016	-	6,622	6,622
2017	-	6,621	6,621
2018-2022	-	33,108	33,108
2023-2027	29,105	29,176	58,281
2028-2032	43,020	17,588	60,608
2033-2035	40,800	3,790	44,590
Total	$ 112,925	$ 116,771	$ 229,696

2011 General Obligation Bonds—In July 2011, the RTA issued $95.6 million in General Obligation Bonds, Series 2011A, to pay when due, or refund in advance of their maturities a portion of the RTA's Outstanding General Obligation Bonds, Series 2002B maturing from 2013 through 2019 and to pay Costs of Issuance of the Series 2011A Bonds.

The Series 2011A Bonds mature on June 1, over an eight-year period and interest is payable at rates ranging from 4.00% to 5.00% on December 1, 2011 and semi-annually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2011A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 12,040	$ 4,416	$ 16,456
2014	12,475	3,863	16,338
2015	13,000	3,227	16,227
2016	13,560	2,563	16,123
2017	14,165	1,870	16,035
2018-2019	30,310	1,533	31,843
Total	$ 95,550	$ 17,472	$ 113,022

2012 Cash Notes—In June 2012, the RTA issued $300 million in Working Cash Notes, Series 2012A (Taxable) to provide funds to manage the cash flow needs of the RTA and the Service Boards, including the payment of certain existing obligations of the RTA, and to pay the costs of issuance of the Notes.

The Series 2012A Working Cash Notes mature April 1, 2014 and June 1, 2014 and interest is payable at 1.044% and 1.064%, respectively.

Debt service requirements on the Series 2012 Working Cash Notes to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ -	$ 3,162	$ 3,162
2014	300,000	1,320	301,320
Total	$ 300,000	$ 4,482	$ 304,482

All the bonds 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 are payable from all revenues and all other funds received or held by the RTA (except amounts in the Joint Self-Insurance Fund and amounts required to be held or used with respect to separate ordinance obligations) that lawfully may be used for retiring the debt.

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

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

In the Debt Service Fund, $102,324 thousand in investments are available to service principal and interest payments of the RTA's long-term debt as of December 31, 2012.

NOTE 10. PENSION

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

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

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

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

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

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

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

Contributions and Vesting—The Plan is funded solely by employer contributions, which are actuarially determined under the projected unit credit method. During 2012, the RTA Board approved a resolution that a contribution of $13,494,000 be made to the Plan. The contribution is allocated as follows: Metra - $6,615,000; Pace - $5,300,000; RTA - $1,579,000. As of December 31, 2012, $13,494,000 had not been funded and was reported as contribution receivable by the Pension Fund in the Statements of Plan Net Position. The RTA has reported its liability of $1,579,000 in the General Fund (due to other funds). The 2012 contribution levels were within the actuarially determined ranges for the respective years.

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

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

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

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

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

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

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

Annual Pension Cost and Net Pension Obligation—For 2010, 2011 and 2012, the RTA, Metra and Pace annual pension costs equal the required contributions which were, $11,288,000, $12,547,000 and $13,494,000, respectively. The required contributions were determined as part of the January 1, 2010, 2011 and 2012 actuarial valuations.

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

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

	January 1, 2012	January 1, 2011	January 1, 2010
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Straight-line, open	Straight-line, open	Straight-line, open
Remaining amortization period	30 years	30 years	30 years
Asset valuation method	Smoothed market value	Smoothed market value	Smoothed market value
Actuarial assumptions:			
Investment rate of return	7.75%	8.25%	8.5%
Projected salary increases:			
Age graded scale	Range of 3.5% to 7.5% based on attained age.	Range of 3.5% to 7.5% based on attained age.	Range of 3.5% to 7.5% based on attained age.
Mortality	RP2000 White Collar Mortality Table applied separately for males and females projected to 2018.	RP2000 White Collar Mortality Table applied separately for males and females projected to 2018.	RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.
Withdrawals from service	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47 % at age 20 to 0.39% at age 60 for males.	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47 % at age 20 to 0.39% at age 60 for males.	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47 % at age 20 to 0.39% at age 60 for males.

The assumed rate of price inflation disclosed by the prior actuary was 2.50%. This assumption is not used directly in the valuation. However, the price inflation assumption underlies all of the other economic assumptions (investment return, salary increase, and payroll growth assumption).

Funded Status and Funding Progress – As of January 1, 2012, the most recent actuarial valuation date, the plan was 70.4% percent funded. The actuarial accrued liability for benefits was $200.845 million and the actuarial value of assets was $141.388 million resulting in an underfunded actuarial accrued liability ("UAAL") of $(59.457 million). The covered payroll (annual payroll of active employees covered by the Plan) was $67.176 million and the ratio of the UAAL to the covered payroll was 88.5 percent.

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

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The Regional Transportation Authority ("RTA") provides limited health care insurance coverage for its eligible retired employees. This is a single-employer plan. The plan does not issue a publicly available financial report.

Funding Policy. The required contribution is based on projected pay-as-you-go financing requirements. Eligible disabled pensioners receive coverage under the RTA's health plan with an employer contribution rate of 100% of the premiums for the coverage elected by the retiree. There is also an implicit rate subsidy of 20% related to all RTA retirees. The RTA contributed $0 to the plan during fiscal year 2012.

Annual OPEB Cost and Net OPEB Obligation. The RTA's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the *annual required contribution of the employer ("ARC")*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC

represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of RTA's annual OPEB cost for the year ended December 31, 2012, the amount actually contributed to the plan, and changes in RTA's net OPEB obligation to the plan:

Annual required contribution (ARC)	$ 18,103
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	18,103
Contribution made	-
Increase in net OPEB obligation	18,103
Net OPEB obligation beginning of year	18,081
Net OPEB obligation end of year	$ 36,184

RTA's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 is as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	$ 18,103	0.0%	$ 18,103
12/31/2011	18,081	0.0	18,081

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was $108,778 and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $108,778. The covered payroll (annual payroll of active employees covered by the Plan) was $8,232,426 and the ratio of the UAAL to the covered payroll was 1.32%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and the healthcare cost trend. Amounts determined reporting the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employee and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2011 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.0 percent discount rate (includes inflation at 3.0 percent) annual healthcare cost trend rate of 8.0 percent initially, reduced by decrements to an ultimate rate of 6.0 percent, and anticipated participation of 20.0 percent to 100 percent based on position of employee. The actuarial value of assets was determined using techniques that spread the effects of short-tem volatility in the market value of

investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis over a 30-year period.

NOTE 12. RISK MANAGEMENT

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

The Workers' Compensation and Employers' Liability Insurance Policy is procured through RTA's insurance policy with The Hartford. The RTA is insured for $500,000 each accident for bodily injury by accident, $500,000 each employee for bodily injury by disease and $500,000 policy limit. The RTA property is insured through Pace's Property Insurance with Mesirow Insurance Services, Inc. The RTA's portion of insurance premiums is paid to Pace, and is accounted for in the General Fund. The RTA had no settlements in excess of insurance coverage in the past three years. There have been no significant reductions in the amount of coverage from the prior year.

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

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

The limit of liability to the Fund is established at $50 million less the retained limit (deductible portion) as described below:

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

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

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

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

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

NOTE 13. COMMITMENTS AND CONTINGENCIES

The RTA has an operating lease agreement for its office facilities. In 2012, the total rent paid by the RTA was $1,776,000. Minimum required annual rental payments by the RTA are as follows:

Year Ending December 31	Amount (in thousands)
2013	$ 2,019
2014	2,017
2015	2,062
2016	2,126
2017	2,101
Thereafter	13,804
Total	$ 24,129

NOTE 14. SUBSEQUENT EVENTS

As of May 1, 2013, the Authority entered into a Letter of Credit and Reimbursement Agreement which provides for the issuance of an irrevocable transferable direct-pay letter of credit to provide credit support for the timely repayment of principal and interest on commercial paper notes in an aggregate principal amount not to exceed $93 million at a fixed interest rate of 0.47%. The Authority has borrowed $10 million under this agreement.

REQUIRED SUPPLEMENTARY INFORMATION

REGIONAL TRANSPORTATION AUTHORITY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL—GENERAL FUND
YEAR ENDED DECEMBER 31, 2012
(In Thousands)

	General Fund		
	Original and Final Budget	Actual	Variance
REVENUES:			
Sales taxes	$ 110,559	$ 113,152	$ 2,593
Interest on sales taxes	138	119	(19)
Public Transportation Fund	184,265	189,523	5,258
Innovation, Coordination & Enhancement (ICE)	10,159	10,398	239
State assistance (AFA & ASA)	130,071	86,983	(43,088)
Investment income	14,653	18,466	3,813
Other revenue	38,789	8,201	(30,588)
Total revenues	488,634	426,842	(61,792)
EXPENDITURES:			
Financial assistance to Service Boards	171,700	171,700	-
South Suburban Job Access Program	7,500	7,500	-
Innovation, Coordination and Enhancement (ICE)	10,159	10,278	(119)
Administration	16,197	15,713	484
Non-administration:			
Regional services and coordination programs	13,676	13,074	602
Regional Technical Assistance Program	3,853	5,237	(1,384)
Capital outlay	1,378	1,378	-
Technology program	46,450	1,473	44,977
Total expenditures	270,913	226,353	44,560
EXCESS OF REVENUES OVER EXPENDITURES—BUDGETARY BASIS	217,721	200,489	(17,232)
OTHER FINANCING USES			
Transfers out	(5,000)	(5,000)	-
Total other financing uses	(5,000)	(5,000)	-
NET CHANGE IN FUND BALANCE—BUDGETARY BASIS	$ 212,721	195,489	$ (17,232)
Budgetary basis to GAAP basis adjustments		(81,569)	
NET CHANGE IN FUND BALANCE—GAAP BASIS		113,920	
FUND BALANCE:			
Beginning of year		285,029	
End of year		$ 398,949	

Note 1. BUDGET AND BUDGETARY ACCOUNTING

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

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

The annual budget and related appropriations are prepared using the modified accrual basis of accounting in conformity with accounting principles generally accepted in the United States except for RTA capital expenditures and capital grants to 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 is generally the policy of the RTA (ordinance 91-9) to fund the budgets of the Service Boards up to the amount appropriated in the annual Budget Ordinance. However, unfavorable economic conditions created the need to waive this policy for purposes of the adoption of the 2012 budget and 2013-2014 financial plan and the 2013 budget and 2014-2015 financial plan. Also waived for the purpose of the adoption of the 2013 budget and 2014-2015 financial plan was the provision of the RTA funding policy adopted by Ordinance 98-15 that requires that the RTA annual budget and two-year financial plan show a year-end unassigned fund balance equal to 5% of the RTA general fund by no later than the end of the three-year planning period.

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 expenditures.

Note 2. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS ACCOUNTING

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

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

	General Fund (in thousands)
Net change in fund balance - budgetary basis	$ 195,489
Adjustments:	
Capital grant expenditures incurred in current year but considered in prior years' budgets	(5,414)
RTA capital expenditures expected to be incurred in future years but considered in current year operating budget	1,082
Capital grants received that were not in the budget	165,636
Capital grants disbursed to the Service Boards that were not in the budget	(202,998)
Debt related costs incurred not in the budget	(5,548)
Net transfers in and out between the General Fund and Debt Service Fund not in the budget	(34,327)
Budgetary basis to GAAP basis adjustments	(81,569)
Net change in fund balance - GAAP basis	$ 113,920

REGIONAL TRANSPORTATION AUTHORITY
PENSION PLAN

SCHEDULE OF FUNDING PROGRESS
SIX YEARS ENDED DECEMBER 31, 2012
(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Assets in Excess of AAL/ (AAL in Excess of Assets) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2007	$ 102,524	$ 133,906	$ (31,382)	76.56%	$ 61,357	51.1%
January 1, 2008	114,032	146,418	(32,386)	77.88%	61,364	52.8%
January 1, 2009	106,021	153,284	(47,263)	69.17%	66,011	71.6%
January 1, 2010	118,805	166,663	(47,858)	71.28%	68,389	70.0%
January 1, 2011	127,343	185,374	(58,031)	68.70%	66,490	87.3%
January 1, 2012	141,388	200,845	(59,457)	70.40%	67,176	88.5%

REGIONAL TRANSPORTATION AUTHORITY
PENSION PLAN

SCHEDULE OF EMPLOYER CONTRIBUTIONS
SIX YEARS ENDED DECEMBER 31, 2012
(In Thousands)

Year Ended:	Annual Required Contribution	Percentage Contributed	
2007	$ 9,137	100%	
2008	9,195	100%	
2009	10,827	100%	
2010	11,288	100%	
2011	12,547	100%	
2012	13,493	N/A	(1)

(1) Contributions for the plan year ended December 31, 2012 will be paid during 2013.

Regional Transportation Authority

Other Post-Employment Benefits
Required Supplementary Information
Year Ended December 31, 2012

Analysis of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Annual Covered Payroll ((b - a) / c)
12/31/11	$ -	$ 108,778	$ 108,778	$ -	$ 8,232,426	1.32 %
12/31/12	*	*	*	*	*	*

Employer Contributions

Fiscal Year Ending	Annual Required Contribution	Percentage Contributed
12/31/11	$ 18,081	- %
12/31/12	18,103	-

*The RTA has an actuarial valuation performed triennially.

COMBINING AND INDIVIDUAL FUND SCHEDULES

A. GENERAL FUND

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

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

REGIONAL TRANSPORTATION AUTHORITY

SCHEDULE OF EXPENDITURES—
BUDGET AND ACTUAL—GENERAL FUND
YEAR ENDED DECEMBER 31, 2012
(In Thousands)

	General Fund			
	Budget			
	Original	Amended	Actual	Variance
EXPENDITURES:				
Financial assistance to Service Boards	$ 171,700	$ 171,700	$ 171,700	$ -
South Suburban Job Access Program(PACE)	7,500	7,500	7,500	-
Innovation, Coordination & Enhancement (ICE)	10,159	10,159	10,278	(119)
Administration	16,197	16,166	15,713	453
Non-administration:				
Regional Services and Coordination Programs	13,676	13,647	13,074	573
Regional Technical Assistance Programs	3,853	3,913	5,237	(1,324)
Capital outlay	1,378	1,378	1,378	-
Technology program	46,450	46,450	1,473	44,977
TOTAL EXPENDITURES	$ 270,913	$ 270,913	$ 226,353	$ 44,560

REGIONAL TRANSPORTATION AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL—GENERAL AND SALES TAX AGENCY FUNDS YEAR ENDED DECEMBER 31, 2012
(In Thousands)

	General Fund		
	Budget	Actual	Variance
REVENUES:			
Sales taxes	$ 110,559	$ 113,152	$ 2,593
Interest on sales taxes	138	119	(19)
Public Transportation Fund	184,265	189,523	5,258
Innovation, Coordination & Enhancement (ICE)	10,159	10,398	239
State assistance (AFA & ASA)	130,071	86,983	(43,088)
Reduced fare reimbursement	-	-	-
Investment income	14,653	18,466	3,813
Other revenue	38,789	8,201	(30,588)
Total revenues	488,634	426,842	(61,792)
EXPENDITURES:			
Financial assistance to Service Boards	171,700	171,700	-
PTF (new sales tax/RETT)	-	-	-
Paratransit funding - PACE	-	-	-
Suburban Community Mobility Fund	-	-	-
South Suburban Job Access Program	7,500	7,500	-
Innovation, Coordination and Enhancement (ICE)	10,159	10,278	(119)
Reduced fare reimbursement	-	-	-
Administration	16,197	15,713	484
Non-administration:			
Regional services and coordination programs	13,676	13,074	602
Regional Technical Assistance Program	3,853	5,237	(1,384)
Interest on sales taxes to Service Boards	-	-	-
Capital outlay	1,378	1,378	-
Technology program	46,450	1,473	44,977
Total expenditures	270,913	226,353	44,560
EXCESS OF REVENUES OVER EXPENDITURES—BUDGETARY BASIS	217,721	200,489	(17,232)
OTHER FINANCING USES			
Transfers out	(5,000)	(5,000)	-
Total other financing uses	(5,000)	(5,000)	-
NET CHANGE IN FUND BALANCE—BUDGETARY BASIS	$ 212,721	195,489	$ (17,232)
Budgetary basis to GAAP basis adjustments		(81,569)	
NET CHANGE IN FUND BALANCE—GAAP BASIS		113,920	
FUND BALANCE:			
Beginning of year		285,029	
End of year		$ 398,949	

Sales Tax Agency Fund			Totals		
Budget	Actual	Variance	Budget	Actual	Variance
$ 877,500	$ 898,135	$ 20,635	$ 988,059	$ 1,011,287	$ 23,228
240	171	(69)	378	290	(88)
123,609	130,369	6,760	307,874	319,892	12,018
-	-	-	10,159	10,398	239
-	-	-	130,071	86,983	(43,088)
33,570	34,070	500	33,570	34,070	500
-	-	-	14,653	18,466	3,813
-	-	-	38,789	8,201	(30,588)
1,034,919	1,062,745	27,826	1,523,553	1,489,587	(33,966)
742,182	762,339	(20,157)	913,882	934,039	(20,157)
123,609	130,369	(6,760)	123,609	130,369	(6,760)
115,000	115,000	-	115,000	115,000	-
20,318	20,796	(478)	20,318	20,796	(478)
-	-	-	7,500	7,500	-
-	-	-	10,159	10,278	(119)
33,570	34,070	(500)	33,570	34,070	(500)
-	-	-	16,197	15,713	484
-	-	-	13,676	13,074	602
-	-	-	3,853	5,237	(1,384)
240	171	69	240	171	69
-	-	-	1,378	1,378	-
-	-	-	46,450	1,473	44,977
1,034,919	1,062,745	(27,826)	1,305,832	1,289,098	16,734
-	-	-	217,721	200,489	(17,232)
-	-	-	(5,000)	(5,000)	-
-	-	-	(5,000)	(5,000)	-
$ -	-	$ -	$ 212,721	195,489	$ (17,232)
	-			(81,569)	
	-			113,920	
	-			285,029	
	$ -			$ 398,949	

B. DEBT SERVICE FUND

Debt Service Fund Accounts:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2010C –to account for transfers received, investment income and principal and interest payments made for 2010C cash note borrowings.

2011 CP –to account for transfers received, investment income and principal and interest payments made for 2011 CP cash note borrowings.

2011A –to account for transfers received, investment income and principal and interest payments made for 2011A cash note borrowings.

2012A –to account for transfers received, investment income and principal and interest payments made for 2012 working cash note borrowings.

*Strategic Capital Improvement Program (SCIP) Bonds

REGIONAL TRANSPORTATION AUTHORITY

COMBINING BALANCE SHEET SCHEDULE-DEBT SERVICE FUND ACCOUNTS
December 31, 2012
(In Thousands)

	1990A	1991A	1994 A&B	1994 C&D	1997	1999	2000A	2001 A	2001 B	2002 A
ASSETS:										
Cash and investments	$ 1,612	$ 1,503	$ 195	$ 1,696	$ 2,399	$ 12,839	$ 10,211	$ 3,715	$ 164	$ 5,946
Accrued interest	-	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-	-	-	-	-
Total assets	$ 1,612	$ 1,503	$ 195	$ 1,696	$ 2,399	$ 12,839	$ 10,211	$ 3,715	$ 164	$ 5,946
LIABILITIES:										
Accrued items	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FUND BALANCES:										
Restricted for debt service	1,612	1,503	195	1,696	2,399	12,839	10,211	3,715	164	5,946
TOTAL LIABILITIES AND FUND BALANCES	$ 1,612	$ 1,503	$ 195	$ 1,696	$ 2,399	$ 12,839	$ 10,211	$ 3,715	$ 164	$ 5,946

(Continued)

REGIONAL TRANSPORTATION AUTHORITY

COMBINING BALANCE SHEET SCHEDULE-DEBT SERVICE FUND ACCOUNTS (Continued)
December 31, 2012
(In Thousands)

	2003 A	2003 B	2004 A	2005 B	2006 A	2010A	2010B	2011 Bonds	2012A	Total
ASSETS:										
Cash and investments	$ 9,589	$ 2,907	$ 4,088	$ 5,395	$ 8,080	$ 8,425	$ 13,146	$ 10,033	$ 381	$ 102,324
Accrued interest	-	-	-	-	4	3	-	-	-	7
Other receivable	-	-	-	-	-	-	-	-	56,147	56,147
Total assets	$ 9,589	$ 2,907	$ 4,088	$ 5,395	$ 8,084	$ 8,428	$ 13,146	$ 10,033	$ 56,528	$ 158,478
LIABILITIES:										
Accrued items	$ -	$ -	$ -	$ -	$ 4	$ 5	$ -	$ -	$ -	$ 9
FUND BALANCES:										
Restricted for debt service	9,589	2,907	4,088	5,395	8,080	8,423	13,146	10,033	56,528	$ 158,469
TOTAL LIABILITIES AND FUND BALANCES	$ 9,589	$ 2,907	$ 4,088	$ 5,395	$ 8,084	$ 8,428	$ 13,146	$ 10,033	$ 56,528	$ 158,478

Regional Transportation Authority

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund Accounts
Year Ended December 31, 2012
(In Thousands)

	1990A	1991A	1992 A&B	1994 A&B	1994 C&D
REVENUE:					
Investment income	$ -	$ -	$ -	$ -	$ -
Other revenue	-	-	-	-	-
Total revenue	-	-	-	-	-
EXPENDITURES:					
Debt Service - principal	4,380	4,090	9,180	-	1,890
Debt Service - interest	3,809	3,735	294	1,952	4,028
Other debt related costs	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total expenditures	8,189	7,825	9,474	1,952	5,918
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,189)	(7,825)	(9,474)	(1,952)	(5,918)
OTHER FINANCING SOURCES (USES):					
Transfers in - principal	4,437	4,140	3,338	-	1,989
Transfers in - interest	3,746	3,680	235	1,952	4,013
Transfers in/(out) - CPF/GF	-	-	-	-	-
Other financing sources/(uses) DSF	-	-	128	(128)	-
Other financing sources - GF	-	-	-	-	-
Total other financing sources (uses)	8,183	7,820	3,701	1,824	6,002
NET CHANGE IN FUND BALANCES	(6)	(5)	(5,773)	(128)	84
FUND BALANCES:					
Beginning of year	1,618	1,508	5,773	323	1,612
End of year	$ 1,612	$ 1,503	$ -	$ 195	$ 1,696

(Continued)

Regional Transportation Authority

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance -
Debt Service Fund Accounts (Continued)
Year Ended December 31, 2012
(In Thousands)**

	1997	1999	2000 A	2001 A	2001 B
REVENUE:					
Investment income	$ -	$ -	$ -	$ -	$ -
Other revenue	-	-	-	-	-
Total revenue	-	-	-	-	-
EXPENDITURES:					
Debt Service - principal	1,865	9,025	6,245	2,325	-
Debt Service - interest	2,915	14,182	13,601	4,896	1,639
Other debt related costs	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total expenditures	4,780	23,207	19,846	7,221	1,639
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,780)	(23,207)	(19,846)	(7,221)	(1,639)
OTHER FINANCING SOURCES (USES):					
Transfers in - principal	2,791	14,730	6,444	2,396	-
Transfers in - interest	2,905	14,130	13,406	4,824	1,639
Transfers in/(out) - CPF/GF	-	-	-	-	-
Other financing sources/(uses) DSF	-	-	-	-	-
Other financing sources - GF	-	-	-	-	-
Total other financing sources (uses)	5,696	28,860	19,850	7,220	1,639
NET CHANGE IN FUND BALANCES	916	5,653	4	(1)	-
FUND BALANCES:					
Beginning of year	1,483	7,186	10,207	3,716	164
End of year	$ 2,399	$ 12,839	$ 10,211	$ 3,715	$ 164

(Continued)

Regional Transportation Authority

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund Accounts (Continued)
Year Ended December 31, 2012
(In Thousands)

	2002 A	2002 B	2003 A	2003 B	2004A
REVENUE:					
Investment income	$ -	$ -	$ -	$ -	$ -
Other revenue	-	-	-	-	-
Total revenue	-	-	-	-	-
EXPENDITURES:					
Debt Service - principal	3,495	11,815	5,600	3,265	5,385
Debt Service - interest	8,068	325	13,011	7,243	12,775
Other debt related costs	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total expenditures	11,563	12,140	18,611	10,508	18,160
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,563)	(12,140)	(18,611)	(10,508)	(18,160)
OTHER FINANCING SOURCES (USES):					
Transfers in - principal	3,601	3,336	5,769	3,373	5,560
Transfers in - interest	7,968	147	12,871	7,227	12,042
Transfers in/(out) - CPF/GF	-	-	-	-	-
Other financing sources/(uses) DSF	-	-	-	-	-
Other financing sources - GF	-	-	-	-	-
Total other financing sources (uses)	11,569	3,483	18,640	10,600	17,602
NET CHANGE IN FUND BALANCES	6	(8,657)	29	92	(558)
FUND BALANCES:					
Beginning of year	5,940	8,657	9,560	2,815	4,646
End of year	$ 5,946	$ -	$ 9,589	$ 2,907	$ 4,088

(Continued)

Regional Transportation Authority

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance -
Debt Service Fund Accounts (Continued)
Year Ended December 31, 2012
(In Thousands)

	2005 B	2006 A	2009 B Note	2010 A	2010 B
REVENUE:					
Investment income	$ -	$ 82	$ -	$ 58	$ 10
Other revenue	-	-	-	-	2,317
Total revenue	-	82	-	58	2,327
EXPENDITURES:					
Debt Service - principal	7,590	4,150	-	4,075	-
Debt Service -iInterest	803	11,473	-	2,828	6,621
Other debt related costs	-	-	-	-	-
Miscellaneous	261	-	-	-	-
Total expenditures	8,654	15,623	-	6,903	6,621
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,654)	(15,541)	-	(6,845)	(4,294)
OTHER FINANCING SOURCES (USES):					
Transfers in - principal	7,827	4,281	-	4,162	-
Transfers in - interest	754	11,288	-	2,691	4,304
Transfers in/(out) - CPF/GF	-	-	-	-	(7)
Other financing sources/(uses) DSF	-	-	(56,147)	-	-
Other financing sources - GF	261	-	-	-	-
Total other financing sources (uses)	8,842	15,569	(56,147)	6,853	4,297
NET CHANGE IN FUND BALANCES	188	28	(56,147)	8	3
FUND BALANCES:					
Beginning of year	5,207	8,052	56,147	8,415	13,143
End of year	$ 5,395	$ 8,080	$ -	$ 8,423	$ 13,146

(Continued)

Regional Transportation Authority

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund Accounts (Continued)
Year Ended December 31, 2012
(In Thousands)

	2010C Note	2011 A	2012 A	Total
REVENUE:				
Investment income	$ 7	$ 21	$ 1	$ 179
Other revenue	-	-	-	2,317
Total revenue	7	21	1	2,496
EXPENDITURES:				
Debt Service - principal	140,000	775,000	-	999,375
Debt Service - interest	3,980	4,796	1,362	124,336
Other debt related costs	-	-	942	942
Miscellaneous	-	1,291	-	1,552
Total expenditures	143,980	781,087	2,304	1,126,205
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(143,973)	(781,066)	(2,303)	(1,123,709)
OTHER FINANCING SOURCES (USES):				
Transfers in - principal	-	8,756	-	86,930
Transfers in - interest	1,990	5,340	1,677	118,829
Transfers in/(out) - CPF/GF	(14,130)	(75,000)	(84,000)	(173,137)
Other financing sources/(uses) DSF	15,000	850,000	141,147	950,000
Other financing sources - GF	-	1,430	7	1,698
Total other financing sources (uses)	2,860	790,526	58,831	984,320
NET CHANGE IN FUND BALANCES	(141,113)	9,460	56,528	(139,389)
FUND BALANCES:				
Beginning of year	141,113	573	-	297,858
End of year	$ -	$ 10,033	$ 56,528	$ 158,469

C. CAPITAL PROJECTS FUND

Capital Projects Fund Accounts:

Strategic Capital Improvement Bonds (SCIP)—to account for 1992, 1994, 2000, 2001, 2002, 2003, 2004 and 2006 bond sales proceeds and related SCIP capital grants made to the Service Boards as expenditures are incurred. Investment income earned on SCIP bonds is recorded in the related Debt Service Fund accounts.

Non-SCIP Bonds—to account for 1990, 1991, 1992, 1994, 2002, and 2010 bond sale proceeds, investment income earned and related Non-SCIP investment income capital grants made to the Service Boards as expenditures are incurred.

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

REGIONAL TRANSPORTATION AUTHORITY

COMBINING BALANCE SHEET SCHEDULE
CAPITAL PROJECTS FUND ACCOUNTS
DECEMBER 31, 2012
(In Thousands)

	SCIP Bonds	Non-SCIP Bonds	Investment Income on Bonds	Eliminations	Total
ASSETS:					
Cash and investments	$ 75,792	$ 106,736	$ -	$ -	$ 182,528
Due from other funds	-	-	4,904	(4,904)	-
Accrued interest	3	11	-	-	14
TOTAL ASSETS	$ 75,795	$ 106,747	$ 4,904	$ (4,904)	$ 182,542
LIABILITIES:					
Due to Service Boards	$ 960	$ 2,517	$ 2	$ -	$ 3,479
Due to other funds	-	4,904	-	(4,904)	-
Total liabilities	960	7,421	2	(4,904)	3,479
FUND BALANCES:					
Committed-capital projects	74,835	99,326	4,902	-	179,063
TOTAL LIABILITIES AND FUND BALANCES	$ 75,795	$ 106,747	$ 4,904	$ (4,904)	$ 182,542

REGIONAL TRANSPORTATION AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CAPITAL PROJECTS FUND ACCOUNTS
YEAR ENDED DECEMBER 31, 2012
(In Thousands)

	SCIP Bonds	Non-SCIP Bonds	Investment Income on Bonds	Total
REVENUES:				
Investment income	$ -	$ 58	$ -	$ 58
Total revenues	-	58	-	58
EXPENDITURES:				
Capital grants—bonds	6,370	22,767	166	29,303
Total expenditures	6,370	22,767	166	29,303
Excess (deficiency) of revenues over expenditures	(6,370)	(22,709)	(166)	(29,245)
OTHER FINANCING SOURCES:				
Transfer in	-	7	-	7
Total other financing sources	-	7	-	7
NET CHANGE IN FUND BALANCES	(6,370)	(22,702)	(166)	(29,238)
FUND BALANCES:				
Beginning of year	81,205	122,028	5,068	208,301
End of year	$ 74,835	$ 99,326	$ 4,902	$ 179,063

D. AGENCY FUND

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

REGIONAL TRANSPORTATION AUTHORITY

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
SALES TAX AGENCY FUND
YEAR ENDED DECEMBER 31, 2012
(In Thousands)

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
ASSETS:				
Intergovernmental receivables:				
Sales taxes	$ 164,270	$ 630,695	$ 624,995	$ 169,970
New sales tax	68,892	256,940	255,281	70,551
Interest on sales taxes	40	171	188	23
Reduced fare reimbursement	34,070	34,070	34,070	34,070
PTF (new sales tax/RETT)	53,316	130,369	127,443	56,242
Advances to Service Boards	67,105	4,081	-	71,186
TOTAL ASSETS	$ 387,693	$ 1,056,326	$ 1,041,977	$ 402,042
LIABILITIES:				
Intergovernmental payables:				
Sales taxes due to Service Boards	$ 164,270	$ 630,695	$ 624,995	$ 169,970
New sales tax due to Service Boards	68,322	121,143	119,392	70,073
Interest on sales taxes due to Service Boards	40	171	188	23
Reduced fare reimbursement	34,070	34,070	34,070	34,070
PTF (new sales tax /RETT)	53,316	130,369	127,443	56,242
Advances from State	67,105	4,081	-	71,186
Paratransit funding PACE	475	115,000	115,475	-
Suburban Community Mobility Fund-SBD	95	20,797	20,414	478
TOTAL LIABILITIES	$ 387,693	$ 1,056,326	$ 1,041,977	$ 402,042

E. CAPITAL ASSETS

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

REGIONAL TRANSPORTATION AUTHORITY

SCHEDULE OF CAPITAL ASSETS—BY FUNCTION
DECEMBER 31, 2012
(In Thousands)

	Office Furniture and Equipment	Computer Equipment	Leasehold Improvements	Capital In Progress Technology Program	Total
Administrative	$ 842	$ 3,351	$ 1,779	$ 12,663	$ 18,635
Travel Information Center	301	1,161	448	-	1,910
Total capital assets	1,143	4,512	2,227	12,663	20,545
Less accumulated depreciation:					
Administrative	776	2,494	1,080	-	4,350
Travel Information Center	145	1,150	91	-	1,386
Total accumulated depreciation	921	3,644	1,171	-	5,736
Total capital assets—net	$ 222	$ 868	$ 1,056	$ 12,663	$ 14,809

STATISTICAL SECTION
(UNAUDITED)

CONTENTS

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

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

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

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

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

Schedules in this section provide an overview of RTA's general obligation bonds (SCIP versus Non-SCIP) outstanding balances as of December 31, 2012 and a 10-year analysis of the debt service requirement to revenues and expenses.

Demographic and Economic Information (Tables 13, 14, 15)

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

Operating Information (Tables 16, 17, 18)

Schedules in this section provide various statistics on passenger services offered by the service boards for fiscal year 2012, a look at system ridership over the last ten years and the RTA's full-time employees by function over the last five years.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities—										
Net investment in capital assets	$ 3,081	$ 5,629	$ 6,877	$ 8,449	$ 9,754	$ 11,118	$ 12,660	$ 15,265	$ 14,491	$ 14,809
Restricted Net Assets	562,169	64,727	-	-	-	-	270,019	83,277	326,598	175,643
Unrestricted Net Assets	(2,026,325)	(1,785,276)	(1,901,466)	(1,932,898)	(1,947,173)	(2,062,740)	(2,234,127)	(1,972,190)	(2,133,577)	(1,969,369)
Total Net Position— Governmental Activities	$ (1,461,075)	$ (1,714,920)	$ (1,894,589)	$ (1,924,449)	$ (1,937,419)	$ (2,051,621)	$ (1,951,448)	$ (1,873,648)	$ (1,792,488)	$ (1,778,917)
Business-type activities—										
Unrestricted Net Position	$ 44,271	$ 39,621	$ 36,011	$ 31,831	$ 28,393	$ 28,859	$ 29,067	$ 28,963	$ 28,703	$ 27,845
Total Net Position— Business-Type Activities	$ 44,271	$ 39,621	$ 36,011	$ 31,831	$ 28,393	$ 28,858	$ 29,067	$ 28,963	$ 28,703	$ 27,845
Primary government—										
Net investment in capital assets	$ 3,081	$ 5,629	$ 6,877	$ 8,449	$ 9,754	$ 11,118	$ 12,660	$ 15,265	$ 14,491	$ 14,809
Restricted Net Position	562,169	64,727	-	-	-	-	270,019	83,277	326,598	175,643
Unrestricted Net Position	(1,982,054)	(1,745,655)	(1,865,455)	(1,901,067)	(1,918,780)	(2,033,882)	(2,205,060)	(1,943,227)	(2,104,874)	(1,941,524)
Total Net Position— Primary government	$ (1,416,804)	$ (1,675,299)	$ (1,858,578)	$ (1,892,618)	$ (1,909,026)	$ (2,022,764)	$ (1,922,381)	$ (1,844,685)	$ (1,763,785)	$ (1,751,072)

TABLE 2

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EXPENSES:										
Governmental activities:										
Financial assistance to Service Boards	$ 213,127	$ 179,799	$ 168,076	$ 162,434	$ 209,931	$ 249,948	$ 93,453	$ 97,648	$ 128,786	$ 171,700
Administration capital grants										
Discretionary	34,830	33,767	25,437	26,730	25,272	26,288	19,166	15,310	7,039	5,410
Bonds	319,253	290,102	251,693	138,706	88,056	93,085	47,957	103,456	229,890	213,394
Administration of operating grant										
CTA/PACE	-	-	54,252	54,252	40,010	58,142	74,138	27,230	21,680	36,687
Administrative expenses	6,666	6,554	6,534	7,561	6,967	7,532	12,014	8,551	8,918	16,507
Regional expenses	13,378	14,781	17,920	20,674	20,243	20,656	19,793	21,576	25,558	17,542
Technology program expenses	1,786	3,265	1,822	1,890	1,409	2,467	1,416	1,979	2,356	1,473
Interest expense	109,981	114,574	126,027	122,790	130,079	127,495	131,775	135,530	139,314	117,254
Miscellaneous	-	-	-	-	-	-	-	-	397	-
Total governmental activities	699,021	642,842	651,761	535,037	521,967	585,613	399,712	411,280	563,938	579,967
Business-type activities:										
Insurance Financing	3,082	5,319	4,624	5,566	4,855	4,375	3,827	4,740	6,137	5,942
Total business-type activities	3,082	5,319	4,624	5,566	4,855	4,375	3,827	4,740	6,137	5,942
Total primary government expenses	$ 702,103	$ 648,161	$ 656,385	$ 540,603	$ 526,822	$ 589,988	$ 403,539	$ 416,020	$ 570,075	$ 585,909
REVENUES:										
General:										
Sales taxes	$ 98,248	$ 101,344	$ 105,059	$ 112,024	$ 112,938	$ 109,003	$ 99,027	$ 103,168	$ 107,977	$ 113,152
Interest on sales taxes	41	53	137	317	376	1,081	309	137	167	119
Operating grant -(ADA)	-	-	54,252	54,252	54,252	14,441	9,101	9,480	9,930	10,398
Public Transportation Fund	164,738	170,397	175,668	186,136	188,931	227,201	228,501	242,318	375,500	355,159
State assistance	85,226	86,785	111,419	112,743	117,807	121,870	123,008	130,115	130,088	86,984
Regional program reimbursement	1,058	1,033	866	1,053	1,153	1,361	2,904	582	2,385	4,077
Technology program reimbursement	-	-	-	-	-	-	-	-	-	-
Investment income	16,548	27,538	24,608	35,534	31,534	(1,495)	39,174	8,607	19,350	22,213
Other revenues	2,509	1,847	83	3,118	2,006	1,868	1,437	2,269	5,081	6,436
Transfers (out)	-	-	-	-	-	(3,920)	(3,575)	(4,425)	(5,380)	(5,000)
Total governmental activities revenues	368,368	388,997	472,092	505,177	508,997	471,410	499,886	492,251	645,098	593,538
Business-type activities:										
General:										
Investment income	618	669	1,014	1,386	1,210	770	402	164	95	77
Other revenues	-	-	-	-	207	151	58	47	402	7
Transfers in	-	-	-	-	-	3,920	3,575	4,425	5,380	5,000
Total business-type activities revenues	618	669	1,014	1,386	1,417	4,841	4,035	4,636	5,877	5,084
Total primary government revenues	368,986	389,666	473,106	506,563	510,414	476,251	503,921	496,887	650,975	598,622
Governmental activities:										
CHANGES IN NET POSITION (DEFICIT)	(330,653)	(253,845)	(179,669)	(29,860)	(12,970)	(114,203)	100,174	80,971	81,160	13,571
NET POSITION (DEFICIT):										
Beginning of year	(1,130,422)	(1,461,075)	(1,714,920)	(1,894,589)	(1,924,449)	(1,937,419)	(2,051,622)	(1,954,619)	(1,873,648)	(1,792,488)
End of year	(1,461,075)	(1,714,920)	(1,894,589)	(1,924,449)	(1,937,419)	(2,051,622)	(1,954,619)	(1,873,648)	(1,792,488)	(1,778,917)
Business-type activities:										
CHANGES IN NET POSITION (DEFICIT)	(2,464)	(4,650)	(3,610)	(4,180)	(3,438)	466	208	(104)	(260)	(858)
NET POSITION (DEFICIT):										
Beginning of year	46,735	44,271	39,621	36,011	31,831	28,393	28,859	29,067	28,963	28,703
End of year	44,271	39,621	36,011	31,831	28,393	28,859	29,067	28,963	28,703	27,845
Total primary government	$ (1,416,804)	$ (1,675,299)	$ (1,858,578)	$ (1,892,618)	$ (1,909,026)	$ (2,022,763)	$ (1,925,552)	$ (1,844,685)	$ (1,763,785)	$ (1,751,072)
CHANGE IN NET POSITION:										
Governmental activities	$ (330,653)	$ (253,845)	$ (179,669)	$ (29,860)	$ (12,970)	$ (114,203)	$ 100,174	$ 80,971	$ 81,160	$ 13,571
Business-type activities	(2,464)	(4,650)	(3,610)	(4,180)	(3,438)	466	208	(104)	(260)	(858)
Total primary government	$ (333,117)	$ (258,495)	$ (183,279)	$ (34,040)	$ (16,408)	$ (113,737)	$ 100,382	$ 80,867	$ 80,900	$ 12,713

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	$ 66,406	$ 58,955	$ 93,384	$ 102,765	$ 107,948	$ 106,822	$ 155,551	$ 160,895	$ -	$ -
Unreserved	4,889	12,507	1,654	38,828	41,220	(53,482)	(27,893)	7,318	-	-
Nonspendable [1]	-	-	-	-	-	-	-	-	568	327
Restricted [1]	-	-	-	-	-	-	-	-	28,740	17,173
Committed [1]	-	-	-	-	-	-	-	-	157,345	204,895
Unassigned [1]	-	-	-	-	-	-	-	-	98,376	176,554
Total general fund balances	$ 71,295	$ 71,462	$ 95,038	$ 141,593	$ 149,168	$ 53,340	$ 127,658	$ 168,213	$ 285,029	$ 398,949
All other governmental funds										
Reserved	$ 569,278	$ 567,100	$ 308,345	$ 433,055	$ 349,402	$ 259,165	$ 468,582	$ 756,233	$ -	$ -
Restricted [1]	-	-	-	-	-	-	-	-	297,858	158,469
Committed [1]	-	-	-	-	-	-	-	-	208,301	179,063
Total all other governmental funds	$ 569,278	$ 567,100	$ 308,345	$ 433,055	$ 349,402	$ 259,165	$ 468,582	$ 756,233	$ 506,159	$ 337,532

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

TABLE 4

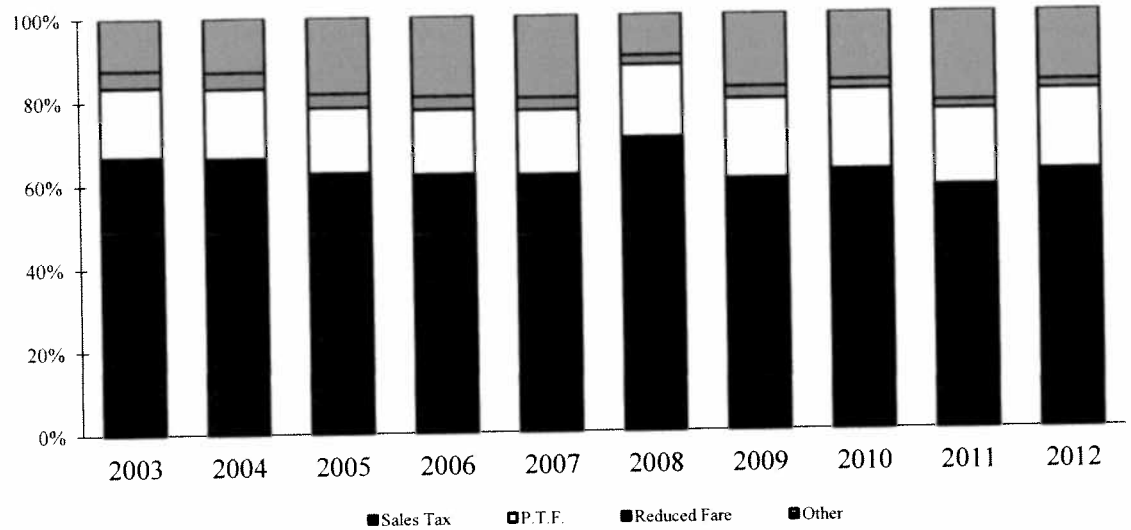
REGIONAL TRANSPORTATION AUTHORITY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(In Thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUES:										
Sales taxes	$ 98,248	$ 101,344	$ 105,059	$ 112,024	$ 112,938	$ 109,003	$ 99,027	$ 103,168	$ 107,977	$ 113,152
Interest on sales taxes	41	53	137	317	376	1,081	309	137	166	119
Public Transportation Fund	164,738	170,397	175,668	186,136	188,931	188,829	169,354	171,169	181,428	189,523
New 5% PTF Advance Recovery	-	-	-	-	-	38,372	-	-	-	-
General State Revenue								65,149	194,072	155,369
Innovation, Coordination, & Enhancement (ICE)	-	-	-	-	-	10,000	9,101	9,480	9,930	10,398
Operating assistance -CTA/PACE	-	-	54,252	54,252	54,252	4,441	-	-	-	-
PACE Loan PTF Advance Recovery	-	-	-	-	-	-	3,000	6,000	-	-
CTA Loan PTF Advance Recovery	-	-	-	-	-	-	56,147	-	-	-
IDOT State Grant - PACE (ADA)	-	-	-	-	-	-	-	-	-	8,500
Pace ADA 2012 Surplus Refund	-	-	-	-	-	-	-	-	-	1,767
State assistance	85,226	86,785	111,419	112,743	117,807	121,870	123,008	130,115	130,088	86,983
Investment income	16,548	27,538	24,608	35,533	31,534	(1,495)	39,174	16,799	19,101	18,703
Other revenues	3,469	2,839	912	4,172	3,159	3,229	4,341	2,852	7,466	10,518
Total revenues	368,270	388,956	472,055	505,176	508,997	475,330	503,461	504,869	650,228	595,032
EXPENDITURES:										
Financial assistance to Service Boards	213,127	179,799	168,076	162,434	209,931	249,948	93,453	97,648	128,786	171,700
Capital grants—discretionary	34,830	33,767	25,437	26,731	25,272	26,288	19,166	15,310	6,907	5,414
Capital Projects Expense-Working Cash Note	-	-	-	-	-	-	56,147	-	-	-
PACE Discr (CMAQ) Grant RTA share	-	-	-	-	-	-	-	-	132	-
South Suburban Job Access Program - (PACE)	-	-	-	-	-	3,750	7,500	7,500	7,500	7,500
5% PTF/RETT & ADA Paratransit (New Sales Tax)	-	-	-	-	-	42,813	-	-	-	-
Innovation, Coordination, & Enhancement (ICE)	-	-	-	-	-	10,000	9,101	9,480	9,930	10,278
State General Revenue CTA	-	-	-	-	-	-	-	-	-	7,969
IDOT Cap Grant - PACE (ADA)	-	-	-	-	-	-	-	-	-	10,940
PACE (PTF) expenditures	-	-	54,252	54,252	40,010	1,579	1,390	10,250	4,250	-
Capital grants—bonds	319,253	290,103	251,693	138,706	88,055	93,086	47,957	103,456	229,890	213,392
Administrative	6,480	6,370	6,380	6,747	6,772	7,258	11,441	7,699	8,231	15,713
Regional	16,833	20,617	19,705	23,967	22,528	24,509	22,105	25,689	27,102	19,785
Capital outlay	214	160	1,438	373	610	263	1,110	1,323	762	295
Debt service:										
Principal	37,940	40,430	49,570	55,110	59,135	64,685	68,455	74,060	919,110	999,375
Interest	102,668	119,271	128,852	125,155	131,233	131,705	135,361	134,121	139,215	129,884
Debt related costs	-	-	1,798	44	-	-	-	-	-	942
Debt issuance costs	4,240	3,424	975	2,222	1,529	1,590	2,965	2,982	4,912	-
Miscellaneous	-	-	-	-	-	-	-	-	397	1,552
Total expenditures	735,585	693,941	708,176	595,740	585,075	657,474	476,151	489,518	1,487,124	1,594,739
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(367,315)	(304,985)	(236,121)	(90,563)	(76,078)	(182,144)	27,310	15,351	(836,896)	(999,707)
OTHER FINANCING SOURCES (USES):										
Bond proceeds (gross)	457,167	260,000	-	250,350	-	-	-	-	705,000	-
Refunding bond proceeds (gross)	12,313	-	-	-	-	-	-	-	-	300,000
Issuance of refunding bonds	-	-	148,110	-	-	-	-	-	95,550	650,000
Payment to refunded bond escrow agent	-	-	(147,186)	-	-	-	-	-	(103,104)	-
SCIP II bond proceeds (gross)	-	-	-	1,826	-	-	-	-	-	-
Other financing sources (premium)	-	42,974	18	9,652	-	-	-	6,846	11,574	-
2009B Note Proceeds	-	-	-	-	-	-	260,000	315,100	-	-
Transfers out										
Capital Projects Fund	-	(6,225)	(70)	-	-	-	-	-	-	-
Debt Service Fund	(136,006)	(140,786)	(171,240)	(175,995)	(179,116)	186,268	195,261	228,065	(186,365)	(173,137)
General Fund	-	-	(540)	-	179,116	(190,188)	(198,836)	(217,174)	(335,567)	(212,457)
Joint Self-Insurance Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	(41)	-	-	-	(15,316)	-	-
Transfers in										
Capital Projects Fund	(85)	-	8,541	3,315	-	-	-	-	-	7
Debt Service Fund	-	6,225	610	41	-	-	-	-	330,187	207,457
General Fund	136,091	140,786	162,699	172,680	-	-	-	-	186,339	173,130
Transfers in	-	-	-	-	-	-	-	-	26	-
Total other financing (uses) sources	469,480	302,974	942	261,827	-	(3,920)	256,425	317,521	703,640	945,000
NET CHANGE IN FUND BALANCES	$ 102,165	$ (2,011)	$ (235,179)	$ 171,264	$ (76,078)	$ (186,064)	$ 283,735	$ 332,872	$ (133,256)	$ (54,707)
Debt Service as a percentage of noncapital expenditures	19.12%	23.02%	25.50%	30.29%	32.57%	29.88%	42.90%	42.64%	71.29%	70.99%

Table 5

RTA REVENUE BY SOURCE

2003-2012



Last Ten Years *(In Thousands)*

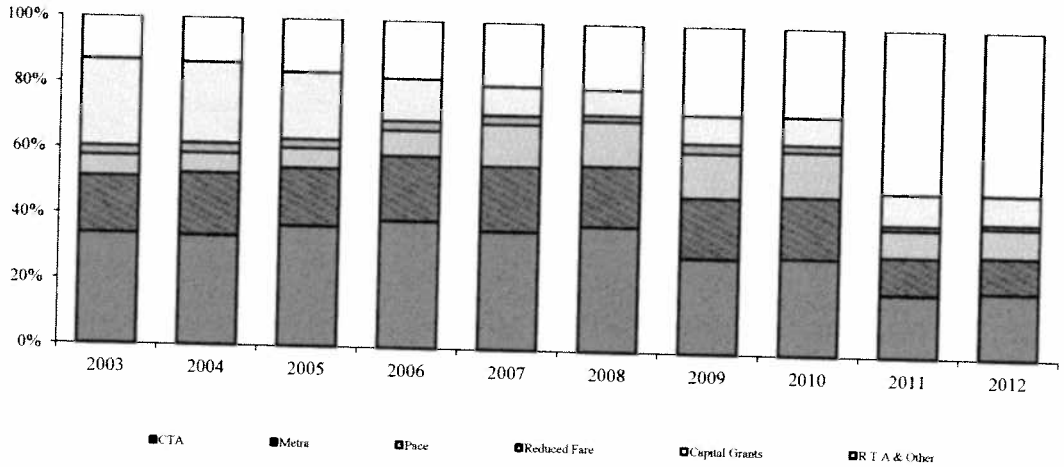
	Sales Tax	Public Transportation Fund	Reduced Fare	Other	Total
12 Months Ended 12/31/03	$ 654,988	$ 164,739	$ 39,662	$ 122,517	$ 981,906
Percentage of Total	66.71%	16.78%	4.04%	12.48%	100%
12 Months Ended 12/31/04	675,628	170,397	40,153	132,664	1,018,842
Percentage of Total	66.30%	16.72%	3.94%	13.02%	100%
12 Months Ended 12/31/05	700,395	175,668	37,127	204,904	1,118,094
Percentage of Total	62.64%	15.71%	3.32%	18.33%	100%
12 Months Ended 12/31/06	746,829	186,136	37,327	232,193	1,202,485
Percentage of Total	62.11%	15.48%	3.10%	19.31%	100%
12 Months Ended 12/31/07	752,922	188,931	36,678	241,262	1,219,794
Percentage of Total	61.73%	15.49%	3.01%	19.78%	100%
12 Months Ended 12/31/08	921,245	227,201	28,919	129,784	1,307,149
Percentage of Total	70.48%	17.38%	2.21%	9.93%	100%
12 Months Ended 12/31/09	894,238	282,541	41,970	262,098	1,480,847
Percentage of Total	60.39%	19.08%	2.83%	17.70%	100%
12 Months Ended 12/31/10	931,435	287,404	33,570	243,845	1,496,254
Percentage of Total	62.25%	19.21%	2.24%	16.30%	100%
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%

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

Table 6

DISTRIBUTION OF EXPENDITURES

2003-2012



Last Ten Years

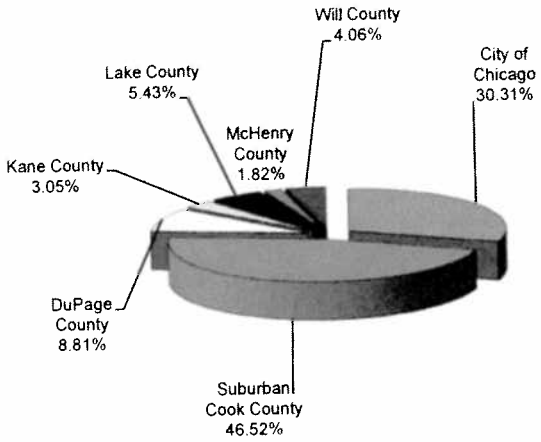
(In Thousands)

	Financial Assistance				Reduced	Capital	R T A	
	CTA	Metra	Pace	Total	Fare	Grants	and Other	Total
12 Months Ended 12/31/03	$ 453,488	$ 233,632	$ 82,747	$ 769,867	$ 39,662	$ 354,083	$ 175,838	$ 1,339,450
Percentage of Total	33.86%	17.44%	6.18%	57.48%	2.96%	26.43%	13.13%	100%
12 Months Ended 12/31/04	441,630	252,493	79,051	773,174	40,153	323,869	182,417	1,319,613
Percentage of Total	33.47%	19.13%	5.99%	58.59%	3.04%	24.54%	13.82%	100%
12 Months Ended 12/31/05	495,885	241,728	80,052	817,665	37,127	277,130	220,202	1,352,124
Percentage of Total	36.67%	17.88%	5.92%	60.47%	2.75%	20.50%	16.29%	100%
12 Months Ended 12/31/06	496,690	256,301	98,500	851,490	37,327	165,436	227,481	1,281,735
Percentage of Total	38.75%	20.00%	7.68%	66.43%	2.91%	12.91%	17.75%	100%
12 Months Ended 12/31/07	468,349	257,374	164,202	889,925	36,678	113,328	252,301	1,292,232
Percentage of Total	36.24%	19.92%	12.71%	68.87%	2.84%	8.77%	19.52%	100%
12 Months Ended 12/31/08	591,760	287,181	211,620	1,090,561	28,919	119,374	308,308	1,547,161
Percentage of Total	38.25%	18.56%	13.68%	70.49%	1.87%	7.72%	19.93%	100%
12 Months Ended 12/31/09	417,288	267,576	194,698	879,562	41,970	123,069	389,857	1,434,457
Percentage of Total	29.09%	18.65%	13.57%	61.32%	2.93%	8.58%	27.18%	100%
12 Months Ended 12/31/10	436,467	277,506	202,463	916,436	33,570	122,998	398,531	1,471,534
Percentage of Total	29.66%	18.86%	13.76%	62.28%	2.28%	8.36%	27.08%	100%
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%

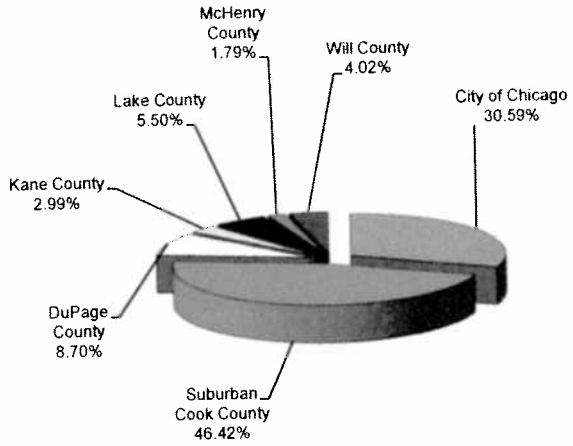
Note: Amounts above include expenditures from the General Fund and the Agency Fund

SALES TAX REVENUE SOURCE BY COUNTY/CITY OF CHICAGO

2011



2012



(In Thousands)

Last Ten Years

	City of Chicago	Suburban Cook County	DuPage County	Kane County	Lake County	McHenry County	Will County	Total
12 Months Ended 12/31/03	$198,383	$356,386	$40,916	$12,828	$24,968	$7,599	$13,905	$654,985
Percentage of Total	30.29%	54.41%	6.25%	1.96%	3.81%	1.16%	2.12%	100%
12 Months Ended 12/31/04	205,355	363,792	42,785	13,954	26,150	8,160	15,432	675,628
Percentage of Total	30.39%	53.85%	6.33%	2.07%	3.87%	1.21%	2.28%	100%
12 Months Ended 12/31/05	214,134	373,317	44,495	15,328	27,348	8,635	17,138	700,395
Percentage of Total	30.57%	53.30%	6.35%	2.19%	3.90%	1.23%	2.45%	100%
12 Months Ended 12/31/06	231,273	395,727	46,867	16,008	28,743	9,194	19,016	746,828
Percentage of Total	30.97%	52.99%	6.28%	2.14%	3.85%	1.23%	2.55%	100%
12 Months Ended 12/31/07	236,783	395,163	46,592	16,015	29,058	9,494	19,817	752,922
Percentage of Total	31.45%	52.48%	6.19%	2.13%	3.86%	1.26%	2.63%	100%
12 Months Ended 12/31/08	272,121	447,437	77,227	26,472	48,166	16,034	33,788	921,245
Percentage of Total	29.54%	48.57%	8.38%	2.87%	5.23%	1.74%	3.67%	100%
12 Months Ended 12/31/09	267,553	418,793	79,060	27,144	49,782	16,627	35,279	894,238
Percentage of Total	29.92%	46.83%	8.84%	3.04%	5.57%	1.86%	3.95%	100%
12 Months Ended 12/31/10	278,394	438,000	81,996	28,368	50,789	17,193	36,695	931,435
Percentage of Total	29.89%	47.02%	8.80%	3.05%	5.45%	1.85%	3.94%	100%
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%

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

Table 8

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

	Governmental Activities					
Fiscal Year	General Obligation Bonds [a]	Working Cash Notes [a]	Total Primary Government	Percentage of Sales Tax	Percentage of Personal Income [b]	Per Capita [b]
2003	$1,982,345	$ -	$ 1,982,345	33.04 %	0.45 %	16
2004	2,201,915	-	2,201,915	30.68	0.48	17
2005	2,156,155	-	2,156,155	32.48	0.46	17
2006	2,351,395	-	2,351,395	31.76	0.47	19
2007	2,292,260	56,000	2,348,260	32.06	0.44	18
2008	2,227,575	40,000	2,267,575	40.63	0.41	18
2009	2,419,120	-	2,419,120	36.97	0.46	19
2010	2,260,160	400,000	2,660,160	35.01	0.49	21
2011	2,176,975	265,000	2,441,975	39.95	0.43	19
2012	2,092,600	300,000	2,392,600	41.72	0.41	19

Note:

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

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

LEGAL DEBT CAPACITY

(In Thousands)

2012

Legal Debt Margin:	Balance Outstanding at December 31, 2012	Issued	
Debt Limitation per Act for General Obligations			$2,600,000
Debt applicable to limitation :			
Non-SCIP Bonds:			
1990A General Obligation Bonds	$48,520		
1991A General Obligation Bonds	51,655		
1994B General Obligation Bonds	7,095		
1994D General Obligation Bonds	29,225		
1997 General Obligation Refunding Bonds	47,740		
2003B General Obligation Bonds	127,855		
2005B General Obligation Refunding Bonds	111,120		
2010A General Obligation Bonds	53,290		
2010B General Obligation Bonds	112,925		
2011A General Obligation Refunding Bonds	95,550		
Total RTA Bonds Applicable to Limitation	684,975		(684,975)
SCIP Bonds:			
1992A General Obligation Bonds		$188,000	
1993A General Obligation Bonds		$55,000	
1994A General Obligation Bonds	17,300	195,000	
1994C General Obligation Bonds	21,800	62,000	
1999 General Obligation Refunding Bonds	241,160		
2000 General Obligation Bonds	207,070	260,000	
2001A General Obligation Bonds	80,035	100,000	
2001B General Obligation Refunding Bonds	29,800		
2002A General Obligation Bonds	131,980	160,000	
2003A General Obligation Bonds	221,675	260,000	
2004A General Obligation Bonds	226,400	260,000	
2006A General Obligation Bonds	230,405	250,350	
Total SCIP Bonds Applicable to Limitation	1,407,625	$1,790,350	($1,790,350)
Total SCIP Bonds Outstanding			
Total Bonds Outstanding	$2,092,600		
Debt Margin for General Obligations			124,675
Debt Limitation per Act for Working Cash Notes			400,000
* Total RTA Working Cash Notes Applicable to Limitation	$300,000		($300,000)
Debt Margin for Working Cash Notes			100,000
Total Legal Debt Margin			$224,675

* 2011 CP Notes were short-term and mature within 60 days; total 2011 CP Notes Issued in 2012: $650,000 & Matured $775,000 (includes $125,000 from 2011)

TABLE 10

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

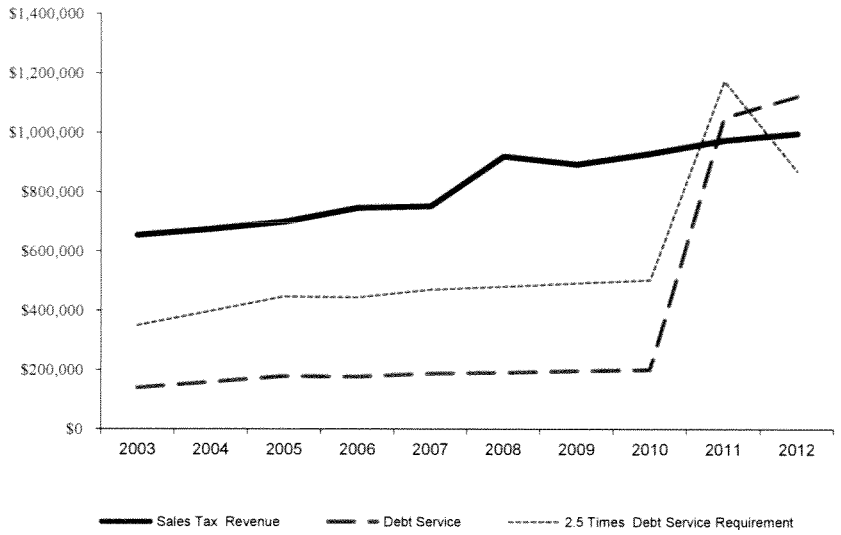
	Fiscal Year									
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012 ***
Debt limit for General Obligations	$ 2,340,000	$ 2,600,000	$ 2,600,000	$ 2,600,000	$ 2,600,000	$ 2,600,000	$ 2,600,000	$ 2,600,000	$ 2,600,000	$ 2,600,000
Total net debt applicable to limit	2,051,930	2,291,115	2,270,665	2,495,485	2,468,755	2,440,700	2,411,155	2,553,355	2,513,670	2,475,325
Debt margin for General Obligations	288,070	308,885	329,335	104,515	131,245	159,300	188,845	46,645	86,330	124,675
Debt limit for Working Cash Notes	100,000	100,000	100,000	100,000	100,000	400,000	400,000	400,000	400,000	400,000
Total net debt applicable to limit	-	-	-	-	40,000	56,000	260,000	400,000	265,000	300,000
	100,000	100,000	100,000	100,000	60,000	344,000	140,000	-	135,000	100,000
Legal debt margin	$ 388,070	$ 408,885	$ 429,335	$ 204,515	$ 191,245	$ 503,300	$ 328,845	$ 46,645	$ 221,330	$ 224,675
Total legal debt margin as a percentage of debt limit	15.90%	15.14%	15.90%	7.57%	7.08%	16.78%	10.96%	1.55%	7.38%	7.49%

* 2011 CP Notes were short-term and mature within 60 days; total 2011 CP Notes Issued in 2012: $650,000 & Matured $775,000 (includes $125,000 from 2011)

Table 11

COMPARISON OF SALES TAX REVENUE TO DEBT SERVICE REQUIREMENT

2003 - 2012
(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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012*
Sales Tax Revenue	$654,985	$675,628	$700,395	$746,829	$752,922	$921,245	$894,238	$931,435	$975,670	$998,218
Debt Service Requirement	$140,607	$159,702	$179,536	$178,086	$188,551	$192,555	$197,529	$201,994	$1,052,441	$1,123,712
2.5 Times Debt Service Requirement	$351,518	$399,255	$448,840	$445,215	$471,378	$481,388	$493,823	$504,985	$1,175,310	$871,430

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

Table 12

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

Last Ten Years *(In Thousands)*

	Debt Service Requirements			Total	Ratio of Debt Service to Total
Year	Principal	Interest	Total	Expenditures	Expenditures
2003	$ 37,940	$ 102,667	$ 140,607	$ 1,339,450	10.50%
2004	40,430	119,272	159,702	1,319,613	12.10%
2005	49,570	129,966	179,536	1,352,124	13.28%
2006	55,110	122,976	178,086	1,281,765	13.89%
2007	59,135	129,416	188,551	1,292,232	14.59%
2008	64,685	127,870	192,555	1,547,161	12.45%
2009	68,455	129,074	197,529	1,434,457	13.77%
2010	74,060	127,934	201,994	1,475,959	13.69%
2011	919,110	133,331	1,052,441	2,519,926	41.76%
2012*	999,375	124,337	1,123,712	2,679,696	41.93%

*2011 CP Notes were short-term and mature within 60 days; total 2011 CP Notes Issued in 2012: $650,000 & Matured $775,000 (includes $125,000 from 2011)

Table 13

FEDERAL ALLOCATION OF CAPITAL FUNDS TO NORTHEASTERN ILLINOIS

Last Ten Calendar Years

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

Federal Fiscal Year	Total Awarded	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Regional Transportation Authority
2003	$ 463.90	$ 256.70	$ 173.50	$ 33.70	$ -
2004	493.16	291.76	168.05	33.35	-
2005	536.83	330.08	174.80	31.95	-
2006	496.62	280.03	168.69	47.90	-
2007	449.49	288.61	128.45	32.43	-
2008	489.91	279.38	169.55	40.98	-
2009	917.78	535.32	297.57	84.89	-
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
Total	$ 5,333.57	$ 3,134.07	$ 1,730.23	$ 429.49	$ 39.78

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

REGIONAL TRANSPORTATION AUTHORITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population [1]	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate [2]
2003	12,556,006	$ 435,900,840	$ 34,717	6.7%
2004	12,589,773	455,290,572	36,164	6.2%
2005	12,609,903	472,072,676	37,437	5.8%
2006	12,643,955	504,493,021	39,900	4.7%
2007	12,695,866	532,587,009	41,950	5.1%
2008	12,747,038	554,521,494	43,502	6.4%
2009	12,796,778	522,945,597	40,865	10.0%
2010	12,841,980	539,680,018	42,025	10.5%
2011	12,869,257	562,662,480	43,721	9.8%
2012	12,875,255	577,008,488	44,815	8.9%

(1) Source: Bureau of Economic Analysis U.S. Department of Commerce
(2) Source: Bureau of Labor Statistics Data U.S. Department of Labor

REGIONAL TRANSPORTATION AUTHORITY
PRINCIPAL EMPLOYERS

CURRENT YEAR				Eight Years Ago			
	2012				2004		
Employer [1]	Employees	Rank	% of Total Region Employment	Employer [1]	Employees	Rank	% of Total Region Employment
United States Government	52,144	1	1.34%	United States Government	88,000	1	2.24%
Chicago Public Schools	40,145	2	1.03%	Chicago Public Schools	39,402	2	1.00%
City of Chicago	30,197	3	0.77%	Jewel/Osco	36,749	3	0.94%
Cook County	21,057	4	0.54%	City of Chicago	35,978	4	0.92%
Advocate Health Care	16,710	5	0.43%	Cook County	26,505	5	0.68%
State of Illinois	15,400	6	0.40%	Advocate Health Care	25,196	6	0.64%
JP Morgan Chase & Co.	15,103	7	0.39%	United Parcel Service of Am	19,563	7	0.50%
University of Chicago	15,029	8	0.39%	State of Illinois	17,222	8	0.44%
Walgreen Co.	14,528	9	0.37%	SBC Communications	17,000	9	0.43%
AT&T Inc.	14,000	10	0.36%	United Airlines	15,830	10	0.40%
Total	234,313		6.01%		321,445		8.19%

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

(1) Crain's Chicago Business

Table 16

RTA & SERVICE BOARDS OPERATING CHARACTERISTICS

2012

Chicago Transit Authority

Rapid Transit

- 8 rail routes
- 145 stations served
- 1,200 rapid transit cars
- 231.1 million riders per year
- 1,090 STO* positions

Motor Bus

- 129 bus routes
- 1,781 buses
- 314.4 million riders per year
- 3,688 STO* positions

CTA Totals

- 1.4 billion rail passenger miles per year
- 712.9 million bus passenger miles per year
- 119.1 million vehicle revenue miles per year
- 4,428 without STO* positions

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

Metra Commuter Rail Division*

- 11 rail routes
- 488 route miles
- 1,155 miles of track
- 241 stations
- 146 locomotives
- 839 passenger cars
- 171 electric cars
- 703 weekly trains operated
- 95.8% on-time performance
- 81.3 million riders per year
- 4,380 full-time employees
- 1.6 billion passenger miles per year
- 43.1 million vehicle miles per year

All data exclude NICTD South Shore

Pace Suburban Bus Division

Fixed Route Bus

- 138 regular routes
- 35 feeder routes
- 14 shuttle routes
- 581 vehicles in use during peak periods
- 32.1 million riders per year
- 7 seasonal routes
- 687 Pace-owned buses
- 1,460 full-time employees

ADA Paratransit

- 234 Pace owned lift-equipped buses in service
- 3.8 million riders per year
- 35 full-time employees

Dial-A-Ride

- 68 local services
- 176 Pace owned lift-equipped buses in service
- 210 communities served
- 1.3 million riders per year

Vanpool

- 694 vanpool vehicles in operation
- 2.0 million riders for the year

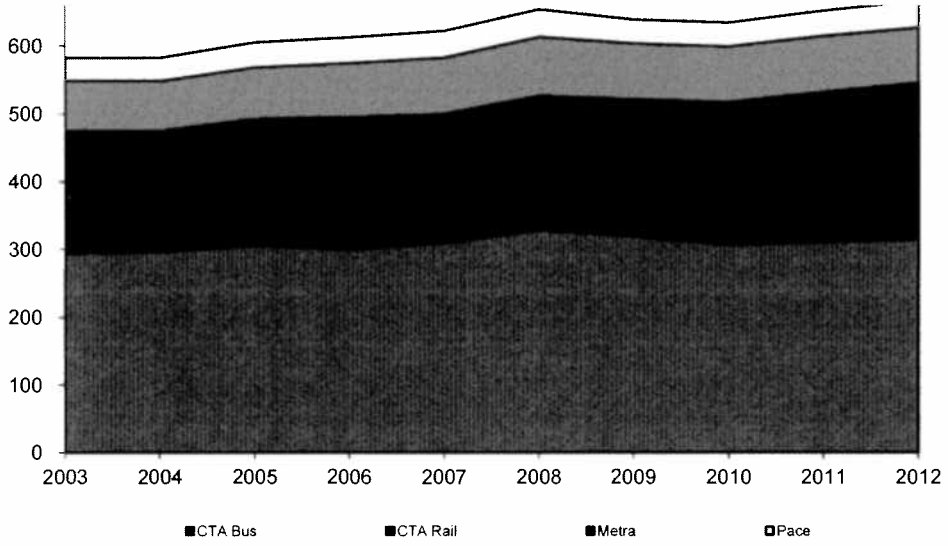
Source of data: Information obtained from the Service Boards, the NTD and RTA records.

Table 17

System Ridership and Unlinked Passenger Trips

2003-2012

(In Millions)



Last Ten Years *(In Millions)*

Service Consumed:	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
CTA - Bus	293.6	296.0	305.5	299.6	309.3	328.2	318.7	306.0	310.4	314.4
CTA - Rail	181.1	178.7	186.8	195.2	190.3	198.1	202.6	210.8	221.6	231.1
Total CTA*	474.7	474.7	492.3	494.8	499.6	526.3	521.3	516.8	532.0	545.5
Metra	74.0	73.8	76.1	79.9	83.3	86.8	82.3	82.2	82.7	81.3
Pace**	33.7	34.1	36.9	38.0	39.2	40.5	35.1	35.1	37.1	39.2
System Total	582.4	582.6	605.3	612.7	622.1	653.6	638.7	634.1	651.8	666.0
Percent Change	-2.20%	0.03%	3.90%	1.22%	1.53%	5.06%	-2.28%	-0.72%	2.79%	2.18%

CTA Stat amounts include rail-to-rail transfers.

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

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

Table 18

Regional Transportation Authority
Full-time Employee by Function

Last Five Fiscal Years

	2008	2009	2010	2011	2012
Audit	0	0	0	3	3
Executive Office	3	3	3	3	2
Communications	4	6	5	12	11
Finance & Performance Management	30	30	18	24	26
Human Resources	0	0	0	3	3
Information Technology	0	0	0	7	7
Administration	0	0	14	0	0
Legal	4	5	3	8	6
Government and Community Affairs	0	0	2	4	6
Planning	38	43	49	46	47
Research, Analysis & Policy Development	6	6	11	0	0
Totals	**85**	**93**	**105**	**110**	**111**

Regional Transportation Authority

The six-county public transportation system serving northeastern Illinois

RTA Main Office
175 W. Jackson Blvd, Ste. 1650
Chicago, Illinois 60604
312-913-3200
www.RTAchicago.com

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

RTA ADA Certification Helpline
312-663-HELP (4357)

Travel Information Center
and RTA Reduced Fare Card
312-836-7000
www.RTAchicago.com

The RTA Transit Benefit Fare Program
312-913-3230

Chicago Transit Authority
567 W. Lake St.
Chicago, Illinois 60661
888-968-7282
www.transitchicago.com

Metra
547 W. Jackson Blvd.
Chicago, Illinois 60661
312-322-6777
www.metrarail.com

Pace
550 W. Algonquin Rd.
Arlington Heights, Illinois 60005
847-364-7223
www.pacebus.com

104a

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2007

(See Independent Accountants' Compilation Report)

Prepared by:

Finance & Administration Department
Joseph G. Costello, CPA, CPFO
Senior Deputy Executive Director

and

Controller Division

Regional Transportation Authority and Service Boards

Special-Purpose Combining Financial Statements for the Year Ended December 31, 2007 and Independent Accountants' Compilation Report

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

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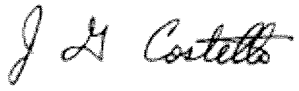
Board of Directors
Regional Transportation Authority
175 West Jackson Boulevard, Suite 1550
Chicago, Illinois 60604

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 ending December 31, 2007. 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.



Joseph G. Costello
Senior Deputy Executive Director,
Finance & Administration
Regional Transportation Authority
June 13, 2007

McGladrey & Pullen
Certified Public Accountants

Independent Accountant's Report

To the Board of Directors
Regional Transportation Authority
Chicago, Illinois

We have compiled the accompanying special-purpose combining financial statements of the Regional Transportation Authority and Service Boards as of December 31, 2007, and for the year then ended, and the supplementary and statistical information, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting information that is the representation of management in the form of financial statements and supplementary and statistical information. We have not audited or reviewed the accompanying special-purpose combining financial statements and supplementary and statistical information and, accordingly, do not express an opinion or any other form of assurance on them.

The accompanying special-purpose financial statements and supplementary and statistical information were prepared for the purpose of complying with the statutory requirement of the Regional Transportation Authority Act as described in Note 1, and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Schaumburg, Illinois
June 13, 2008

McGladrey & Pullen, LLP is a member firm of RSM International –
an affiliation of separate and independent legal entities.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF NET ASSETS

DECEMBER 31, 2007

(In Thousands)

ASSETS:	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
CURRENT ASSETS:							
Cash and investments:							
Restricted - cash and cash equivalents	$	$	$	$ 22,685	$	$	$ 22,685
Unrestricted - cash and cash equivalents	12,497	130,802	99,306	24,941			267,546
Restricted - investments	363,238						363,238
Unrestricted - investments	165,042	900					165,942
Unamortized bond issue costs	579						579
Receivables:							
Intergovernmental receivables	126,885				372		127,257
Grant projects		4,974	21,687	3,415		15,314	14,762
RTA financial assistance		87,809	46,664	25,449		16,442	143,480
Other carriers			1,854				1,854
Other receivables		188,290	10,498	5,456		480	203,764
Interest on investments	625						625
Loan to S.B. Note & Interest	1,208						1,208
Materials and supplies		78,412	13,292	5,330			97,034
Prepaid expenses	2,467	5,139	1,969	1,027			10,602
Total current assets	672,541	496,326	195,270	88,303	372	32,236	1,420,576
Fixed assets:							
Plant, property and equipment	11,978	7,463,364	5,093,126	426,805			12,995,273
Capital projects in progress			13,065	12,230			25,295
Less accumulated depreciation	(2,224)	(4,017,658)	(2,432,954)	(248,159)			(6,700,995)
Total fixed assets	9,754	3,445,706	2,673,237	190,876			6,319,573
Other assets:							
Unamortized bond issue costs	12,067	7,192					19,259
Note Receivable	3,750						3,750
Investment relating to employee pension benefits plan		7,985					7,985
Restricted Assets		241,916					241,916
Amount due under sale/leaseback		1,699,448	276,442	80,620			2,056,510
Total other assets	15,817	1,956,541	276,442	80,620			2,329,420
TOTAL ASSETS	$ 698,112	$ 5,898,573	$ 3,144,949	$ 359,799	$ 372	$ 32,236	$10,069,569

(Continued)

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF NET ASSETS (Continued)
DECEMBER 31, 2007
(In Thousands)

LIABILITIES	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
CURRENT LIABILITIES:							
Vouchers payable	$ 13	$ 172,190	$ 42,012	$ 4,413	$	$	$ 218,628
Accrued interest payable		3,480		208			3,688
Intergovernmental payables	31,756			792	31,756		792
Due to other funds	1,000					372	1,372
Current portion of general obligation bonds payable	64,685	27,475					92,160
Current portion of unamortized bond premium	5,702						5,702
Other current liabilities:							
Accrued other expenses	3,640	99,626	30,657	23,898	480		157,341
Unrealized revenue, capital grant		20,302					20,302
Deferred revenue, assistance and other	21,524	106,132	12,671	2,134			142,461
Working Cash Note Payable	40,000						40,000
Capital lease obligation		206,765	18,261				225,026
Claims liability		74,795	15,288	11,628			101,711
Total current liabilities	168,320	710,765	118,889	43,073	32,236	372	1,009,183
LONG-TERM LIABILITIES:							
General obligation bonds payable	2,227,575	461,410					2,688,985
Claims liability		117,955	15,053	14,035			147,043
Accrued interest payable	34,597						34,597
Capital lease obligation		1,543,656	258,181	80,620			1,882,457
Premium on capital lease payable		5,721					5,721
Deferred revenue	49,531	37,235					86,766
Accrued pension cost		1,568,338		1,354			1,569,692
Unamortized bond premium	125,204	36,902					162,106
Deferred rent	1,911						1,911
Intergovernmental Payables				3,958			3,958
Other long-term liabilities		4,333		7,249			11,582
Total long-term liabilities	2,438,818	3,775,550	273,234	107,216			6,594,818
Total liabilities	2,607,138	4,486,315	392,123	150,289	32,236	372	7,604,001
NET ASSETS (DEFICIT):							
Invested in capital assets	9,754	2,912,748	2,673,236	190,877			5,786,615
Retained earnings			79,590				79,590
Fund equity restricted for:							
Payment on obligations and others		75,655					75,655
Accumulated unrestricted (deficit)	(1,918,780)	(1,576,145)		18,633	1,004,177	1,004,177	(3,476,292)
TOTAL NET ASSETS (DEFICIT)	$ (1,909,026)	$ 1,412,258	$ 2,752,826	$ 209,510	$ 1,004,177	$ 1,004,177	$ 2,465,568

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

(Concluded)

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2007
(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	$	$ 493,350	$ 291,841	$ 60,939	$ 921	$	$ 845,209
Sales taxes	112,938					639,987	752,925
Interest on sales taxes	376						376
Public Transportation Fund	188,931						188,931
Operating Assistance CTA & Pace	54,252						54,252
State assistance	117,807						117,807
Investment income	32,744						32,744
Program revenues and others	3,366						3,366
Total revenues	510,414	493,350	291,841	60,939	921	639,987	1,995,610
EXPENSES:							
Operating expenses		1,412,842	548,470	246,007		691	2,206,628
Depreciation		387,738	213,410	31,492			632,640
Financial Assistance to Service Boards	209,931					209,931	
Operating Grant - CTA & Pace	40,010					40,010	
Capital grants—discretionary	25,272					25,272	
Capital grants—bonds	88,056					88,056	
Insurance (JSIF)	4,855						4,855
Administrative expenses	6,967						6,967
Regional expenses	20,243					230	20,013
Technology program	1,409						1,409
Bond-related expenses	130,079						130,079
Total expenses	526,822	1,800,580	761,880	277,499		364,190	3,002,591
OPERATING LOSS	(16,408)	(1,307,230)	(470,039)	(216,560)	921	1,004,177	(1,006,981)
NONOPERATING REVENUE (EXPENSE):							
RTA financial assistance		548,249	256,688	164,201	889,928		79,210
Leasehold revenue		4,262					4,262
Interest revenue from leasing transactions		120,795	18,261	6,480			145,536
Interest expense on leasing transactions		(115,819)	(18,261)	(6,480)			(140,560)
Interest expense on bond transactions		(15,718)					(15,718)
Other public funding		42,048	150,316	24,230			216,594
Capital grants		375,914	40,365	28,365	113,328		331,316
Investment income		16,207		2,022			18,229
Gain on sale of assets		27					27
Total nonoperating revenue (expense)		975,965	447,369	218,818	1,003,256		638,896
CHANGES IN NET ASSETS	(16,408)	(331,265)	(22,670)	2,258	1,004,177	1,004,177	(368,085)
NET ASSETS (DEFICIT):							
Beginning of year	(1,892,618)	1,743,523	2,775,496	207,252			2,833,653
End of year	$(1,909,026)	$1,412,258	$2,752,826	$ 209,510	$1,004,177	$1,004,177	$ 2,465,568

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

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2007
(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	$	$ 457,283	$ 227,185	$ 57,890	$ 742,358
Payments to employees		(786,524)	(236,278)	(77,989)	(1,100,791)
Payments to vendors	(5,486)	(264,857)	(320,544)	(167,092)	(757,979)
Other receipts and payments		87,095	42,099	6,213	135,407
Net cash from operating activities	(5,486)	(507,003)	(287,538)	(180,978)	(981,005)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Financial assistance—operating		648,324	318,671	206,622	1,173,617
Net cash from noncapital financing activities		648,324	318,671	206,622	1,173,617
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Interest income from assets restricted for payment of leasehold obligations		120,795			120,795
Repayment of lease\leaseback obligations		(107,226)			(107,226)
Increase in assets restricted for payment of leasehold obligations		(15,943)		19,396	3,453
Payments of capital lease obligations				(19,396)	(19,396)
Financial assistance—grant projects		326,329	132,317	34,111	492,757
Proceeds from the sale of property and equipment		1,075			1,075
Bond Proceeds (net)		(37,786)			(37,786)
Payments for capital acquisition		(613,772)	(153,778)	(34,923)	(802,473)
Net cash from capital and related financing activities		(326,528)	(21,461)	(812)	(348,801)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income	1,276	16,207	4,853	2,236	24,572
Sales and purchases of investments, net	2,649	272,066			274,715
Net cash from investing activities	3,925	288,273	4,853	2,236	299,287
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,561)	103,066	14,525	27,068	143,098
CASH AND CASH EQUIVALENTS—Beginning of year	14,058	27,736	84,781	20,558	147,133
CASH AND CASH EQUIVALENTS—End of year	$ 12,497	$ 130,802	$ 99,306	$ 47,626	$ 290,231
RECONCILIATION OF OPERATING ACTIVITIES:					
Net loss from operations	$ (4,648)	$(1,307,230)	$ (470,038)	$ (216,561)	$ (1,998,477)
Adjustments to reconcile operating loss to net cash from operating activities:					
Depreciation		387,738	213,409	31,493	632,640
Claims provision and settlement			(2,717)		(2,717)
State reduced fare assistance			(3,884)		(3,884)
Interest and dividends received			(4,853)		(4,853)
Changes in current assets and liabilities	(838)	412,489	(19,455)	4,090	396,286
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (5,486)	$ (507,003)	$ (287,538)	$ (180,978)	$ (981,005)

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

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(See Independent Accountants' Compilation Report)

1. BASIS OF ACCOUNTING

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. The special purpose combining financial statements are not in accordance with accounting principles generally accepted in the United States of America primarily due to the RTA and Service Boards using a different basis of accounting 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 describe the basis of accounting for each entity and contain the omitted disclosures.

Intergovernmental receivables, payables, revenues, expenses, and expenditures have 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 assets.

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.

2. ORGANIZATIONAL STRUCTURE

RTA

The RTA was established in 1974 upon the approval of a referendum in its six-county Northeastern Illinois Region (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.

CTA

The 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 Chicago City Council has granted the CTA the exclusive right to operate a passenger transportation system 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 RTA Act, as amended effective November 9, 1983, established the Suburban Bus Division (Pace) to operate suburban bus service within suburban Cook County and the five collar counties of DuPage, Kane, Lake, McHenry, and Will. The independent operations of Pace commenced on July 1, 1984.

Pace determines the level, nature, and kind of public transportation services that should be provided in the suburban region. Pace operates suburban bus services using stock, structures, and equipment purchased through capital grants funded by federal and state agencies and the RTA.

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, 2007 year-end.

3. REPORTING ENTITY

The RTA and each of the Service Boards have adopted the provisions of the Governmental Accounting Standards Board's Statement No. 14 (Statement No. 14), *The Financial Reporting Entity*.

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

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

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

- The RTA Board has control neither in the selection nor the appointment of any Service Board Director nor of any of its management. Further, directors of the Service Boards are excluded from serving on more than one entity's board of directors, including that of the RTA, except for the Chairman of the CTA Board of Directors who is also an RTA Board member.

- The Illinois statutes required the RTA Board to approve the budgets of the Service Boards, if such budgets meet specified system-generated 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.

Accordingly, financial statements for the Service Boards are not included or combined with the RTA's financial statements under Statement No. 14. 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."

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Accounting—The RTA maintains records using a fund accounting model consisting of a General Fund, Debt Service Fund, Capital Projects Fund, Proprietary Fund, (Business-Type Activities), Agency Fund, and Pension Trust Fund. All Governmental Funds and the Agency Fund are accounted for using the modified accrual method of accounting (i.e., revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred). The Proprietary Fund and the Pension Trust Fund are accounted for using the accrual method of accounting. For the purpose of these combining financial statements, all RTA funds have been combined.

The Service Boards are accounted for on a Proprietary Fund basis. Accordingly, the accrual method of accounting is utilized by the Service Boards. For purposes of these combining financial statements, the individual Service Board financial statements are combined with those of the RTA.

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 that reasonably approximates fair market value.

For the purposes of the combining statements 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 balance sheet.

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.

Materials and Supplies—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 and other financial sources: (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.

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

The Act authorizes the RTA to impose a Retailers' Occupation Tax (ROT), a Service Occupation Tax (SOT) and a Use Tax (UT). The RTA imposed this tax at the maximum rate in 1979. All of the RTA sales taxes are collected by the Illinois Department of Revenue under procedures that are largely identical to the corresponding state sales taxes.

The ROT is imposed on the gross receipts from the sale of tangible personal property at a rate of 0.75% in Cook County and 0.25% in the collar counties. Except for the tax on food and drugs, the RTA tax base is identical to the State retailers' occupation tax base. Consequently, when the state base is expanded or contracted by taxing or exempting receipts from specific transactions, e.g., the sale of computer software or rolling stock, the RTA tax base likewise expands or contracts. However, when the legislature exempted the sale of food and drugs from the state tax, the exemption was not extended to the RTA and other local government taxes. As a result the RTA tax on food and drugs is imposed at a rate of 1% throughout the six-county area.

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

The UT is imposed on persons living in the six-county area for the privilege of using a vehicle purchased outside the six-county area that must be registered with the State. Unlike the State Use Tax, the RTA UT is

limited to registered property, largely automobiles. The tax is imposed on the selling price of the property at the same rates as the ROT.

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

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

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

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

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

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 (PTF), an amount equal to 25% of net revenues realized from sales taxes (or, as the case may be, gasoline or parking taxes). These amounts may be paid to the RTA only upon State appropriation. The State has approved an appropriation from the PTF through its 2008 fiscal year which will end on June 30, 2008.

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

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

Reduced Fare Reimbursement— In the State's fiscal year 2007, which ends June 30, 2007, the Illinois General Assembly appropriated funds for a program under which the Illinois Department of Transportation (IDOT) is authorized to provide to the RTA a reduced fare reimbursement grant for the purpose of reimbursing the Service Boards for a portion of actual revenue losses attributable to reduced fares for students, people with disabilities, and the elderly. For the State fiscal years ended June 30, 2007 and June 30, 2008, the grants were in the amount of $37.3 million and $36.7 million, respectively. The state also provided RTA with Advance Reduced Fare grants in the amount of $15.6 million. The revenue is recognized on the modified accrual basis when the amount is requested from IDOT.

Additional State Assistance/Additional Financial Assistance— The State has authorized Additional State Assistance (ASA) which is supplemental financing for the RTA's Strategic Capital Improvement Program (SCIP) bonds. The ASA available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP bonds plus any debt service savings from the issuance of refunding or advance refunding SCIP bonds, less interest earned on the remaining bond proceeds, or (ii) $55 million per year. The RTA recognized $39.7 million of ASA in 2007.

Beginning with the State's fiscal year 2001, the State has also authorized Additional Financial Assistance (AFA) to pay for debt service requirements for SCIP bonds authorized under the Illinois First Program. The amount available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP bonds less interest earned on those bond proceeds, or (ii) $100 million and $100 million in the State's fiscal year 2007 and 2008, respectively. The RTA recognized $78 million of AFA in 2007.

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

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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 general fund and sales tax agency fund.

The annual budget and related appropriations are prepared using the modified accrual basis of accounting in conformity with accounting principles generally accepted in the United States except for RTA capital expenditures and capital grants to Service Boards. The RTA capital expenditures and capital grants to Service Boards are budgeted on a project basis, which normally exceeds one year, and debt service payments, which are budgeted as transfers from the general fund. Budgets for RTA capital expenditures and capital grants to Service Boards that extend beyond one year are presented in the first year of the grants and represent the total amounts awarded. In addition, for the sales tax agency fund, additions and deletions are treated as revenues and expenditures. All appropriations lapse at year-end. There were several amendments to the 2007 budget. The 2007 budget (Ordinance 2006-78) was last revised on October 4, 2007 (Ordinances 2007-50 and 2007-58). These ordinances amended the 2007 RTA budget and the budgets of the CTA, Metra, and Pace.
Although appropriations are adopted for individual line items, the legal level of control (i.e., the level at which appropriation transfers or expenditures in excess of appropriated amounts require RTA Board approval) is restricted to total appropriations/expenditures and total administration appropriations/expenditures. Management has the authority to exceed any line item appropriation without Board approval, provided it does not exceed the total appropriations/expenditures and the total administration appropriations/expenditures. It is the policy of the RTA to fund the budgets of the Service Boards up to the amount appropriated in the annual Budget Ordinance. The Service Boards shall maintain all financial records and shall prepare all financial statements and reports, including quarterly and annual reports required under the Act, in accordance with the following provisions:

- The first source of funds to be credited against the budgeted funding amount is from 85% sales tax receipts;
- The second source of funds to be credited against the budgeted funding amount is from PTF receipts; and
- The third source of funds credited against the budgeted funding amount is from RTA 15% sales tax receipts and other discretionary receipts.

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

6. LEASES

The RTA and CTA hold operating leases which are primarily for rent expense on the facilities they occupy. Metra has several operating leases, primarily for the use of passenger terminals. Pace has multi-year leases for vehicles and bus tires.

CTA

In 2003, 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 million.

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 and 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 debt service payment over the next 27 years by approximately $388,000 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. This amount is recorded as a component of long-term debt in the accompanying balance sheets.

The new bonds are payable from and secured by the lease entered into between the PBC and the CTA and are considered a general obligation of the CTA payable from any lawfully available funds. Bond issue costs and premium related to this transaction are presented as such on the balance sheets. The present value of the future payments to be made by the CTA under the lease of approximately $89 million is reflected in the accompanying December 31, 2007 balance sheet as a capital lease obligation.

In 2003, the CTA entered into a lease/leaseback agreement with a third party pertaining to certain buses with a book value of $22.1 million as of December 31, 2007. Under the bus lease agreements, which provide certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $15 million is reflected in the accompanying December 31, 2007 balance sheet as capital lease obligation.

During 2002, the CTA entered into two lease and leaseback agreements with a third party pertaining to certain buses (lots 1 and 2), with a book value of $35.8 million as of December 31, 2007. Under the bus lease agreements, which provide certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $106.3 million is reflected in the accompanying December 31, 2007 balance sheet as capital lease obligation.

During 2002, the CTA entered into a lease and leaseback agreement with a third party pertaining to certain qualified technological equipment (QTE), with a book value of $25.3 million as of December 31, 2007. Under the QTE lease agreement, which provides certain cash and tax benefits to the third party, the CTA entered into a long term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $174 million is reflected in the accompanying December 31, 2007 statement of net assets as capital lease obligation.

During 1998, the CTA entered into a lease/leaseback agreement (1998 Agreement) with a third party pertaining to a rail line (Green Line), with a book value of $254.7 million as of December 31, 2007. The 1998 Agreement, which provides certain cash and tax benefits to the third party, also provides for a trust established by the CTA to lease the rail line to an equity investor trust (1998 Equity Trust), which would then lease the facilities back to another trust established by the CTA under a separate lease (1998 Lease). The present value of the future payments to be made by the CTA under the lease of approximately $271 million is reflected in the accompanying December 31, 2007 statement of net assets as capital lease obligation.

During 1997, the CTA entered into four lease/leaseback agreements (1997 Agreements) with a third party pertaining to certain of its facilities having a book value of $50.3 million as of December 31, 2007. The 1997 Agreements, which provide certain cash and tax benefits to the third party, also provide for a trust established by the CTA to lease the facilities to an equity investor trust (Equity Trust), which would then lease the facilities back to another trust established by the CTA under separate leases (Leases). The CTA received certain funds as prepayments by the Equity Trust. The funds have been deposited in designated investment accounts sufficient to meet the payments required under the Leases, and are recorded as assets restricted for repayment of leasing commitments. The Equity Trust has a security interest in the deposits to guarantee the payments due from the CTA and may take possession of the facilities upon a default by the CTA under the Lease. No other lease payments are required until the end of each lease. The present value of the future payments to be made by the CTA under the Leases (net of the payment due from the Equity Trust in 2023 and 2024) of approximately $32.5 million is reflected in the accompanying December 31, 2007 balance sheet as a capital lease obligation.

In connection with the 1997 Agreements, the CTA also received proceeds of $11.9 million. The Federal Transit Administration (FTA) has approved the CTA's right to the benefit received from these transactions. The CTA has elected to defer recognition of the proceeds over the remaining lease term.

During 1996, the CTA entered into similar lease/leaseback agreements (1996 Agreements) with a third party pertaining to certain of its facilities, with a book value of $54.4 million as of December 31, 2007. The 1996 Agreements, which provide certain cash and tax benefits to the third party, also provide for a trust established by the CTA to lease the facilities to an equity investor trust (1996 Equity Trust), which would then lease the facilities back to another trust established by the CTA under a separate lease (the 1996 Lease). The present value of the future payments to be made by the CTA under the leases (net of the payment due from the 1996 Equity Trust in 2024) of approximately $32.6 million is reflected in the accompanying December 31, 2007 balance sheet as a capital lease obligation.

In connection with the 1996 Agreements, the CTA also received proceeds of $10.9 million and agreed to make approximately $80 million of improvements to one of the facilities. The FTA has approved the CTA's right to the benefit received from these transactions. The CTA has elected to defer recognition of the proceeds over the remaining lease term.

During 1995, the CTA entered into sale/leaseback agreements (1995 Agreements) with third parties. The 1995 Agreements provided for the CTA to sell and lease back certain rail equipment totaling $487.1 million at cost for a period of 19 years beginning on the date of the respective transaction. As of December 31, 2007, the total payments due under the 1995 Agreements are recorded as capital lease obligations totaling $1,030.3 billion. The CTA has deposited funds into designated cash and investment accounts sufficient to meet all of its payment obligations throughout the terms of the leases, and recorded such amounts as assets restricted for repayment of leasing commitments.

Change in Capital Lease Obligations:

Changes in capital leases for the year ended December 31, 2007 are as follows (in thousands of dollars):

2007	Beginning balance	Additions*	Principal paid	Ending balance	Interest paid	Due in one year
2003 (Buses)	$ 23,555	$ 840	$ (9,373)	$ 15,022	$ 840	-
2002 (Buses)	101,157	5,098	-	106,255	5,098	-
2002 (QTE)	169,877	10,784	(6,928)	173,733	10,784	$ 103,094
1998 (Green)	276,971	18,912	(24,852)	271,031	18,912	38,183
1997 (Garages)	30,194	2,270	-	32,464	2,270	-
1996 (Skokie/Racine)	30,377	2,234	-	32,611	2,233	-
1995 (Pickle)	1,018,357	75,681	(63,698)	1,030,340	75,680	63,698
Total lease/leasebacks	1,650,488	115,819	(104,851)	1,661,456	115,817	204,975
2006 PBC lease	91,340	-	(2,375)	88,965	3,794	1,790
Total capital lease obligation	$ 1,741,828	$ 115,819	$ (107,226)	$ 1,750,421	$ 119,611	$ 206,765

* Additions include accretion of interest.

The following table sets forth the aggregate amounts due under the sublease agreements:

Future Minimum Lease Payments: As of December 31, 2007, future minimum lease payments for capital leases, in the aggregate, are as follows (in thousands of dollars):

2008	$ 211,149
2009	95,772
2010	109,211
2011	99,210
2012	98,004
2013 - 2017	1,699,763
2018 - 2022	367,430
2023 - 2027	218,710
2028 - 2032	30,939
2033	6,188
Total future minimum payments	$ 2,936,376
Less interest	(1,185,955)
Present value of minimum lease payments	$ 1,750,421

The present value of all future payments to be made by the CTA under all its leases of approximately $1.8 million is reflected in the accompanying December 31, 2007 statement of net assets as capital lease obligations.

Metra

On September 18, 1998, Metra entered into a transaction to lease 174 railcars to three equity investors (headlease) and simultaneously subleased the railcars back (sublease). Under these agreements, Metra maintains the right to use the railcars and is also responsible for their continued maintenance and insurance. Metra's sublease arrangements have been recorded as long-term obligations for accounting purposes.

At closing, the railcars had a fair market value of approximately $296.9 million and a book value of $262.9 million. As part of the headlease agreements, Metra received prepayments equivalent to the net present value of the headlease obligations totaling approximately $274 million.

Metra transferred approximately $177.4 million and $52.9 million of the prepayment proceeds to third parties, in accordance with the terms of debt and equity payment undertaking agreements, respectively. These agreements constitute commitments by the debt and equity payment undertakers to pay Metra's sublease and buy-out options, under the terms of the subleases. The debt payment undertaker and equity payment undertaker are finance companies. Both the debt payment undertaker and the equity payment undertaker have AA+ and Aa2 bond ratings from Standard & Poor and Moody, respectively. Both finance companies' performance under the agreement is guaranteed by their parent company which carries the same ratings.

In connection with the transaction, Metra recognized $43.7 million as leasehold revenue in 1998. The net present value of the future payments due under the subleases has been recorded as a liability on the accompanying balance sheet. Since the debt and equity payment undertaking agreements have been structured to meet all future obligations under the subleases, the related asset balances have been recorded to equal the sublease liabilities on the accompanying balance sheet.

The following table sets forth the aggregate amounts due under the sublease agreements:

Future Minimum Lease Payments: As of December 31, 2007, future minimum lease payments for capital leases, in the aggregate, are as follows (in thousands of dollars):

2008	$ 25,239,685
2009	28,481,563
2010	20,947,382
2011	20,947,382
2012	20,947,382
2013 - 2017	104,736,910
2018 - 2022	272,178,527
2023 - 2027	-
2028 - 2030	3,152,120
Total future minimum payments	$ 496,630,951
Less imputed interest	(220,188,943)
Present value of minimum lease payments	$ 276,442,008

The present value of minimum lease payments of the Metra lease is $276.4 million which is reflected in the accompanying December 31, 2007 statement of net assets as capital lease obligations.

Pace

During 2003, Pace entered into two lease and leaseback agreements and realized a gain of $2.4 million from the proceeds. The transactions allowed Pace to earn up-front economic cash benefit for transferring ownership (not legal title) of a group of assets to a taxpayer that could take advantage of the benefits of tax ownership.

The first lease and leaseback agreement with a third party pertained to certain buses (lot 1, 2, and 3) with a book value of $30.5 million as of December 31, 2007. Under the bus lease agreements, which provide certain cash and tax benefits to the third party, Pace entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to Pace under a sublease. The present value of the future payments to be made by Pace under the lease is approximately $57.3 million and is reflected in the accompanying December 31, 2007 statement of net assets as the total of the current and long-term portions of Capital lease obligation.

The second lease and leaseback agreement with a third party pertained to certain buses (lot 4) with a book value of $17.5 million as of December 31, 2007. Under the bus lease agreements, Pace entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to Pace under a sublease. The present value of the future payments to be made by Pace under the lease is approximately $23.3 million and is reflected in the accompanying December 31, 2007 statement of net assets as the total of the current and long-term portions of the Capital lease obligation.

2007	Beginning balance	Additions	Reductions	Ending balance	Interest expense	Due in one year
2003 (Buses)	$ 64,554,752	$ 4,086,123	$ 11,367,085	$ 57,273,790	$ 4,086,123	-
2003 (Buses)	$ 35,460,973	$ 2,394,005	$ 14,508,950	$ 23,346,028	$ 2,394,005	-
Total	$ 100,015,725	$ 6,480,128	$ 25,876,035	$ 80,619,818	$ 6,480,128	-

As described above, Pace entered into two lease financing agreements with a third party in 2003.

The following table sets forth the aggregate amounts due under the sublease agreements:

2008	-
2009	-
2010	-
2011	$ 1,438,538
2012	
2013 - 2016	124,399,915
Total future minimum payments	$ 125,838,453
Less interest	(45,218,635)
Present value of minimum lease payments	$ 80,619,818

The present value of the future payments including the purchase option to be made by Pace under these leases is approximately $80.6 million and is reflected in the accompanying December 31, 2007 statement of net assets as the total of the current and long-term portions of the capital lease obligation.

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.

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, 2007, $820 million of cash and investments. Of this amount, $389 million is restricted for self-insurance and other damage reserve liabilities, debt service, health insurance claims, and capital projects. In addition, CTA, Metra, and Pace hold $2.33 billion of investments in other assets for employee pension benefits, damage liabilities, and capital lease obligations, which are recorded as other assets in the financial statements.

9. GENERAL OBLIGATION BONDS PAYABLE

Changes during the year in bonds payable were as follows:

	January 1, 2007	New Issues	Current Retirements	December 31, 2007
1990A	$ 60,795,000		$	$ 60,795,000
1991A	55,745,000			55,745,000
1992A* & 1992B	46,435,000		6,250,000	40,185,000
1994A* & 1994B	24,395,000			24,395,000
1994C* & 1994D	66,300,000		4,095,000	62,205,000
1997 Refunding	75,455,000		4,625,000	70,830,000
1999* Refunding	285,505,000		5,395,000	280,110,000
2000A*	239,790,000		4,730,000	235,060,000
2001A*	92,295,000		1,785,000	90,510,000
2001B* Refunding	32,985,000		1,555,000	31,430,000
2002A*	150,450,000		2,690,000	147,760,000
2002B	163,855,000		9,710,000	154,145,000
2003A*	251,310,000		4,335,000	246,975,000
2003B	145,210,000		2,545,000	142,665,000
2003C Refunding	10,200,000		3,240,000	6,960,000
2004A*	255,005,000		4,190,000	250,815,000
2005B Refunding	145,315,000		2,940,000	142,375,000
2006A*	250,350,000	$	1,050,000	249,300,000
Total	$ 2,351,395,000	$	$ 59,135,000	$ 2,292,260,000

* Strategic Capital Improvement Program (SCIP) Bonds

At December 31, 2007, the total general obligation bonds payable of $2,292,260,000 are classified as current and long-term in the Statement of Net Assets in the amounts of $64,685,000 and $2,292,260,000, respectively.

Advance Refundings—On June 21, 1993, the RTA advance refunded a portion of its 1990A Series general obligation bond issue. The RTA issued $23,265,000 of general obligation refunding bonds (1993C Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2007, $20,350,000 of outstanding general obligation bonds (1990A Series) are considered defeased, and therefore, have been removed from the financial statements.

On January 19, 1996, the RTA advance refunded a portion of its 1994B and 1994D Series general obligation bond issues. The RTA issued $151,235,000 of general obligation refunding bonds (1996 Series) to provide

resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2007, $60,300,000 of outstanding general obligation bonds (1994B Series) and $75,605,000 of outstanding general obligation bonds (1994D Series) are considered defeased, and therefore, have been removed from the financial statements.

On September 18, 1997, the RTA advance refunded a portion of its 1990A, 1991A, 1992B, and 1993B Series general obligation bond issues. The RTA issued $98,385,000 of general obligation refunding bonds (1997 Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2007, $4,230,000 of outstanding general obligation bonds (1990A Series), $29,265,000 of outstanding general obligation bonds (1991A Series), $18,170,000 of outstanding general obligation bonds (1992B Series), and $47,465,000 of outstanding general obligation bonds (1993B Series) are considered defeased, and therefore, have been removed from the financial statements.

On August 24, 1999, the RTA advance refunded a portion of its 1992A, 1993A, 1994A, and 1994C Series general obligation bond issues. The RTA issued $298,725,000 of general obligation refunding bonds (1999 Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2007, $113,895,000 of outstanding general obligation bonds (1992A Series), $9,720,000 of outstanding general obligation bonds (1993A), $142,615,000 of outstanding general obligation bonds (1994A) and $21,955,000 of outstanding general obligation bonds (1994C) are considered defeased, and therefore, have been removed from the financial statements.

On March 1, 2001, the RTA advance refunded a portion of its 1993A Series general obligation bond issues. The RTA issued $37,715,000 of general obligation refunding bonds (2001B Series). Proceeds from the issuance amounted to $40,437,798 which includes a premium of $2,554,206. The proceeds are to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2007, $37,750,000 of outstanding general obligation bonds (1993A) are considered defeased, and therefore, have been removed from the financial statements.

On May 1, 2003, the RTA advance refunded a portion of its 1993C Series general obligation bond issues. The RTA issued $19,055,000 of general obligation refunding bonds (2003C Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2007, $19,150,000 of outstanding general obligation bonds (1993C) are considered defeased, and therefore, have been removed from the financial statements.

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

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

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2008		$ 4,377,240	$ 4,377,240
2009		4,377,240	4,377,240
2010	$ 3,810,000	4,377,240	8,187,240
2011	4,085,000	4,102,920	8,187,920
2012	4,380,000	3,808,800	8,188,800
2013-2017	27,110,000	13,834,080	40,944,080
2018-2020	21,410,000	3,154,680	24,564,680
Total	$ 60,795,000	$ 38,032,200	$ 98,827,200

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2008		$ 3,734,915	$ 3,734,915
2009		3,734,915	3,734,915
2010		3,734,915	3,734,915
2011		3,734,914	3,734,914
2012	$ 4,090,000	3,734,915	7,824,915
2013-2017	24,960,000	14,176,530	39,136,530
2018-2021	26,695,000	4,615,965	31,310,965
Total	$ 55,745,000	$ 37,467,069	$ 93,212,069

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

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

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2008	$ 6,840,000	$ 2,636,360	$ 9,476,360
2009	7,480,000	1,991,960	9,471,960
2010		1,396,960	1,396,960
2011		863,040	863,040
2012	25,865,000	293,760	26,158,760
2013-2022	-	-	-
Total	$ 40,185,000	$ 7,182,080	$ 47,367,080

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

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

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2008		$ 1,951,600	$ 1,951,600
2009		1,951,600	1,951,600
2010		1,951,600	1,951,600
2011		1,951,601	1,951,601
2012		1,951,600	1,951,600
2013-2024	$ 24,395,000	7,844,199	32,239,199
Total	$ 24,395,000	$ 17,602,200	$ 41,997,200

In December 1994, the RTA issued $62 million in General Obligation Bonds, Series 1994C, to pay for capital projects of the Service Boards required by the ADA for vehicle rehabilitation and the construction or renewal of support facilities. The RTA also issued $130 million in General Obligation Bonds, Series 1994D, to pay for portions of the CTA's rehabilitation of the Green Line elevated structure, track

replacement and repair or replacement of bus supporting services, and for Pace's construction of bus garages and purchase of new buses and paratransit vehicles.

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

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

Year Ending	Debt Service Requirements		
December 31	Principal	Interest	Total
2008	$ 4,420,000	$ 4,649,612	$ 9,069,612
2009	1,500,000	4,420,213	5,920,213
2010	1,620,000	4,299,312	5,919,312
2011	1,750,000	4,168,725	5,918,725
2012	1,890,000	4,027,675	5,917,675
2013-2017	28,170,000	15,775,514	43,945,514
2018-2025	22,855,000	2,209,331	25,064,331
Total	$62,205,000	$39,550,382	$101,755,382

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

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

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2008	$ 4,875,000	$ 4,000,288	$ 8,875,288
2009	5,155,000	3,724,463	8,879,463
2010	5,445,000	3,432,963	8,877,963
2011	5,750,000	3,125,100	8,875,100
2012	1,865,000	2,915,688	4,780,688
2013-2017	18,810,000	11,636,700	30,446,700
2018-2022	25,380,000	5,054,400	30,434,400
2023	3,550,000	106,500	3,656,500
Total	$70,830,000	$33,996,102	$104,826,102

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

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

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2008	$ 5,665,000	$ 15,920,137	$ 21,585,137
2009	7,670,000	15,586,762	23,256,762
2010	8,065,000	15,163,144	23,228,144
2011	8,525,000	14,686,182	23,211,182
2012	9,025,000	14,181,619	23,206,619
2013-2017	73,915,000	57,823,970	131,738,970
2018-2022	128,090,000	31,413,500	159,503,500
2023-2025	39,155,000	2,737,431	41,892,431
Total	$ 280,110,000	$ 167,512,745	$ 447,622,745

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 2001 and semiannually thereafter on July 1 and January 1 in each remaining year.

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2008	$ 4,995,000	$ 14,866,563	$ 19,861,563
2009	5,275,000	14,579,350	19,854,350
2010	5,575,000	14,276,038	19,851,038
2011	5,900,000	13,955,475	19,855,475
2012	6,245,000	13,601,475	19,846,475
2013-2017	37,255,000	61,669,877	98,924,877
2018-2022	50,125,000	48,524,251	98,649,251
2023-2027	67,860,000	30,582,788	98,442,788
2028-2030	51,830,000	6,874,725	58,704,725
Total	$235,060,000	$ 218,930,542	$ 453,990,542

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 5.00% to 6.00% on January 2001 and semiannually thereafter on July 1 and January 1 in each remaining year.

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2008	$ 1,880,000	$ 5,344,813	$ 7,224,813
2009	1,980,000	5,241,413	7,221,413
2010	2,090,000	5,132,513	7,222,513
2011	2,200,000	5,017,563	7,217,563
2012	2,325,000	4,896,563	7,221,563
2013-2017	13,745,000	22,139,738	35,884,738
2018-2022	18,090,000	17,654,650	35,744,650
2023-2027	23,820,000	11,758,500	35,578,500
2028-2031	24,380,000	3,757,500	28,137,500
Total	$90,510,000	$ 80,943,253	$ 171,453,253

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 Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2008	$ 1,630,000	$ 1,679,750	$ 3,309,750
2009		1,639,000	1,639,000
2010		1,639,000	1,639,000
2011		1,639,000	1,639,000
2012		1,639,000	1,639,000
2013-2017	9,990,000	7,134,051	17,124,051
2018-2022	16,035,000	3,340,014	19,375,014
2023	3,775,000	103,813	3,878,813
Total	$31,430,000	$ 18,813,628	$ 50,243,628

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 5.00% to 6.00% on July 1, 2002 and semiannually thereafter on January 1 and July 1 in each remaining year.

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2008	$ 2,835,000	$ 8,698,938	$ 11,533,938
2009	2,985,000	8,557,188	11,542,188
2010	3,150,000	8,407,938	11,557,938
2011	3,315,000	8,250,438	11,565,438
2012	3,495,000	8,068,113	11,563,113
2013-2017	20,660,000	37,090,375	57,750,375
2018-2022	27,280,000	30,306,300	57,586,300
2023-2027	36,150,000	21,117,600	57,267,600
2028-2032	47,890,000	8,943,300	56,833,300
Total	$ 147,760,000	$ 139,440,190	$ 287,200,190

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

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

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2008	$ 10,060,000	$ 8,053,513	$ 18,113,513
2009	10,450,000	7,515,125	17,965,125
2010	10,870,000	6,941,888	17,811,888
2011	11,325,000	6,331,525	17,656,525
2012	11,815,000	5,695,175	17,510,175
2013-2017	67,705,000	18,018,931	85,723,931
2018-2019	31,920,000	1,736,932	33,656,932
Total	$ 154,145,000	$ 54,293,089	$ 208,438,089

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 2.00% to 5.50% 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:

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2008	$ 4,555,000	$ 13,995,825	$ 18,550,825
2009	4,790,000	13,768,075	18,558,075
2010	5,045,000	13,528,575	18,573,575
2011	5,310,000	13,276,325	18,586,325
2012	5,600,000	13,010,825	18,610,825
2013-2017	32,980,000	60,338,400	93,318,400
2018-2022	43,095,000	50,245,750	93,340,750
2023-2027	56,160,000	36,962,850	93,122,850
2028-2032	72,565,000	18,569,400	91,134,400
2033	16,875,000	1,012,500	17,887,500
Total	$ 246,975,000	$ 234,708,525	$ 481,683,525

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 4.00% to 5.50% on June 1, 2003 and semiannually thereafter on June 1 and December 1 in each remaining year.

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2008	$ 2,675,000	$ 7,763,925	$ 10,438,925
2009	2,810,000	7,654,225	10,464,225
2010	2,955,000	7,538,925	10,493,925
2011	3,105,000	7,402,200	10,507,200
2012	3,265,000	7,242,950	10,507,950
2013-2017	19,085,000	33,291,339	52,376,339
2018-2022	24,805,000	27,290,565	52,095,565
2023-2027	32,245,000	19,489,638	51,734,638
2028-2032	41,930,000	9,095,064	51,025,064
2033	9,790,000	281,463	10,071,463
Total	$142,665,000	$127,050,294	$269,715,294

In May 2003, the RTA issued $19 million in General Obligation Bonds, Series 2003C, to provide funds to refund, in advance of maturity, the RTA's outstanding series 1993C Bonds, maturing June 1 in the years 2004-2009, in the aggregate amount of $19 million.

The Series 2003C Bonds mature on July 1 over a six-year period and interest is payable at rates ranging from 2.00% to 5.00% on January 1, 2004 and semiannually thereafter on January 1 and July 1 in each remaining year.

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2008	$ 3,395,000	$ 348,000	$ 3,743,000
2009	3,565,000	178,250	3,743,250
Total	$ 6,960,000	$ 526,250	$ 7,486,250

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 5.00% to 5.75% on June 1, 2005 and semiannually thereafter on June 1 and December 1 in each remaining year.

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

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2008	$ 4,405,000	$ 13,751,163	$ 18,156,163
2009	4,635,000	13,525,163	18,160,163
2010	4,870,000	13,287,538	18,157,538
2011	5,120,000	13,037,788	18,157,788
2012	5,385,000	12,775,163	18,160,163
2013-2017	31,360,000	59,222,739	90,582,739
2018-2022	40,620,000	49,189,319	89,809,319
2023-2027	52,815,000	36,662,745	89,477,745
2028-2032	68,670,000	19,754,700	88,424,700
2033-2034	32,935,000	1,918,631	34,853,631
Total	$ 250,815,000	$ 233,124,949	$ 483,939,949

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 Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements Principal	Interest*	Total
2008	$ 3,070,000	$ 4,647,720	$ 7,717,720
2009	6,535,000	4,489,238	11,024,238
2010	6,850,000	4,268,385	11,118,385
2011	7,210,000	4,036,395	11,246,395
2012	7,590,000	3,792,195	11,382,195
2013-2017	21,700,000	15,811,291	37,511,291
2018-2022	49,320,000	11,561,057	60,881,057
2023-2025	40,100,000	1,836,121	41,936,121
Total	$ 142,375,000	$ 50,442,402	$ 192,817,402

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

2006 General Obligation Bonds—

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

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

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

Year Ending December 31	Debt Service Requirements Principal	Interest*	Total
2008	$ 3,385,000	$ 12,210,531	$ 15,595,531
2009	3,625,000	12,041,281	15,666,281
2010	3,780,000	11,860,031	15,640,031
2011	3,955,000	11,671,031	15,626,031
2012	4,150,000	11,473,281	15,623,281
2013-2017	24,890,000	53,995,156	78,885,156
2018-2022	40,540,000	46,952,656	87,492,656
2023-2027	87,420,000	32,385,906	119,805,906
2028-2032	40,755,000	11,833,338	52,588,338
2033-2035	36,800,000	3,860,775	40,660,775
Total	$ 249,300,000	$ 208,283,988	$ 457,583,988

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

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

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

In the Debt Service Fund, $76 million in investments are available to service principal and interest payments of the RTA's long-term debt as of December 31, 2007.

10. PENSION

All eligible employees of the Combined Entities are covered under a pension plan. RTA employees, as well as nonunion employees of Metra and Pace, are covered under the RTA Pension Plan, which is a multi-

employer, noncontributory, defined benefit cost sharing plan and trust. The union employees of Metra and Pace are covered under various other plans as required by their collective bargaining agreements.

The CTA maintains two single-employer defined benefit pension plans, the Employees' Retirement Plan and the Supplemental Retirement Plan, covering substantially all full-time permanent union and nonunion employees and Chicago Transit Board members. The Employees' Retirement Plan is governed by the terms of the employees' collective bargaining agreement. The Supplemental Retirement Plan, which includes the Retirement Plan for Board Members and the Supplemental Retirement Plan for selected Officers, Executives, Supervisory and Professional Employees, provides benefits, in addition to the Employees' Retirement Plan, to management employees in certain employment classifications and Chicago Transit Board members.

11. 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 expenditures and the combining region-wide statement of revenues and expenditures—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 expenditures 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, 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 2007, the region-wide system-generated revenues recovery ratio is calculated from the Combining Region-Wide Schedules of Revenues and Expenditures—(Budget and Actual Budget Basis) as follows:

System-generated Revenues Recovery Ratio (in thousands)	**Revenues**	**Expenditures**
CTA*	$580,182	$1,100,973
Metra**	291,841	525,397
Pace***	55,826	166,183
RTA****	11,504	27,891
Total	$939,353	$1,820,444

The RTA Board (Ordinance 2005-06) authorized the exclusion of added security costs from the Service Board expenditures including the allowable adjustments specified in the RTA Act. The amount that exceeds the RTA Act exclusion is added back to RTA system-generated expenses to calculate the System-Generated

Revenue Recovery Ratio. The amount added to CTA and Metra expenditures was $16.2 million and $9.8 million, respectively. The region-wide system-generated revenues recovery ratio for 2007 equals 51.6%.

* The system-generated revenues recovery ratio for the CTA included leasehold revenues of $4.3 million and excluded CTA expenditures for security costs of $31.4 million. It also included in-kind services of $22 million, both as revenues and expenditures.

** Metra's $14.8 million security costs, $15.3 million costs for lease of transportation facilities and $2.7 million for funded depreciation to carriers were deducted from expenditures.

*** Pace included in-kind services of $3.7 million both as revenues and expenditures.

**** The RTA subtracted $9.4 million unrealized gain on swap valuation to its revenues. Also, the RTA excluded all capital related depreciation expenses of $228 thousand.

These are allowable adjustments for the revenues recovery ratio computation per the Act. These adjustments are reflected in the region-wide information.

Also, in the 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 2007. However, PACE did not meet the 10% recovery ratio for Regional ADA Paratransit Services that was established in the state legislature and in the 2007 RTA budget marks. Pace ended the year with an 8.4% recovery ratio for Regional ADA Paratransit Services. The 2008 budget for ADA paratransit service adopted by the RTA meets the 10% recovery ratio requirement. The RTA will work cooperatively with Pace to achieve this ratio

12. RECONCILIATION OF GOVERNMENT-WIDE TO REGION-WIDE REVENUES AND EXPENDITURES

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 11, in-kind services are added in the system-generated revenues and expenditures.

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

	RTA	CTA	Metra	Pace
Government-wide revenues (page 35)	$510,414	$ 1,600,852	$757,471	$286,445
Sales tax agency fund	694,423			
Pension trust fund	14,957			
In-kind services		22,000		3,673
Unrealized gain on swap valuation	(9,418)			
Region-wide revenues (page 36)	1,210,375	1,622,852	757,471	290,118
Government-wide expenditures (page 35)	526,822	1,932,117	780,141	284,187
Sales tax agency fund	694,423			
Pension trust fund	7,878			
In-kind services		22,000		3,673
Security costs		(31,363)	(14,773)	
Lease of transportation facilities			(15,325)	
Capital (Depreciation, disposals/additions)	(228)		(2,749)	
Region-wide expenditures (page 36)	1,228,896	1,922,754	747,294	287,860
Net revenues (expenditures)	$ (18,521)	$ (299,902)	$ 10,177	$ 2,257

13. SUBSEQUENT EVENTS

On January 18, 2008, New Legislation Public Act 95-708 became law. As a result, the RTA Act was amended to:

(1) Authorize additional funds to be raised, primarily from the RTA region and
(2) Enhance the RTA's responsibilities and accountability with respect to regional planning, fiscal oversight, and fare and service coordination.

This legislation also includes provisions to stabilize the long-term financial health of the CTA pension and retiree healthcare system. The legislation requires that the funding for the pension and retiree healthcare are separated, employee and employer contributions are increased, benefits are adjusted, governance is strengthened, bonds are issued and ongoing financial oversight by the Illinois Auditor General is established. The Chicago Transit Board has not yet approved the issuance of these bonds, however the CTA is preparing for this issuance predicated on the assumption that the bonds will be repaid with the proceeds of the additional funds provided to the CTA from the legislation.

On February 29, 2008, Hybrid Bus Lease; CTA finalized an agreement to lease 150 New Flyer articulated hybrid buses. Delivery of the new buses is expected to occur between Fall 2008 and Spring 2009. The terms of the agreement allow CTA to lease the buses for 12 years and retain ownership at the conclusion of the lease. The lease cost will be approximately $13.4 million per year with a total principal amount of $120.5 million. Lease payments are due every June 1 and December 1 of each year, beginning on December 1, 2008.

On March 12, 2008, Capital Grant Receipts Revenue Bonds, Series 2008; the Chicago Transit Board approved the issuance of $250 million in Capital Grant Receipt Revenue Bonds to accelerate funding of capital improvement projects including the purchase of buses and rail cars, and slow zone elimination. The Board's approval means the CTA will issue up to $250 million in 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 January 2008, the Illinois legislature approved bill HB656 "Mass Transit Funding and Reform" to provide additional operating funding for the region beginning in 2008. Metra anticipates its share of these funds will be $46.7 million in 2008. This bill also authorizes Metra to issue $1 billion in bonds for capital projects.

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REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING GOVERNMENT-WIDE SCHEDULES OF REVENUES AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2007
(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		$ 509,584	$ 291,841	$ 63,169	$ 921		$ 863,673
RTA financial assistance		548,249	256,688	164,201	889,928		79,210
Other public funding		42,048	150,316	24,230			216,594
Capital grants		375,914	40,365	28,365	113,328		331,316
Sales taxes	$ 112,938					$ 639,987	752,925
Interest on sales taxes	376						376
Public Transportation Fund	188,931						188,931
Operating Assistance CTA & Pace	54,252						54,252
State assistance	117,807						117,807
Investment income	32,744						32,744
Program revenues and other	3,366						3,366
Leasehold revenue		4,262					4,262
Interest revenue from leasing transactions		120,795	18,261	6,480			145,536
Total revenues	510,414	1,600,852	757,471	286,445	1,004,177	639,987	2,790,992
EXPENDITURES:							
Operating		1,412,842	548,470	246,007		691	2,206,628
Depreciation		387,738	213,410	31,492			632,640
Financial Assistance to Service Boards	209,931					209,931	
Operating Grant - CTA & Pace	40,010					40,010	
Capital grants—discretionary	25,272					25,272	
Capital grants—bonds	88,056					88,056	
Insurance (JSIF)	4,855						4,855
Administrative expenses	6,967						6,967
Regional expenses	20,243					230	20,013
Technology program	1,409						1,409
Bond-related expenses	130,079	15,718					145,797
Interest expense				208			208
Interest expense from leasing transactions		115,819	18,261	6,480			140,560
Total expenditures	526,822	1,932,117	780,141	284,187		364,190	3,159,077
NET REVENUES (EXPENDITURES)	$ (16,408)	$ (331,265)	$ (22,670)	$ 2,258	$ 1,004,177	$ 1,004,177	$ (368,085)

Note 1—Changes in net assets shown on page 4 and net revenues and expenditures shown on this page are similar.
Note 2—Government-wide to Region-wide revenues and expenditures shows on page 35 and 36, respectively, are reconciled in Note 12.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

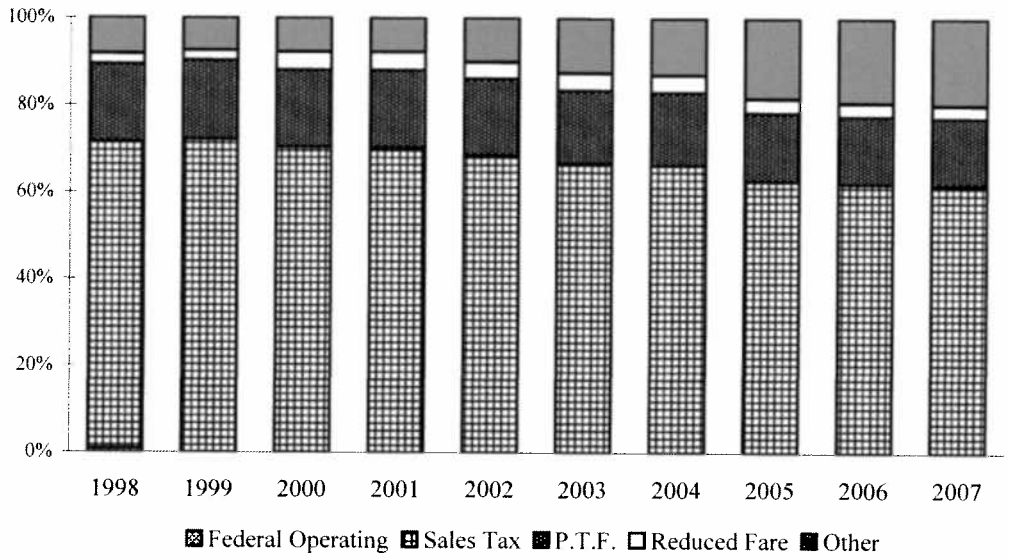
SPECIAL-PURPOSE COMBINING REGION-WIDE SCHEDULES OF REVENUES AND EXPENDITURES—BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2007
(In Thousands)

	RTA Government-Wide and Fiduciary Funds	Service Boards: Chicago Transit Authority	Service Boards: Commuter Rail Division	Service Boards: Suburban Bus Division	Combining Adjustments: Debit	Combining Adjustments: Credit	Total Combined	Total Region-Wide Budget
REVENUES:								
RTA financial assistance		$ 548,249	$256,688	$164,201	$ 889,928		$ 79,210	
Other public funding		42,048	150,316	24,230			216,594	
Capital grants		375,914	40,365	28,365	113,328		331,316	
Interest revenue from leasing transactions		120,795	18,261	6,480			145,536	
Sales taxes	$ 752,922						752,922	$ 745,937
Public Transportation Fund	188,931						188,931	186,484
Operating Assistance CTA & Pace	54,252						54,252	54,252
State assistance	117,807						117,807	122,836
State reduced fare reimbursement	52,309				52,309			
Pension contribution	9,137				1,000		8,137	
Investment income	21,384						21,384	
Interest on sales taxes to Service Boards	2,129				2,130			
Subtotal	1,198,871	1,087,006	465,630	223,276	1,058,695		1,916,089	1,109,509
Investment income	17,387						17,387	8,788
Other revenues	3,159			7,016			10,175	4,934
Interest on sales taxes	376						376	150
Service Boards revenues		509,584	291,841	56,153	921		856,657	895,272
Add (Subtract):								
In-kind services		22,000		3,673			25,673	22,000
Leasehold revenue		4,262					4,262	4,262
Unrealized Gain on swap valuation	(9,418)						(9,418)	
Subtotal	11,504	535,846	291,841	66,842	921		905,112	935,406
Total revenues	1,210,375	1,622,852	757,471	290,118	1,059,616		2,821,201	2,044,915
EXPENDITURES:								
Pension and other employee benefits		318,673					318,673	
Depreciation		387,738	213,410	31,493			632,641	
Interest expenses from leasing transactions		115,819	18,261	6,480			140,560	
Interest expenses from bond transactions		15,718					15,718	
Operating grants to Service Boards	849,915					849,915	0	
CTA & Pace Operating Grant	40,010					40,010	-	
Capital grants—discretionary	25,272					25,272	-	
Capital grants—bonds	88,056					88,056	-	
State reduced fare reimbursement	52,309					52,309	-	
Regional expenses	12,734					230	12,504	
Bond-related expenses	130,079						130,079	
Interest expense				208			208	
Interest on sales taxes to Service Boards	2,130					2,130		
Subtotal	1,200,505	837,948	231,671	38,181		1,057,922	1,250,383	
Operating expenses		1,094,169	548,470	246,007		691	1,887,955	1,821,325
Administrative expenses	6,967					1,000	5,967	7,048
Regional expenses	20,243						20,243	20,723
Technology program	1,409						1,409	2,728
Add (Subtract):								
In-kind services		22,000		3,673			25,673	26,758
Security costs		(31,363)	(14,773)				(46,136)	(48,863)
Lease of transportation facilities			(15,325)				(15,325)	(15,541)
Capital (Depreciation, disposals/additions)	(228)		(2,749)				(2,977)	(2,706)
Subtotal	28,391	1,084,806	515,623	249,680		1,691	1,876,809	1,811,472
Total expenditures	1,228,896	1,922,754	747,294	287,861		1,059,613	3,127,192	1,811,472
NET REVENUES (EXPENDITURES)	$ (18,521)	$ (299,902)	$ 10,177	$ 2,257	$ 1,059,616	$ 1,059,616	$ (305,991)	$ 233,443

Table 1

RTA REVENUE BY SOURCE

1998-2007

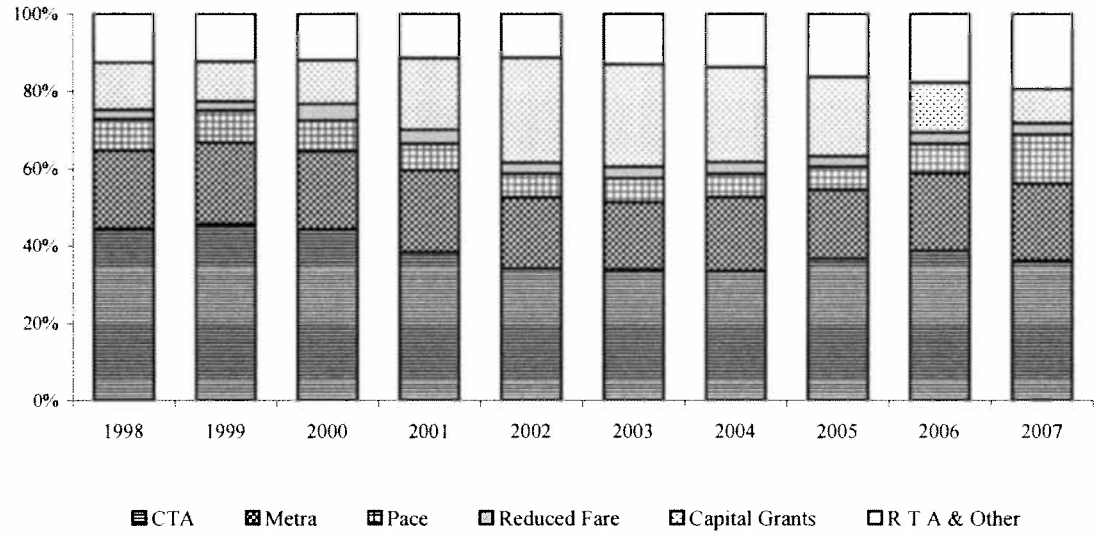


Last Ten Years *(In Thousands)*

	Federal Operating Assistance	Sales Tax	Public Transportation Fund	Reduced Fare	Other	Total
12 Months Ended 12/31/98	6,746	576,704	144,846	19,837	66,980	815,113
Percentage of Total	0.83%	70.75%	17.77%	2.43%	8.22%	100%
12 Months Ended 12/31/99	0	613,514	153,343	19,386	63,624	849,867
Percentage of Total	0.00%	72.19%	18.04%	2.28%	7.49%	100%
12 Months Ended 12/31/00	0	650,284	162,247	38,759	71,947	923,237
Percentage of Total	0.00%	70.44%	17.57%	4.20%	7.79%	100%
12 Months Ended 12/31/01	0	653,522	164,987	39,531	71,742	929,782
Percentage of Total	0.00%	70.29%	17.74%	4.25%	7.72%	100%
12 Months Ended 12/31/02	0	647,685	165,665	36,260	95,167	944,777
Percentage of Total	0.00%	68.55%	17.53%	3.84%	10.07%	100%
12 Months Ended 12/31/03	0	654,988	164,739	39,662	122,517	981,906
Percentage of Total	0.00%	66.70%	16.78%	4.04%	12.48%	100%
12 Months Ended 12/31/04	0	675,628	170,397	40,153	132,664	1,018,842
Percentage of Total	0.00%	66.31%	16.72%	3.94%	13.02%	100%
12 Months Ended 12/31/05	0	700,395	175,668	37,127	204,904	1,118,094
Percentage of Total	0.00%	62.64%	15.71%	3.32%	18.33%	100%
12 Months Ended 12/31/06	0	746,829	186,136	37,327	232,193	1,202,485
Percentage of Total	0.00%	62.11%	15.48%	3.10%	19.31%	100%
12 Months Ended 12/31/07	0	752,922	188,931	36,678	241,262	1,219,794
Percentage of Total	0.00%	61.73%	15.49%	3.01%	19.78%	100%

DISTRIBUTION OF EXPENDITURES

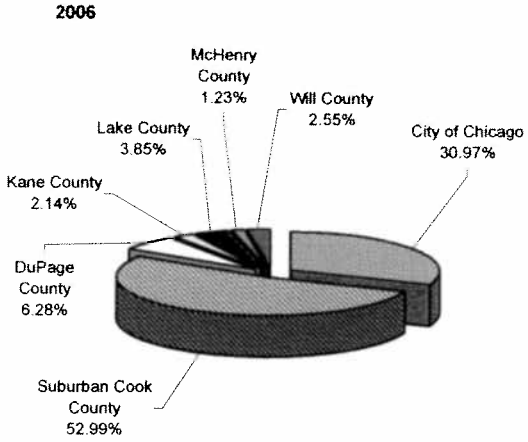
1998-2007

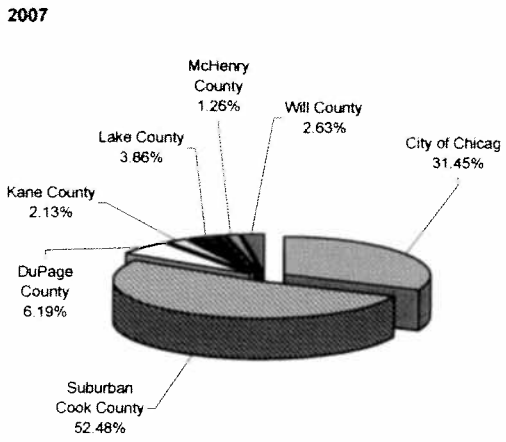


Last Ten Years *(In Thousands)*

	Financial Assistance				Reduced	Capital	R T A	
	CTA	Metra	Pace	Total	Fare	Grants	and Other	Total
12 Months Ended 12/31/98	377,265	172,198	69,100	618,563	19,837	103,859	106,464	848,723
Percentage of Total	44.45%	20.29%	8.14%	72.88%	2.34%	12.24%	12.54%	100%
12 Months Ended 12/31/99	384,810	177,784	70,482	633,076	19,386	86,913	103,436	842,811
Percentage of Total	45.66%	21.09%	8.36%	75.11%	2.30%	10.31%	12.28%	100%
12 Months Ended 12/31/00	402,126	184,559	71,772	658,457	38,759	102,806	108,546	908,568
Percentage of Total	44.26%	20.31%	7.90%	72.47%	4.27%	11.32%	11.94%	100%
12 Months Ended 12/31/01	419,005	230,343	75,002	724,350	39,531	201,548	124,952	1,090,381
Percentage of Total	38.43%	21.13%	6.88%	66.44%	3.63%	18.48%	11.45%	100%
12 Months Ended 12/31/02	441,632	238,955	79,052	759,639	36,260	351,041	147,086	1,294,026
Percentage of Total	34.13%	18.47%	6.11%	58.71%	2.80%	27.13%	11.37%	100%
12 Months Ended 12/31/03	453,488	233,632	82,747	769,867	39,662	354,083	175,838	1,339,450
Percentage of Total	33.86%	17.44%	6.18%	57.48%	2.96%	26.43%	13.13%	100%
12 Months Ended 12/31/04	441,630	252,493	79,051	773,174	40,153	323,869	182,417	1,319,613
Percentage of Total	33.47%	19.13%	5.99%	58.59%	3.04%	24.54%	13.82%	100%
12 Months Ended 12/31/05	495,885	241,728	80,052	817,665	37,127	277,130	220,202	1,352,124
Percentage of Total	36.67%	17.88%	5.92%	60.47%	2.75%	20.50%	16.29%	100%
12 Months Ended 12/31/06	496,690	256,301	98,500	851,490	37,327	165,436	227,481	1,281,735
Percentage of Total	38.75%	20.00%	7.68%	66.43%	2.91%	12.91%	17.75%	100%
12 Months Ended 12/31/07	468,349	257,374	164,202	889,925	36,678	113,328	252,301	1,292,232
Percentage of Total	36.24%	19.92%	12.71%	68.87%	2.86%	8.77%	19.52%	100%

SALES TAX REVENUE SOURCE BY COUNTY/CITY OF CHICAGO





RETAILERS' OCCUPATION AND USE TAX (SALES TAX) REVENUES BY COUNTY/CITY OF CHICAGO

Last Ten Years *(In Thousands)*

	City of Chicago	Suburban Cook County	DuPage County	Kane County	Lake County	McHenry County	Will County	Total
12 Months Ended 12/31/98	176,816	314,886	39,278	10,011	20,413	5,760	9,540	576,704
Percentage of Total	30.66%	54.60%	6.81%	1.74%	3.54%	1.00%	1.65%	100%
12 Months Ended 12/31/99	187,966	333,513	41,764	10,761	22,238	6,528	10,744	613,514
Percentage of Total	30.64%	54.37%	6.81%	1.75%	3.62%	1.06%	1.75%	100%
12 Months Ended 12/31/00	199,056	354,307	42,741	11,589	23,985	6,942	11,664	650,284
Percentage of Total	30.62%	54.48%	6.57%	1.78%	3.69%	1.07%	1.79%	100%
12 Months Ended 12/31/01	197,370	357,522	42,498	11,796	25,017	7,122	12,197	653,522
Percentage of Total	30.20%	54.71%	6.50%	1.80%	3.83%	1.09%	1.87%	100%
12 Months Ended 12/31/02	195,417	353,999	40,961	12,256	24,913	7,373	12,766	647,685
Percentage of Total	30.17%	54.66%	6.32%	1.89%	3.85%	1.14%	1.97%	100%
12 Months Ended 12/31/03	198,383	356,386	40,916	12,828	24,968	7,599	13,905	654,985
Percentage of Total	30.29%	54.41%	6.25%	1.96%	3.81%	1.16%	2.12%	100%
12 Months Ended 12/31/04	205,355	363,792	42,785	13,954	26,150	8,160	15,432	675,628
Percentage of Total	30.39%	53.85%	6.33%	2.07%	3.87%	1.21%	2.28%	100%
12 Months Ended 12/31/05	214,134	373,317	44,495	15,328	27,348	8,635	17,138	700,395
Percentage of Total	30.57%	53.30%	6.35%	2.19%	3.90%	1.23%	2.45%	100%
12 Months Ended 12/31/06	231,273	395,727	46,867	16,008	28,743	9,194	19,016	746,828
Percentage of Total	30.97%	52.99%	6.28%	2.14%	3.85%	1.23%	2.55%	100%
12 Months Ended 12/31/07	236,783	395,163	46,592	16,015	29,058	9,494	19,817	752,922
Percentage of Total	31.45%	52.48%	6.19%	2.13%	3.86%	1.26%	2.63%	100%

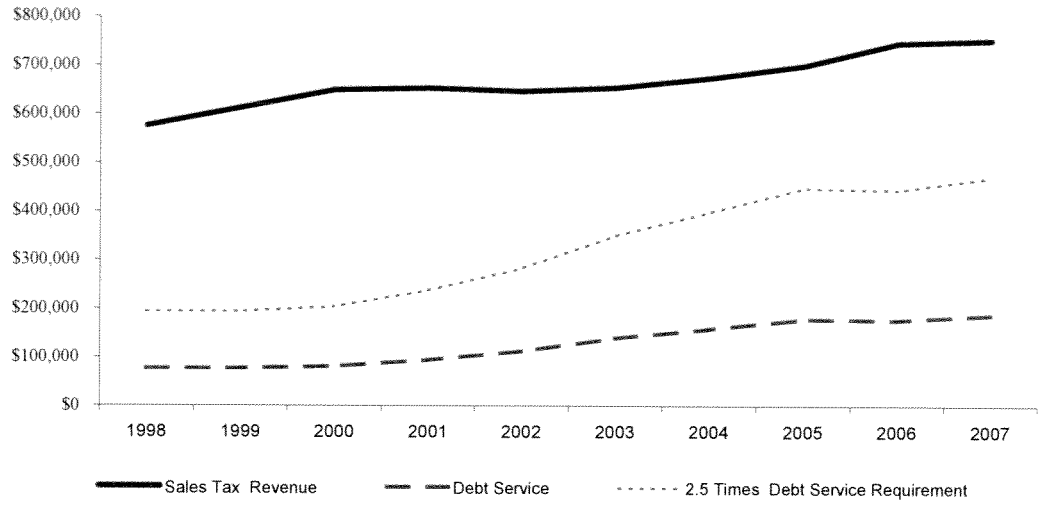
LEGAL DEBT CAPACITY

2007

Legal Debt Margin:	Balance Outstanding at December 31, 2007	Issued	
Debt Limitation per Act for General Obligations			$2,600,000,000
Debt applicable to limitation :			
Non-SCIP Bonds:			
1990A General Obligation Bonds	$60,795,000		
1991A General Obligation Bonds	55,745,000		
1992B General Obligation Bonds	5,535,000		
1994B General Obligation Bonds	7,095,000		
1994D General Obligation Bonds	32,260,000		
1997 General Obligation Refunding Bonds	70,830,000		
2002B General Obligation Bonds	154,145,000		
2003B General Obligation Bonds	142,665,000		
2003C General Obligation Refunding Bonds	6,960,000		
2005B General Obligation Refunding Bonds	142,375,000		
Total RTA Bonds Applicable to Limitation	$678,405,000		($678,405,000)
SCIP Bonds:			
1992A General Obligation Bonds	$34,650,000	$188,000,000	
1993A General Obligation Bonds		55,000,000	
1994A General Obligation Bonds	17,300,000	195,000,000	
1994C General Obligation Bonds	29,945,000	62,000,000	
1999 General Obligation Refunding Bonds	280,110,000		
2000 General Obligation Bonds	235,060,000	260,000,000	
2001A General Obligation Bonds	90,510,000	100,000,000	
2001B General Obligation Refunding Bonds	31,430,000		
2002A General Obligation Bonds	147,760,000	160,000,000	
2003A General Obligation Bonds	246,975,000	260,000,000	
2004A General Obligation Bonds	250,815,000	260,000,000	
2006A General Obligation Bonds	249,300,000	250,350,000	
Total SCIP Bonds Applicable to Limitation		$1,790,350,000	($1,790,350,000)
Total SCIP Bonds Outstanding	$1,613,855,000		
Total Bonds Outstanding	$2,292,260,000		
Debt Margin for General Obligations			$131,245,000
Debt Limitation per Act for Working Cash Notes			100,000,000
Total Legal Debt Margin			$231,245,000

COMPARISON OF SALES TAX REVENUE TO DEBT SERVICE REQUIREMENT

1998 - 2007
(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	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Sales Tax Revenue	$ 576,704	$ 613,514	$ 650,284	$ 653,522	$ 647,685	$ 654,985	$ 675,628	$ 700,395	$ 746,829	$ 752,922
Debt Service Requirement	77,883	77,866	81,676	95,187	113,526	140,607	159,702	179,536	178,086	188,551
2.5 Times Debt Service Requirement	$194,708	$194,665	$204,190	$237,968	$283,815	$351,518	$399,255	$448,840	$445,215	$471,378

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

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

Last Ten Years *(In Thousands)*

	Debt Service Requirements			Total	Ratio of Debt Service to Total
Year	Principal	Interest	Total	Expenditures	Expenditures
1998	16,124	61,759	77,883	848,723	9.18%
1999	16,988	60,878	77,866	842,811	9.24%
2000	22,949	58,727	81,676	908,568	8.99%
2001	19,805	75,382	95,187	1,090,381	8.73%
2002	27,262	86,264	113,526	1,294,026	8.77%
2003	37,940	102,667	140,607	1,339,450	10.50%
2004	40,430	119,272	159,702	1,319,613	12.10%
2005	49,570	129,966	179,536	1,352,124	13.28%
2006	55,110	122,976	178,086	1,281,765	13.89%
2007	59,135	129,416	188,551	1,302,664	14.47%

Table 7

FEDERAL ALLOCATION OF CAPITAL FUNDS TO NORTHEASTERN ILLINOIS

Last Ten Calendar Years

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

Federal Fiscal Year	Total Awarded	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division
1998	252.95	142.97	88.17	21.81
1999	299.59	162.67	111.49	25.43
2000	336.65	177.17	132.89	26.59
2001	355.47	184.46	145.75	25.26
2002	430.08	225.42	174.29	30.37
2003	463.90	256.70	173.50	33.70
2004	493.16	291.76	168.05	33.35
2005	536.83	330.08	174.80	31.95
2006	496.62	280.03	168.69	47.90
2007	449.49	288.61	128.45	32.43
Total	$ 4,114.74	$ 2,339.87	$ 1,466.08	$ 308.79

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

Table 8

SERVICE BOARD OPERATING CHARACTERISTICS

2007

Chicago Transit Authority

Rapid Transit

- 8 rail routes
- 144 stations served
- 1,190 rapid transit cars
- 190.3 million riders per year
- 1,331 STO* positions

Motor Bus

- 154 bus routes
- 2,222 buses
- 309.3 million riders per year
- 4,274 STO* positions

Other

- 1.1 billion passenger rail miles per year
- 12.1 million rail miles per year
- 762.3 million passenger miles per year
- 70.4 million vehicle miles per year
- 5,302 without STO* Positions

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

*Metra Commuter Rail Division

- 489 route miles
- 1,185 miles of track
- 239 stations
- 144 locomotives
- 818 passenger cars
- 173 electric cars
- 702 weekly trains operated
- 95.7% on-time performance
- 83.3 million riders per year
- 3,978 full-time employees

Other

- 1.7 billion passenger miles per year
- 44.3 million vehicle miles per year

All data excludes NICTD South Shore

Pace Suburban Bus Division

Fixed Route

- 152 regular routes
- 52 feeder routes
- 1 subscription routes
- 23 shuttle routes
- 584 vehicles in use during peak periods
- 33.5 million riders per year
- 1,322 full-time employees

Paratransit

- 62 local services
- 380 Pace owned lift-equipped buses in service
- 228 communities served
- 3.7 millions of riders per year
- 28 full-time employees

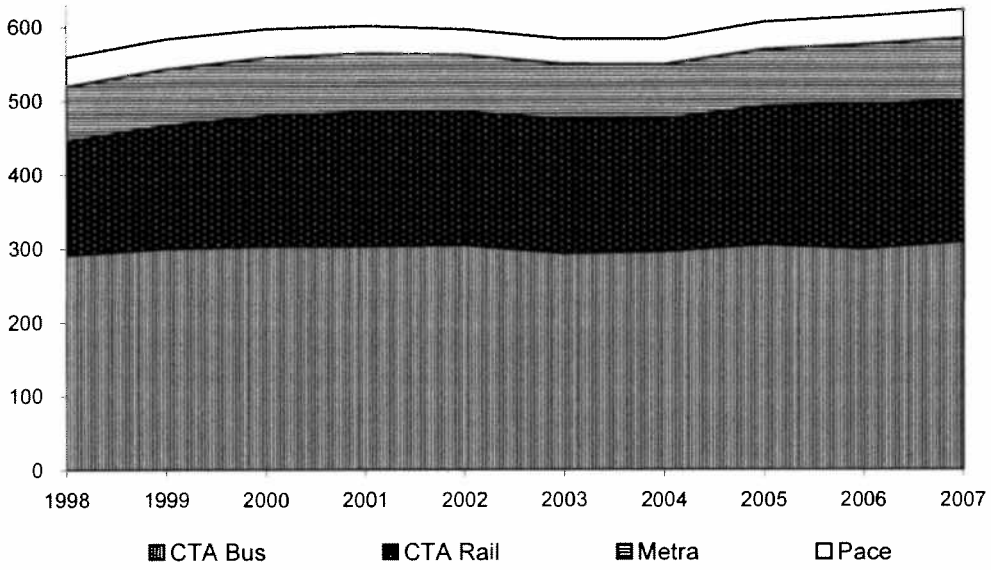
Other

- 678 vanpools in operation
- 1.9 million riders for the year
- 29.4 million passenger miles per year
- 26.7 million vehicle miles per year

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

1998-2007
(In Millions)

SYSTEM RIDERSHIP
UNLINKED PASSENGER TRIPS



Last Ten Years *(In Millions)*

Service Consumed:	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
CTA - Bus	291.7	300.3	303.3	303.1	304.8	293.6	296.0	305.5	299.6	309.3
CTA - Rail	153.6	166.5	176.3	181.7	180.4	181.1	178.7	186.8	195.2	190.3
Total CTA*	445.3	466.7	479.6	484.8	485.2	474.7	474.7	492.3	494.8	499.6
Metra	74.5	76.6	78.8	79.2	76.8	74.8	74.4	77.0	80.8	84.4
Pace**	39.3	40.2	38.6	37.0	34.8	33.7	34.1	36.9	38.0	39.0
System Total	559.1	583.5	597.0	601.0	596.8	583.2	583.2	606.2	613.6	623.0
Percent Change	1.75%	4.37%	2.31%	0.68%	-0.70%	-2.28%	0.00%	3.93%	1.23%	1.53%

CTA Stat amounts include rail-to-rail transfers.

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

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

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 2007.

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Metra					
Union Pacific	$ 71,696	$ 159,810	$ (88,114)	$ 88,114	$ -
Burlington Northern/Santa Fe	43,377	63,628	(20,251)	20,251	-
Northern Indiana Commuter Transportation District (NICTD)	4,258	7,357	(3,100)	3,100	-
Total Metra	$ 119,330	$ 230,795	$ (111,465)	$ 111,465	$ -
Pace					
Summary of Services					
Fixed Route - Public Funded Carriers	$ 1,406	$ 2,846	$ (1,440)	$ 3,089	$ 1,683
Fixed Route - Private Contract Carriers	3,387	10,115	(6,727)	6,727	-
Total Fixed Route Service	4,793	12,961	(8,167)	9,816	1,683
Private Contract Carriers					
DAR Services	797	8,124	(7,327)	2,902	4,425
DAR and Stable Services	6,738	76,908	(70,169)	70,169	-
Total Private Contract Carriers	7,535	85,032	(77,497)	73,072	4,425
Paratransit - Municipal Carriers	501	6,197	(5,696)	984	4,712
Total Pace	$ 12,830	$ 104,189	$ (91,360)	$ 83,872	$ 10,820

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services					
Fixed Route - Public Funded Carriers					
City of Highland Park	$ 425	$ 1,069	$ (643)	$ 1,196	$ 771
Village of Niles	488	1,229	(741)	1,346	858
Village of Downers Grove	429	477	(48)	477	48
Northwestern University	63	71	(7)	70	7
Total	$ 1,406	$ 2,846	$ (1,440)	$ 3,089	$ 1,683
Private Contract Carriers - Fixed Route					
Academy Coach Lines	$ 743	$ 3,176	$ (2,434)	$ 2,434	$ -
Colonial Coach Lines	150	690	(540)	540	-
Laidlaw Transit	1,714	5,342	(3,628)	3,628	-
M V Transportation	24	70	(46)	46	
Cook County School Bus	602	604	(2)	2	-
Village of Schaumburg	154	232	(78)	78	-
Total	$ 3,387	$ 10,115	$ (6,727)	$ 6,727	$ -
Private Contract Carriers - Dial-a-Ride Services					
Addison	$ 4	$ 60	$ (56)	$ 6	$ 50
Barrington	2	67	(65)	34	31
Bloomingdale Township	31	346	(316)	233	83
Central Lake	11	160	(150)	96	54
Central Will	66	637	(571)	401	170
Downers Grove	21	147	(126)	96	29
Dundee	7	85	(78)	78	-
Dupage County	8	72	(64)	64	-
Dupage Township	14	188	(174)	117	58
Elk Grove	27	314	(288)	50	238
Freemont Township	1	10	(9)	(0)	9
Hampshire Township	1	12	(11)	8	3
Hanover Township	4	27	(23)	0	23
Hometown	1	21	(19)	3	16
Leyden Township	26	253	(227)	29	199
McHenry Township	96	1,451	(1,355)	655	699
Milton Township	13	163	(150)	104	46
N. Suburban Cook	2	60	(57)	57	-
Naperville/Lisle	159	775	(615)	233	383
Northeast Lake-Warren	17	409	(391)	357	35
Northeast Lake-Zion	2	35	(33)	25	8
Northwest Lake	21	324	(303)	303	-
Northwest Suburban Cook	24	258	(234)	(7)	241
Ride DuPage	188	1,564	(1,376)	(138)	1,514
South Cook	-	-	-	-	-

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services, continued					
Private Contract Carries - Dial - a- Ride Services, continued					
Southwest Lake-Cuba	$ 1	$ 5	$ (4)	$ 2	$ 2
Southwest Lake-Wauconda	4	28	(23)	12	11
Southwest Will	1	19	(18)	13	5
Village of Bloomingdale	2	21	(19)	(1)	20
Village of Skokie/West Cook	-	225	(225)	(79)	304
Wayne Township	5	76	(71)	54	17
Woodstock	39	316	(277)	98	179
Total	$ 797	$ 8,124	$ (7,327)	$ 2,902	$ 4,425
Private Contract Carriers - Dial-a-Ride and Stable Services (ADA Services)					
DuPage County	$ 65	$ 710	$ (645)	$ 645	$ -
Kane County	52	468	(417)	417	-
North Suburban Cook	421	4,413	(3,992)	3,992	-
Northeastern/Central Lake	119	1,103	(984)	984	-
South Cook	530	5,084	(4,554)	4,554	-
Chicago ADA	5,350	63,230	(57,880)	57,880	-
Southwest/Central Will	32	397	(365)	365	-
West Cook	170	1,502	(1,332)	1,332	-
Total	$ 6,738	$ 76,908	$ (70,169)	$ 70,169	$ -
Paratransit - Municipal Carriers					
Aurora	$ 25	$ 402	$ (377)	$ 60	$ 318
Batavia	3	61	(58)	7	51
Bensenville	26	242	(216)	48	168
Bloom	21	322	(301)	52	249
Crestwood	6	96	(90)	14	76
Elgin	23	139	(117)	54	63
Ela	11	149	(138)	18	120
Forest Park	13	145	(131)	32	99
Fox Lake/Grant	3	10	(6)	4	3
Frankfort	14	173	(159)	25	135
Harvard	14	117	(103)	24	79
Lemont	5	78	(73)	12	60
Lyons	12	287	(275)	32	243
Norridge	14	90	(76)	32	44
Oak Park	29	304	(276)	63	213

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services, continued					
Paratransit - Municipal Carriers, continued					
Orland Park	$ 27	$ 423	$ (396)	$ 52	$ 343
Palatine	10	237	(227)	23	204
Palos Hills	11	72	(61)	13	48
Park Forest	24	110	(86)	45	41
Peotone	29	282	(253)	58	195
Rich Township	65	593	(528)	51	477
Schaumburg	61	990	(928)	152	776
St. Charles	19	179	(160)	19	141
Stickney	18	323	(305)	46	259
Tinley Park	8	95	(87)	20	66
Vernon	4	112	(108)	7	101
Worth Township	8	167	(160)	20	140
Total	$ 501	$ 6,197	$ (5,696)	$ 984	$ 4,712

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Regional Transportation Authority and Service Boards

Special-Purpose Combining Financial Statements for the Year Ended December 31, 2008 and Independent Accountants' Compilation Report

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Regional Transportation Authority

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

(See Independent Accountant's Compilation Report)

Prepared by:

Finance & Administration Department
Joseph G. Costello, CPA, CPFO
Senior Deputy Executive Director

and

Controller Division

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

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Regional Transportation Authority

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Board of Directors
Regional Transportation Authority
175 West Jackson Boulevard, Suite 1550
Chicago, Illinois 60604

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, 2008. 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.

J G. Costello

Joseph G. Costello
Senior Deputy Executive Director,
Finance & Administration
Regional Transportation Authority
June 10, 2009

McGladrey & Pullen
Certified Public Accountants

Independent Accountant's Report

To the Board of Directors
Regional Transportation Authority
Chicago, Illinois

We have compiled the accompanying special-purpose combining financial statements of the Regional Transportation Authority and Service Boards as of December 31, 2008, and for the year then ended, and the supplementary and statistical information, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting information that is the representation of management in the form of financial statements and supplementary and statistical information. We have not audited or reviewed the accompanying special-purpose combining financial statements and supplementary and statistical information and, accordingly, do not express an opinion or any other form of assurance on them.

The accompanying special-purpose financial statements and supplementary and statistical information were prepared for the purpose of complying with the statutory requirement of the Regional Transportation Authority Act as described in Note 1, and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Schaumburg, Illinois
June 10, 2009

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an affiliation of separate and independent legal entities.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF NET ASSETS

DECEMBER 31, 2008

(In Thousands)

ASSETS:	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
CURRENT ASSETS:							
Cash and investments:							
Restricted - cash and cash equivalents	$ -	$ 5,894	$ -	$ 22,350	$ -	$ -	$ 28,244
Unrestricted - cash and cash equivalents	14,301	61,672	60,012	9,388	-	-	145,373
Restricted - investments	262,774	-	-	-	-	-	262,774
Unrestricted - investments	142,663	1,000	-	-	-	-	143,663
Unamortized bond issue costs	579	-	-	-	-	-	579
Receivables:							
Due to general fund	19	-	-	-	-	-	19
Intergovernmental receivables	270,542	-	-	-	-	19,750	250,792
Grant projects	-	21,115	23,353	1,135	-	5,537	40,066
RTA financial assistance	-	258,832	60,867	42,748	-	164,991	197,456
Other carriers	-	-	8	-	-	-	8
Other receivables	-	88,727	10,964	11,592	-	872	110,411
Interest on investments	1,239	-	-	-	-	-	1,239
Loan to S.B. note and interest	1,358	-	-	-	-	-	1,358
Materials and supplies	-	102,919	13,950	5,809	-	-	122,678
Prepaid expenses	2,521	4,426	4,202	1,537	-	-	12,686
Total current assets	695,996	544,585	173,356	94,559		191,150	1,317,346
Fixed assets:							
Plant, property and equipment	13,677	7,376,619	5,244,254	437,885	-	-	13,072,435
Capital projects in progress	-	904,892	9,081	12,724	-	-	926,697
Less accumulated depreciation	(2,559)	(4,262,861)	(2,653,837)	(262,340)	-	-	(7,181,597)
Total fixed assets	11,118	4,018,650	2,599,498	188,269	-	-	6,817,535
Other assets:							
Unamortized bond issue costs	11,488	26,916	-	-	-	-	38,404
Note receivable	2,750	-	-	-	-	-	2,750
Investment relating to employee pension benefits plan	-	112,158	-	-	-	-	112,158
Restricted assets	-	536,690	-	-	-	-	536,690
Amount due under sale/leaseback	-	1,613,435	182,532	85,739	-	-	1,881,706
Total other assets	14,238	2,289,199	182,532	85,739	-	-	2,571,708
TOTAL ASSETS	$ 721,352	$ 6,852,434	$ 2,955,386	$ 368,567	$ -	$ 191,150	$ 10,706,589

(Continued)

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF NET ASSETS (Continued)
DECEMBER 31, 2008
(In Thousands)

LIABILITIES	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
CURRENT LIABILITIES:							
Vouchers payable	$ 145	$ 207,026	$ 43,318	$ 5,870	$ -	$ -	$ 256,359
Accrued interest payable	-	16,909	-	151	-	-	17,060
Intergovernmental payables	170,528	-	-	849	170,528	-	849
Due to other funds	15,369	-	-	-	-	-	15,369
Current portion of general obligation bonds payable	68,455	28,715	-	-	-	-	97,170
Current portion of unamortized bond premium	5,702	-	-	-	-	-	5,702
Other current liabilities:							
Accrued other expenses	4,557	95,456	32,011	31,515	16,872	-	146,667
Unrealized revenue, capital grant	-	10,949	-	-	-	-	10,949
Deferred revenue, assistance and other	61,682	63,551	14,010	1,014	-	-	140,257
Working cash note payable	56,000	-	-	-	-	-	56,000
Capital lease obligation	-	99,688	14,660	-	-	-	114,348
Certificate of participation	-	4,893	-	-	-	-	4,893
Claims liability	-	76,848	5,004	14,564	3,750	-	92,666
Total current liabilities	382,438	604,035	109,003	53,963	191,150	-	958,289
LONG-TERM LIABILITIES:							
General obligation bonds payable	2,159,120	2,794,550	-	-	-	-	4,953,670
Claims liability	-	120,018	20,206	13,417	-	-	153,641
Accrued interest payable	33,919	-	-	-	-	-	33,919
Capital lease obligation	-	1,680,171	167,872	85,739	-	-	1,933,782
Premium on capital lease payable	-	5,387	-	-	-	-	5,387
Deferred revenue	47,060	32,973	-	-	-	-	80,033
Accrued pension cost	-	17,769	-	1,991	-	-	19,760
Unamortized bond premium	119,502	54,146	-	-	-	-	173,648
Certificate of participation	-	72,015	-	-	-	-	72,015
Deferred rent	2,076	-	-	-	-	-	2,076
Intergovernmental payables	-	-	-	3,108	-	-	3,108
Other long-term liabilities	-	3,863	-	7,336	-	-	11,199
Total long-term liabilities	2,361,677	4,780,892	188,078	111,591	-	-	7,442,238
Total liabilities	2,744,115	5,384,927	297,081	165,554	191,150	-	8,400,527
NET ASSETS (DEFICIT):							
Invested in capital assets	11,118	3,086,337	2,599,498	188,269	-	-	5,885,222
Fund equity restricted for:							
Payment on obligations and others	-	73,313	-	-	-	-	73,313
Accumulated unrestricted (deficit)	(2,033,881)	(1,692,143)	58,807	14,744	1,268,694	1,268,694	(3,652,473)
TOTAL NET ASSETS (DEFICIT)	$ (2,022,763)	$ 1,467,507	$ 2,658,305	$ 203,013	$ 1,268,694	$ 1,268,694	$ 2,306,062

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

(Concluded)

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2008
(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	$ -	$ 510,776	$ 315,859	$ 58,662	$ 618	$ -	$ 884,679
Sales taxes	109,003	-	-	-	-	840,613	949,616
Interest on sales taxes	1,081	-	-	-	-	-	1,081
Public Transportation Fund	227,201	-	-	-	-	-	227,201
Operating assistance - CTA and Pace	14,441	-	-	-	-	-	14,441
State assistance	121,870	-	-	-	-	-	121,870
Investment income	(725)	-	-	-	-	-	(725)
Program revenues and others	3,380	-	-	-	-	-	3,380
Total revenues	476,251	510,776	315,859	58,662	618	840,613	2,201,543
EXPENSES:							
Operating expenses	-	1,194,390	594,603	279,431	-	352	2,068,072
Depreciation	-	403,248	220,883	33,186	-	-	657,317
Financial assistance to Service Boards	249,948	-	-	-	-	249,948	-
Operating grant - CTA and Pace	58,142	-	-	-	-	58,142	-
Capital grants—discretionary	26,288	-	-	-	-	26,288	-
Capital grants—bonds	93,085	-	-	-	-	93,085	-
Insurance (JSIF)	4,375	-	-	-	-	-	4,375
Administrative expenses	7,532	-	-	-	-	-	7,532
Regional expenses	20,656	-	-	-	-	266	20,390
Technology program	2,467	-	-	-	-	-	2,467
Bond-related expenses	127,495	-	-	-	-	-	127,495
Total expenses	589,988	1,597,638	815,486	312,617	-	428,081	2,887,648
OPERATING LOSS	(113,737)	(1,086,862)	(499,627)	(253,955)	618	1,268,694	(686,105)
NONOPERATING REVENUE (EXPENSE):							
RTA financial assistance	-	641,832	287,181	215,370	1,148,703	-	(4,320)
Leasehold revenue	-	4,262	-	-	-	-	4,262
Interest revenue from leasing transaction	-	118,962	14,808	5,119	-	-	138,889
Interest expense on leasing transactions	-	(116,767)	(14,808)	(5,119)	-	-	(136,694)
Interest expense on bond transactions	-	(72,028)	-		-	-	(72,028)
Other public funding	-	37,650	98,952	3,357	-	-	139,959
Capital grants	-	518,520	18,972	27,646	119,373	-	445,765
Investment income	-	9,330	-	1,085	-	-	10,415
Gain on sale of assets	-	350	-	-	-	-	350
Total nonoperating revenue (expense)	-	1,142,111	405,105	247,458	1,268,076	-	526,598
CHANGES IN NET ASSETS	(113,737)	55,249	(94,522)	(6,497)	1,268,694	1,268,694	(159,507)
NET ASSETS (DEFICIT):							
Beginning of year	(1,909,026)	1,412,258	2,752,827	209,510	-	-	2,465,569
End of year	$ (2,022,763)	$ 1,467,507	$ 2,658,305	$ 203,013	$ 1,268,694	$ 1,268,694	$ 2,306,062

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

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2008
(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	$ -	$ 475,443	$ 251,695	$ 43,013	$ 770,151
Payments to employees	-	(2,498,635)	(250,909)	(93,826)	(2,843,370)
Payments to vendors	(3,002)	(315,122)	(334,099)	(175,480)	(827,703)
Other receipts and payments	-	(18,896)	46,435	6,400	33,939
Net cash from operating activities	(3,002)	(2,357,210)	(286,878)	(219,893)	(2,866,983)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Financial assistance—operating	-	509,072	275,928	199,653	984,653
Transfer from General Fund	3,920	-	-	-	3,920
Net cash from noncapital financing activities	3,920	509,072	275,928	199,653	988,573
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Interest income from assets restricted for payment of leasehold obligations	-	118,962	-	-	118,962
Repayment of lease\leaseback obligations	-	(207,852)	-	-	(207,852)
Increase/decrease in assets restricted for payment of leasehold obligations	-	86,013	-	19,396	105,409
Payments of capital lease obligations	-	-	-	(19,396)	(19,396)
Proceeds from capital leases	-	120,523	-	-	120,523
Financial assistance—grant projects	-	603,624	117,684	32,962	754,270
Proceeds from the sale of property and equipment	-	350	-	-	350
Bond proceeds (net)	-	2,349,739	-	-	2,349,739
Payments for capital acquisition	-	(1,000,845)	(148,655)	(29,846)	(1,179,346)
Net cash from capital and related financing activities	-	2,070,514	(30,971)	3,116	2,042,659
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income	786	9,330	2,627	1,236	13,979
Sales and purchases of investments, net	100	(424,301)	-	-	(424,201)
Net cash from investing activities	886	(414,971)	2,627	1,236	(410,222)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,804	(192,595)	(39,294)	(15,888)	(245,973)
CASH AND CASH EQUIVALENTS—Beginning of year	12,497	260,161	99,306	47,626	419,590
CASH AND CASH EQUIVALENTS—End of year	$ 14,301	$ 67,566	$ 60,012	$ 31,738	$ 173,617
RECONCILIATION OF OPERATING ACTIVITIES:					
Net loss from operations	$ (4,224)	$ (1,086,862)	$ (499,627)	$ (253,955)	$ (1,844,668)
Adjustments to reconcile operating loss to net cash from operating activities:					
Depreciation	-	403,248	220,883	33,186	657,317
Claims provision and settlement	-	-	(5,131)	-	(5,131)
State reduced fare assistance	-	-	(2,865)	-	(2,865)
Interest and dividends received	-	-	(2,627)	-	(2,627)
Changes in current assets and liabilities	1,222	(1,673,596)	2,489	876	(1,669,009)
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (3,002)	$ (2,357,210)	$ (286,878)	$ (219,893)	$ (2,866,983)

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

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(See Independent Accountant's Compilation Report)

1. BASIS OF ACCOUNTING

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. The special-purpose combining financial statements are not in accordance with accounting principles generally accepted in the United States of America primarily due to the RTA and Service Boards using a different basis of accounting 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 describe the basis of accounting for each entity and contain the omitted disclosures.

Intergovernmental receivables, payables, revenues, expenses, and expenditures have 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 assets.

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.

2. ORGANIZATIONAL STRUCTURE

RTA

The RTA was established in 1974 upon the approval of a referendum in its six-county Northeastern Illinois Region (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.

CTA

The 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 Chicago City Council has granted the CTA the exclusive right to operate a passenger transportation system 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 RTA Act, as amended effective November 9, 1983, established the Suburban Bus Division (Pace) to operate suburban bus service within suburban Cook County and the five collar counties of DuPage, Kane, Lake, McHenry, and Will. The independent operations of Pace commenced on July 1, 1984.

Pace determines the level, nature, and kind of public transportation services that should be provided in the suburban region. Pace operates suburban bus services using stock, structures, and equipment purchased through capital grants funded by federal and state agencies and the RTA.

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, 2008 year-end.

3. REPORTING ENTITY

The RTA and each of the Service Boards have adopted the provisions of the Governmental Accounting Standards Board's Statement No. 14 (Statement No. 14), *The Financial Reporting Entity.*

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

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

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

- The RTA Board has control neither in the selection nor the appointment of any Service Board Director nor of any of its management. Further, directors of the Service Boards are excluded from serving on more than one entity's board of directors, including that of the RTA, except for the Chairman of the CTA Board of Directors who is also an RTA Board member.

- The Illinois statutes required the RTA Board to approve the budgets of the Service Boards, if such budgets meet specified system-generated 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.

Accordingly, financial statements for the Service Boards are not included or combined with the RTA's financial statements under Statement No. 14. 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."

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Accounting—The RTA maintains records using a fund accounting model consisting of a General Fund, Debt Service Fund, Capital Projects Fund, Proprietary Fund, (Business-Type Activities), Agency Fund, and Pension Trust Fund. All Governmental Funds and the Agency Fund are accounted for using the modified accrual method of accounting (i.e., revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred). The Proprietary Fund and the Pension Trust Fund are accounted for using the accrual method of accounting. For the purpose of these combining financial statements, all RTA funds have been combined.

The Service Boards are accounted for on a Proprietary Fund basis. Accordingly, the accrual method of accounting is utilized by the Service Boards. For purposes of these combining financial statements, the individual Service Board financial statements are combined with those of the RTA.

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 that reasonably approximates fair market value.

For the purposes of the combining statements 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 statements of net assets.

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.

Materials and Supplies—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 and other financial sources: (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.

Sales Taxes

The Act authorizes the RTA to impose a retailers' occupation tax "ROT," a service occupation tax "SOT," and a use tax "UT." The RTA imposed this tax at the maximum permissible rate in 1979. The 2008 legislation increased the sales tax by .25% in Cook and .50% in the collar counties. The individual collar counties keep .25% of the increase. All of the RTA sales taxes are collected by the Illinois Department of Revenue under procedures that are largely identical to the corresponding state sales taxes. The ROT is imposed on the gross receipts from the sale of tangible personal property at a rate of 1% in Cook County and .75% in the collar counties. Except for the tax on food and drugs, the RTA tax base is identical to the State retailers' occupation tax base. Consequently, when the state base is expanded or contracted by taxing or exempting receipts from specific transactions, e.g., the sale of computer software or rolling stock, the RTA tax base likewise expands or contracts. However, when the legislature exempted the sale of food and drugs from the state tax, the exemption was not extended to the RTA and other local government taxes. As a result the RTA tax on food and drugs is imposed at a rate of 1.25% in Cook, and .75% in collar counties.

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

The UT is imposed on persons living in the six county areas for the privilege of using a vehicle purchased outside the six county area that must be registered with the State. Unlike the state use tax, the RTA UT is

limited to registered property, largely automobiles. The tax is imposed on the selling price of the property at the same rates as the ROT.

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

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

The RTA Sales Tax consists of (i) in Cook County, (a) a tax of 1.25% of the gross receipts from sales of drugs, certain medical supplies and food prepared for consumption off the premises (other than for immediate consumption) imposed on all persons selling tangible personal property at retail (a Food and Drug Tax) and (b) a tax of 1% of the gross receipts from all other taxable retail sales; (ii) in counties within Northeastern Illinois other than Cook County, a tax of 0.5% of the gross receipts from all taxable retail sales (together with (i) (b), a General Sales Tax); and (iii) a tax of 1% on the use in Cook County, and 0.5% on the use in Northeastern Illinois other than Cook County of tangible personal property purchased from a retailer outside Northeastern Illinois and titled or registered with a State agency by a person with a Northeastern Illinois address (a Use Tax); and (iv) a tax imposed in the same locations and at the same rates as the Food and Drug Tax and the General Sales Tax on persons engaged in a sale of service pursuant to which property in the form of tangible personal property or in the form of real estate is transferred incident to a sale of a service (a Service Occupation Tax).

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

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

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

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

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

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

In January 2008, Illinois Public Act 95-0708 increased the RTA sales tax rate throughout the region, increased the real estate transfer tax (RETT) in the City of Chicago, and raised the portion of RTA sales tax revenues matched by PTF. The RTA sales tax rate was increased 0.25% in Cook County and 0.50% in the Collar Counties effective April 1, 2008. Proceeds of the sales tax increase in the Collar Counties are divided evenly between the RTA and the county where the tax is collected. Effective April 1, 2008, the real estate transfer tax in the City of Chicago was increased 0.3% (e.g. for every $500 in sales price $1.50 in tax is collected).

In February 2008, the PTF match of the old 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. Beginning in January 2009, the PTF match of both the RETT and the RTA portion of the sales tax increase will rise 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.

Car Rental Tax

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

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

Motor Fuel Tax

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

Off-Street Parking Tax

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

Replacement Vehicle Tax

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

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 25% of net revenues realized from sales taxes (or, as the case may be, gasoline or parking taxes). These amounts may be paid to the RTA only upon State appropriation. The State has approved an appropriation from the PTF through its 2009 fiscal year which will end June 30, 2010. During 2008, the PTF was 30% on some sales tax and 5% on other sales tax and the RETT. The PTF is 30% on both sales tax and RETT beginning in 2009.

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

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

Reduced Fare Reimbursement—In the State's fiscal year 2009, which ends June 30, 2009, the Illinois General Assembly appropriated funds for a program under which the Illinois Department of Transportation ("IDOT") is authorized to provide to the RTA a reduced fare reimbursement grant for the purpose of reimbursing the Service Boards for a portion of actual revenue losses attributable to reduced fares for students, people with disabilities, and the elderly. For the State fiscal years ended June 30, 2008 and June

30, 2009, the grants were in the amount of $36.7 million and $28.9 million, respectively. In 2007, the state provided the RTA with advanced reduce fare reimbursements in the amount of $15.6 million. The revenue is recognized on the modified accrual basis when the amount is requested from IDOT.

Additional State Assistance/Additional Financial Assistance—The State has authorized Additional State Assistance ("ASA") which is supplemental financing for the RTA's Strategic Capital Improvement Program ("SCIP") bonds. The ASA available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP bonds plus any debt service savings from the issuance of refunding or advance refunding SCIP bonds, less interest earned on the remaining bond proceeds, or (ii) $55 million per year. The RTA recognized $39.7 million of ASA in 2008.

Beginning with the State's fiscal year 2001, the State has also authorized Additional Financial Assistance ("AFA") to pay for debt service requirements for SCIP bonds authorized under the Illinois First Program. The amount available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP bonds less interest earned on those bond proceeds, or (ii) $100 million in the State's fiscal years 2008 and 2009, per year. The RTA recognized $82 million of AFA in 2008.

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

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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 general fund and sales tax agency fund.

The annual budget and related appropriations are prepared using the modified accrual basis of accounting in conformity with accounting principles generally accepted in the United States except for RTA capital expenditures and capital grants to Service Boards. The RTA capital expenditures and capital grants to Service Boards are budgeted on a project basis, which normally exceeds one year, and debt service payments, which are budgeted as transfers from the general fund. Budgets for RTA capital expenditures and capital grants to Service Boards that extend beyond one year are presented in the first year of the grants and represent the total amounts awarded. In addition, for the sales tax agency fund, additions and deletions are treated as revenues and expenditures. All appropriations lapse at year-end. There were several amendments to the 2008 budget. The 2008 budget (Ordinance 2007-63) was last revised on December 18, 2008 (Ordinance 2008-81). This ordinance amended the 2008 RTA budget and the budgets of the CTA, Metra, and Pace. Although appropriations are adopted for individual line items, the legal level of control (i.e., the level at which appropriation transfers or expenditures in excess of appropriated amounts require RTA Board approval) is restricted to total appropriations/expenditures and total administration appropriations/expenditures. Management has the authority to exceed any line item appropriation without Board approval, provided it does not exceed the total appropriations/expenditures and the total administration appropriations/expenditures. It is the policy of the RTA to fund the budgets of the Service

Boards up to the amount appropriated in the annual Budget Ordinance. The Service Boards shall maintain all financial records and shall prepare all financial statements and reports, including quarterly and annual reports required under the Act, in accordance with the following provisions:

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

- The second source of funds to be credited against the budgeted funding amount is from PTF receipts; and

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

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

6. LEASES

The RTA and CTA hold operating leases which are primarily for rent expense on the facilities they occupy. Metra has several operating leases, primarily for the use of passenger terminals. Pace has multi-year leases for vehicles and bus tires.

CTA

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 at an estimated aggregate cost of $120.5 million. The terms of the 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, beginning on December 1, 2008. The present value of the future payments to be made by the CTA under the lease of approximately $120.2 million is reflected in the accompanying December 31, 2008 balance sheet as a capital lease obligation.

In 2003, 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.

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 and 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 debt service payment over the next 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. This amount is recorded as a component of long-term debt in the accompanying balance sheets.

The bonds are payable from and secured by the lease entered into between the PBC and the CTA and are considered a general obligation of the CTA payable from any lawfully available funds. Bond issue costs and premium related to this transaction are presented as such on the balance sheets. The present value of the future payments to be made by the CTA under the lease of approximately $87.2 million is reflected in the accompanying December 31, 2008 balance sheet as a capital lease obligation.

In 2003, the CTA entered into a lease/leaseback agreement with a third party pertaining to certain buses with a book value of $17.6 million as of December 31, 2008. Under the bus lease agreements, which provide certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $15.6 million is reflected in the accompanying December 31, 2008 balance sheet as capital lease obligation.

During 2002, the CTA entered into two lease and leaseback agreements with a third party pertaining to certain buses (lots 1 and 2), with a book value of $30.2 million as of December 31, 2008. Under the bus lease agreements, which provide certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $111.6 million is reflected in the accompanying December 31, 2008 balance sheet as capital lease obligation.

During 2002, the CTA entered into a lease and leaseback agreement with a third party pertaining to certain qualified technological equipment (QTE), with a book value of $12.8 million as of December 31, 2008. Under the QTE lease agreement, which provides certain cash and tax benefits to the third party, the CTA entered into a long term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $80.8 million is reflected in the accompanying December 31, 2008 statement of net assets as capital lease obligation.

During 1998, the CTA entered into a lease/leaseback agreement (1998 Agreement) with a third party pertaining to a rail line (Green Line), with a book value of $240.6 million as of December 31, 2008. The 1998 Agreement, which provides certain cash and tax benefits to the third party, also provides for a trust established by the CTA to lease the rail line to an equity investor trust (1998 Equity Trust), which would then lease the facilities back to another trust established by the CTA under a separate lease (1998 Lease). The present value of the future payments to be made by the CTA under the lease of approximately $251.4 million is reflected in the accompanying December 31, 2008 statement of net assets as capital lease obligation.

During 1997, the CTA entered into four lease/leaseback agreements (1997 Agreements) with a third party pertaining to certain of its facilities having a book value of $47.6 million as of December 31, 2008. The 1997 Agreements, which provide certain cash and tax benefits to the third party, also provide for a trust established by the CTA to lease the facilities to an equity investor trust (Equity Trust), which would then lease the facilities back to another trust established by the CTA under separate leases (Leases). The CTA received certain funds as prepayments by the Equity Trust. The funds have been deposited in designated investment accounts sufficient to meet the payments required under the Leases, and are recorded as assets restricted for repayment of leasing commitments. The Equity Trust has a security interest in the deposits to guarantee the payments due from the CTA and may take possession of the facilities upon a default by the CTA under the Lease. No other lease payments are required until the end of each lease. The present value of the future payments to be made by the CTA under the Leases (net of the payment due from the Equity

Trust in 2023 and 2024) of approximately $34.9 million is reflected in the accompanying December 31, 2008 balance sheet as a capital lease obligation.

In connection with the 1997 Agreements, the CTA also received proceeds of $11.9 million. The Federal Transit Administration (FTA) has approved the CTA's right to the benefit received from these transactions. The CTA has elected to defer recognition of the proceeds over the remaining lease term.

During 1996, the CTA entered into similar lease/leaseback agreements (1996 Agreements) with a third party pertaining to certain of its facilities, with a book value of $51.4 million as of December 31, 2008. The 1996 Agreements, which provide certain cash and tax benefits to the third party, also provide for a trust established by the CTA to lease the facilities to an equity investor trust (1996 Equity Trust), which would then lease the facilities back to another trust established by the CTA under a separate lease (the 1996 Lease). The present value of the future payments to be made by the CTA under the leases (net of the payment due from the 1996 Equity Trust in 2024) of approximately $35 million is reflected in the accompanying December 31, 2008 balance sheet as a capital lease obligation.

In connection with the 1996 Agreements, the CTA also received proceeds of $10.9 million and agreed to make approximately $80 million of improvements to one of the facilities. The FTA has approved the CTA's right to the benefit received from these transactions. The CTA has elected to defer recognition of the proceeds over the remaining lease term.

During 1995, the CTA entered into sale/leaseback agreements (1995 Agreements) with third parties. The 1995 Agreements provided for the CTA to sell and lease back certain rail equipment totaling $487.1 million at cost for a period of 19 years beginning on the date of the respective transaction. As of December 31, 2008, the total payments due under the 1995 Agreements are recorded as capital lease obligations totaling $1,043.3 billion. The CTA has deposited funds into designated cash and investment accounts sufficient to meet all of its payment obligations throughout the terms of the leases, and recorded such amounts as assets restricted for repayment of leasing commitments.

Change in Capital Lease Obligations:

Changes in capital leases for the year ended December 31, 2008 are as follows (in thousands of dollars):

2008	Beginning balance	Additions*	Principal paid	Ending balance	Interest paid	Due in one year
2003 (Buses)	$ 15,022	$ 535	$ -	$ 15,557	$ 535	$ -
2002 (Buses)	106,255	5,356	-	111,611	5,356	-
2002 (QTE)	173,733	10,154	(103,094)	80,793	10,154	-
1998 (Green)	271,031	18,508	(38,184)	251,355	18,508	25,885
1997 (Garages)	32,464	2,442	-	34,906	2,442	-
1996 (Skokie/Racine)	32,611	2,397	-	35,008	2,397	-
1995 (Pickle)	1,030,340	76,622	(63,698)	1,043,264	75,680	63,698
Total lease/leasebacks	1,661,456	116,014	(204,976)	1,572,494	115,072	89,583
2005 PBC Lease	88,965		(1,790)	87,175	4,384	1,880
2008 Bus Lease	-	120,523	(333)	120,190	1,631	8,225
Total capital lease obligation	$ 1,750,421	$ 236,537	$ (207,099)	$ 1,779,859	$ 121,087	$ 99,688

* Additions include accretion of interest.

The following table sets forth the aggregate amounts due under the sublease agreements:

Future Minimum Lease Payments: As of December 31, 2008, future minimum lease payments for capital leases, in the aggregate, are as follows (in thousands of dollars):

2009	$ 109,209
2010	122,647
2011	112,647
2012	111,440
2013	191,063
2014 - 2018	1,750,021
2019 - 2023	311,950
2024 - 2028	139,834
2029 - 2033	30,942
Total future minimum payments	2,879,753
Less interest	(1,099,894)
Present value of minimum lease payments	$ 1,779,859

The present value of all future payments to be made by the CTA under all its leases of approximately $1.8 million is reflected in the accompanying December 31, 2008 statement of net assets as capital lease obligations.

Metra

On September 18, 1998, Metra entered into a transaction to lease 174 railcars to three equity investors (headlease) and simultaneously subleased the railcars back (sublease). Under these agreements, Metra maintains the right to use the railcars and is also responsible for their continued maintenance and insurance. Metra's sublease arrangements have been recorded as long-term obligations for accounting purposes.

At closing, the railcars had a fair market value of approximately $296.9 million and a book value of $262.9 million. As part of the headlease agreements, Metra received prepayments equivalent to the net present value of the headlease obligations totaling approximately $274 million.

Metra transferred approximately $177.4 million and $52.9 million of the prepayment proceeds to third parties, in accordance with the terms of debt and equity payment undertaking agreements, respectively. These agreements constitute commitments by the debt and equity payment undertakers to pay Metra's sublease and buy-out options, under the terms of the subleases. The debt payment undertaker and equity payment undertaker are finance companies.

In connection with the transaction, Metra recognized $43.7 million as leasehold revenue in 1998.

In 2008, American International Group, Inc ("AIG") incurred a ratings downgrade. AIG acted as the Debt Payment Undertaker ("DPU"), Equity Payment Undertaker (EPU"), and Standby Letter of Credit Provider ("SLOCP") for these transactions. Once AIG's rating fell below levels specified per the terms of the agreements, AIG was required to provide additional collateral to securitize the transactions. Later in 2008, AIG's credit ratings were further downgraded which triggered an event of default. No notices of default were or have been received; however, the investors can demand to have AIG replaced or that some other suitable arrangement be made.

On December 18, 2008, one of the investors terminated their transaction. A second investor has advised Metra that they are satisfied with AIG in its capacities. The remaining investor has sent notices demanding that AIG be replaced. Subsequently, the investor has been allowing Metra to pursue potential options that could be mutually acceptable to both the investor and Metra. Metra does not anticipate a material adverse financial impact as a result.

The net present value of the future payments due under the subleases has been recorded as a liability on the accompanying balance sheet. Since the debt and equity payment undertaking agreements have been structured to meet all future obligations under the subleases, the related asset balances have been recorded to equal the sublease liabilities on the accompanying balance sheet. The following table sets forth the aggregate amounts due under the sublease agreements:

Future Minimum Lease Payments: As of December 31, 2008, future minimum lease payments for capital leases, in the aggregate, are as follows (in thousands of dollars):

2009	$ 14,660,341
2010	14,660,341
2011	14,660,341
2012	14,660,341
2013	14,660,341
2014 - 2018	73,301,706
2019 - 2021	154,316,955
Total future minimum payments	300,920,366
Less imputed interest	(118,388,183)
Present value of minimum lease payments	$ 182,532,183

The present value of minimum lease payments of the Metra lease is $182.5 million which is reflected in the accompanying December 31, 2008 statement of net assets as capital lease obligations.

Pace

During 2003, Pace entered into two lease and leaseback agreements and realized a gain of $2.4 million from the proceeds. The transactions allowed Pace to earn up-front economic cash benefit for transferring ownership (not legal title) of a group of assets to a taxpayer that could take advantage of the benefits of tax ownership.

The first lease and leaseback agreement with a third party pertained to certain buses (lot 1, 2, and 3) with a book value of $25.3 million as of December 31, 2008. Under the bus lease agreements, which provide certain cash and tax benefits to the third party, Pace entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to Pace under a sublease. The present value of the future payments to be made by Pace under the lease is approximately $60.8 million and is reflected in the accompanying December 31, 2008 statement of net assets as the total of the current and long-term portions of capital lease obligation.

The second lease and leaseback agreement with a third party pertained to certain buses (lot 4) with a book value of $15.1 million as of December 31, 2008. Under the bus lease agreements, Pace entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to Pace under a sublease. The present value of the future payments to be made by Pace under the lease is approximately $24.9 million and is reflected in the accompanying December 31, 2008 statement of net assets as the total of the current and long-term portions of the capital lease obligation.

2008	Beginning balance	Additions	Reductions	Ending balance	Interest expense	Due in one year
2003 (Buses)	$ 57,273,790	$ 3,573,739	$ -	$ 60,847,529	$ 3,573,739	$ -
2003 (Buses)	23,346,028	1,545,668	-	24,891,695	1,545,667	-
Total	$ 80,619,818	$ 5,119,407	$ -	$ 85,739,224	$ 5,119,406	$ -

As described above, Pace entered into two lease financing agreements with a third party in 2003.

The following table sets forth the aggregate amounts due under the sublease agreements:

2009	$ -
2010	-
2011	-
2012	1,438,538
2013	-
2014 - 2016	124,399,915
Total future minimum payments	125,838,453
Less interest	(40,099,229)
Present value of minimum lease payments	$ 85,739,224
A reconciliation of the Statement of Net Assets to amount presented above:	
Capital lease obligation	$ 85,739,224
Less: current portion	-
Capital lease obligation - long-term portion	$ 85,739,224

The present value of the future payments including the purchase option to be made by Pace under these leases are approximately $85.7 million and is reflected in the accompanying December 31, 2008 statement of net assets as the total of the current and long-term portions of the capital lease obligation.

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.

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, 2008, $575 million of cash and investments. Of this amount, $286 million is restricted for self-insurance and other damage reserve liabilities, debt service, health insurance claims, and capital projects. In addition, CTA, Metra, and Pace hold $2.57 billion of investments in other assets for employee pension benefits, damage liabilities, and capital lease obligations, which are recorded as other assets in the financial statements.

9. GENERAL OBLIGATION BONDS PAYABLE

Changes during the year in bonds payable were as follows:

	January 1, 2008	New Issues	Current Retirements	December 31, 2008
1990A	$ 60,795,000	$ -	$ -	$ 60,795,000
1991A	55,745,000	-	-	55,745,000
1992A* & 1992B	40,185,000	-	6,840,000	33,345,000
1994A* & 1994B	24,395,000	-	-	24,395,000
1994C* & 1994D	62,205,000	-	4,420,000	57,785,000
1997 Refunding	70,830,000	-	4,875,000	65,955,000
1999* Refunding	280,110,000	-	5,665,000	274,445,000
2000A*	235,060,000	-	4,995,000	230,065,000
2001A*	90,510,000	-	1,880,000	88,630,000
2001B Refunding*	31,430,000	-	1,630,000	29,800,000
2002A*	147,760,000	-	2,835,000	144,925,000
2002B	154,145,000	-	10,060,000	144,085,000
2003A*	246,975,000	-	4,555,000	242,420,000
2003B	142,665,000	-	2,675,000	139,990,000
2003C Refunding	6,960,000	-	3,395,000	3,565,000
2004A*	250,815,000	-	4,405,000	246,410,000
2005B Refunding	142,375,000	-	3,070,000	139,305,000
2006A*	249,300,000	-	3,385,000	245,915,000
Total	$ 2,292,260,000	$ -	$ 64,685,000	$ 2,227,575,000

* Strategic Capital Improvement Program (SCIP) Bonds

At December 31, 2008, the total general obligation bonds payable of $2,227,575,000 are classified as current and long-term in the Statement of Net Assets in the amounts of $68,455,000 and $2,159,120,000, respectively.

Advance Refundings—On June 21, 1993, the RTA advance refunded a portion of its 1990A Series general obligation bond issue. The RTA issued $23,265,000 of general obligation refunding bonds (1993C Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2008, $20,350,000 of outstanding general obligation bonds (1990A Series) are considered defeased, and therefore, have been removed from the financial statements.

On January 19, 1996, the RTA advance refunded a portion of its 1994B and 1994D Series general obligation bond issues. The RTA issued $151,235,000 of general obligation refunding bonds (1996 Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2008, $60,300,000 of outstanding general obligation bonds (1994B Series) and $75,605,000 of outstanding general obligation bonds (1994D Series) are considered defeased, and therefore, have been removed from the financial statements.

On September 18, 1997, the RTA advance refunded a portion of its 1990A, 1991A, 1992B, and 1993B Series general obligation bond issues. The RTA issued $98,385,000 of general obligation refunding bonds (1997 Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2008, $4,230,000 of outstanding general obligation bonds (1990A Series), $29,265,000 of outstanding general obligation bonds (1991A Series), $18,170,000 of outstanding general obligation bonds (1992B Series), and $47,465,000 of outstanding general obligation bonds (1993B Series) are considered defeased, and therefore, have been removed from the financial statements.

On August 24, 1999, the RTA advance refunded a portion of its 1992A, 1993A, 1994A, and 1994C Series general obligation bond issues. The RTA issued $298,725,000 of general obligation refunding bonds (1999 Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2008, $113,895,000 of outstanding general obligation bonds (1992A Series), $9,720,000 of outstanding general obligation bonds (1993A), $142,615,000 of outstanding general obligation bonds (1994A) and $21,955,000 of outstanding general obligation bonds (1994C) are considered defeased, and therefore, have been removed from the financial statements.

On March 1, 2001, the RTA advance refunded a portion of its 1993A Series general obligation bond issues. The RTA issued $37,715,000 of general obligation refunding bonds (2001B Series). Proceeds from the issuance amounted to $40,437,798 which includes a premium of $2,554,206. The proceeds are to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2008, $37,750,000 of outstanding general obligation bonds (1993A) are considered defeased, and therefore, have been removed from the financial statements.

On May 1, 2003, the RTA advance refunded a portion of its 1993C Series general obligation bond issues. The RTA issued $19,055,000 of general obligation refunding bonds (2003C Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2008, $19,150,000 of outstanding general obligation bonds (1993C) are considered defeased, and therefore, have been removed from the financial statements.

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

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

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2009	$ -	$ 4,377,240	$ 4,377,240
2010	3,810,000	4,377,240	8,187,240
2011	4,085,000	4,102,920	8,187,920
2012	4,380,000	3,808,800	8,188,800
2013	4,695,000	3,493,440	8,188,440
2014-2018	29,060,000	11,882,160	40,942,160
2019-2020	14,765,000	1,613,160	16,378,160
Total	$ 60,795,000	$ 33,654,960	$ 94,449,960

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2009	$ -	$ 3,734,915	$ 3,734,915
2010	-	3,734,915	3,734,915
2011	-	3,734,914	3,734,914
2012	4,090,000	3,734,915	7,824,915
2013	4,365,000	3,460,885	7,825,885
2014-2018	26,635,000	12,504,210	39,139,210
2019-2021	20,655,000	2,827,400	23,482,400
Total	$ 55,745,000	$ 33,732,154	$ 89,477,154

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2009	$ 7,480,000	$ 1,991,960	$ 9,471,960
2010	-	1,396,960	1,396,960
2011	-	863,040	863,040
2012	25,865,000	293,760	26,158,760
Total	$ 33,345,000	$ 4,545,720	$ 37,890,720

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2009	$ -	$ 1,951,600	$ 1,951,600
2010	-	1,951,600	1,951,600
2011	-	1,951,601	1,951,601
2012	-	1,951,600	1,951,600
2013	-	1,951,600	1,951,600
2014-2024	24,395,000	5,892,599	30,287,599
Total	$ 24,395,000	$ 15,650,600	$ 40,045,600

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2009	$ 1,500,000	$ 4,420,213	$ 5,920,213
2010	1,620,000	4,299,312	5,919,312
2011	1,750,000	4,168,725	5,918,725
2012	1,890,000	4,027,675	5,917,675
2013	2,045,000	3,875,194	5,920,194
2014-2018	35,420,000	13,311,401	48,731,401
2019-2025	13,560,000	798,250	14,358,250
Total	$ 57,785,000	$ 34,900,770	$ 92,685,770

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2009	$ 5,155,000	$ 3,724,463	$ 8,879,463
2010	5,445,000	3,432,963	8,877,963
2011	5,750,000	3,125,100	8,875,100
2012	1,865,000	2,915,688	4,780,688
2013	3,320,000	2,764,800	6,084,800
2014-2018	19,975,000	10,473,150	30,448,150
2019-2023	24,445,000	3,559,650	28,004,650
Total	$ 65,955,000	$ 29,995,814	$ 95,950,814

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2009	$ 7,670,000	$ 15,586,762	$ 23,256,762
2010	8,065,000	15,163,144	23,228,144
2011	8,525,000	14,686,182	23,211,182
2012	9,025,000	14,181,619	23,206,619
2013	17,990,000	13,404,938	31,394,938
2014-2018	77,325,000	53,475,820	130,800,820
2019-2023	123,665,000	24,175,543	147,840,543
2024-2025	22,180,000	918,600	23,098,600
Total	$274,445,000	$151,592,608	$ 426,037,608

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2009	$ 5,275,000	$ 14,579,350	$ 19,854,350
2010	5,575,000	14,276,038	19,851,038
2011	5,900,000	13,955,475	19,855,475
2012	6,245,000	13,601,475	19,846,475
2013	6,610,000	13,211,163	19,821,163
2014-2018	39,505,000	59,341,439	98,846,439
2019-2023	53,240,000	45,391,439	98,631,439
2024-2028	72,120,000	26,201,825	98,321,825
2029-2030	35,595,000	3,505,775	39,100,775
Total	$230,065,000	$204,063,979	$ 434,128,979

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2009	$ 1,980,000	$ 5,241,413	$ 7,221,413
2010	2,090,000	5,132,513	7,222,513
2011	2,200,000	5,017,563	7,217,563
2012	2,325,000	4,896,563	7,221,563
2013	2,455,000	4,751,250	7,206,250
2014-2018	14,520,000	21,295,563	35,815,563
2019-2023	19,115,000	16,639,575	35,754,575
2024-2028	25,165,000	10,329,300	35,494,300
2029-2031	18,780,000	2,294,700	21,074,700
Total	$ 88,630,000	$ 75,598,440	$ 164,228,440

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 Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2009	$ -	$ 1,639,000	$ 1,639,000
2010	-	1,639,000	1,639,000
2011	-	1,639,000	1,639,000
2012	-	1,639,000	1,639,000
2013	-	1,639,000	1,639,000
2014-2018	12,855,000	6,505,814	19,360,814
2019-2023	16,945,000	2,433,064	19,378,064
Total	$ 29,800,000	$ 17,133,878	$ 46,933,878

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2009	$ 2,985,000	$ 8,557,188	$ 11,542,188
2010	3,150,000	8,407,938	11,557,938
2011	3,315,000	8,250,438	11,565,438
2012	3,495,000	8,068,113	11,563,113
2013	3,690,000	7,867,150	11,557,150
2014-2018	21,830,000	35,902,425	57,732,425
2019-2023	28,860,000	28,669,500	57,529,500
2024-2028	38,240,000	18,948,600	57,188,600
2029-2032	39,360,000	6,069,900	45,429,900
Total	$144,925,000	$130,741,252	$ 275,666,252

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2009	$ 10,450,000	$ 7,515,125	$ 17,965,125
2010	10,870,000	6,941,888	17,811,888
2011	11,325,000	6,331,525	17,656,525
2012	11,815,000	5,695,175	17,510,175
2013	12,335,000	5,031,050	17,366,050
2014-2018	70,935,000	14,285,272	85,220,272
2019	16,355,000	439,541	16,794,541
Total	$144,085,000	$ 46,239,576	$ 190,324,576

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2009	$ 4,790,000	$ 13,768,075	$ 18,558,075
2010	5,045,000	13,528,575	18,573,575
2011	5,310,000	13,276,325	18,586,325
2012	5,600,000	13,010,825	18,610,825
2013	5,910,000	12,730,825	18,640,825
2014-2018	34,790,000	58,554,050	93,344,050
2019-2023	45,470,000	47,875,525	93,345,525
2024-2028	59,130,000	33,753,000	92,883,000
2029-2033	76,375,000	14,215,500	90,590,500
Total	$242,420,000	$220,712,700	$ 463,132,700

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2009	$ 2,810,000	$ 7,654,225	$ 10,464,225
2010	2,955,000	7,538,925	10,493,925
2011	3,105,000	7,402,200	10,507,200
2012	3,265,000	7,242,950	10,507,950
2013	3,435,000	7,066,863	10,501,863
2014-2018	20,105,000	32,213,614	52,318,614
2019-2023	26,140,000	25,889,577	52,029,577
2024-2028	33,985,000	17,658,901	51,643,901
2029-2033	44,190,000	6,619,114	50,809,114
Total	$139,990,000	$119,286,369	$ 259,276,369

In May 2003, the RTA issued $19 million in General Obligation Bonds, Series 2003C, to provide funds to refund in advance of maturity the RTA's outstanding series 1993C Bonds, maturing June 1 in the years 2004-2009, in the aggregate amount of $19 million.

The Series 2003C Bonds mature on July 1 over a six year period and interest is payable at rates ranging from 2.0% to 5.0% on January 1, 2004 and semiannually thereafter on January 1 and July 1 in each remaining year.

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2009	$ 3,565,000	$ 178,250	$ 3,743,250

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2009	$ 4,635,000	$ 13,525,163	$ 18,160,163
2010	4,870,000	13,287,538	18,157,538
2011	5,120,000	13,037,788	18,157,788
2012	5,385,000	12,775,163	18,160,163
2013	5,660,000	12,499,038	18,159,038
2014-2018	32,995,000	57,438,382	90,433,382
2019-2023	42,810,000	46,897,732	89,707,732
2024-2028	55,660,000	33,727,451	89,387,451
2029-2034	89,275,000	16,185,531	105,460,531
Total	$246,410,000	$219,373,786	$ 465,783,786

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 Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest*	Total
2009	$ 6,535,000	$ 4,489,238	$ 11,024,238
2010	6,850,000	4,268,385	11,118,385
2011	7,210,000	4,036,395	11,246,395
2012	7,590,000	3,792,195	11,382,195
2013	7,960,000	3,535,620	11,495,620
2014-2018	18,475,000	15,148,404	33,623,404
2019-2023	59,200,000	9,770,477	68,970,477
2024-2025	25,485,000	753,968	26,238,968
Total	$139,305,000	$ 45,794,682	$ 185,099,682

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

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2009	$ 3,625,000	$ 12,041,281	$ 15,666,281
2010	3,780,000	11,860,031	15,640,031
2011	3,955,000	11,671,031	15,626,031
2012	4,150,000	11,473,281	15,623,281
2013	4,390,000	11,265,781	15,655,781
2014-2018	26,470,000	52,750,656	79,220,656
2019-2023	45,150,000	44,925,656	90,075,656
2024-2028	99,210,000	28,014,906	127,224,906
2029-2033	18,735,000	9,866,056	28,601,056
2033-2035	36,450,000	2,204,775	38,654,775
Total	$245,915,000	$196,073,456	$ 441,988,456

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

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

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

In the Debt Service Fund, $78,391,542 in investments are available to service principal and interest payments of the RTA's long-term debt as of December 31, 2008.

10. PENSION

All eligible employees of the Combined Entities are covered under a pension plan. RTA employees, as well as nonunion employees of Metra and Pace, are covered under the RTA Pension Plan, which is a multi-employer, noncontributory, defined benefit cost sharing plan and trust. The union employees of Metra and Pace are covered under various other plans as required by their collective bargaining agreements.

The CTA maintains two single-employer defined benefit pension plans, the Employees' Retirement Plan and the Supplemental Retirement Plan, covering substantially all full-time permanent union and nonunion employees and Chicago Transit Board members. The Employees' Retirement Plan is governed by the terms of the employees' collective bargaining agreement. The Supplemental Retirement Plan, which includes the Retirement Plan for Board Members and the Supplemental Retirement Plan for selected Officers, Executives, Supervisory and Professional Employees, provides benefits, in addition to the Employees' Retirement Plan, to management employees in certain employment classifications and Chicago Transit Board members.

11. 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 expenditures and the combining region-wide statement of revenues and expenditures—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 expenditures 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, 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 2008, the region-wide system-generated revenues recovery ratio is calculated from the Combining Region-Wide Schedules of Revenues and Expenditures—(Budget and Actual Budget Basis) as follows:

System-generated Revenues Recovery Ratio (in thousands)	**Revenues**	**Expenditures**
CTA*	$ 596,317	$ 1,204,005
Metra**	320,825	559,316
Pace***	61,139	179,627
RTA****	17,462	29,300
Total	$ 995,743	$ 1,972,248

The region-wide system-generated revenues recovery ratio for 2008 equals 56.19%.

* The system-generated revenues recovery ratio for the CTA included leasehold revenues of $4.3 million and Senior Free Rides revenue of $17.5 million, but excluded CTA expenditures for security costs of $32.4 million. It also included in-kind services of $22 million, both as revenues and expenditures.

** Metra's system-generated revenues recovery ratio included Senior Free Rides revenue of $5 million, but excluded $16.6 million security costs, $16 million costs for lease of transportation facilities and $2.7 million for funded depreciation to carriers were deducted from expenditures.

*** Pace system-generated revenues recovery ratio included Senior Free Rides revenue of $1.5 million, and in-kind services of $7.7 million both as revenues and expenditures.

**** The RTA subtract back $15.9 million of unrealized loss on swap valuation to its revenues. Also, the RTA excluded all capital related depreciation expenses of $235 thousand.

**** $200 million of new expenses are exempted from the farebox recovery ratio to avoid the need to match each new dollar with a 50 cent fare increase. This exemption is phased out over 5 years, thereby requiring gradual fare increases.

These are allowable adjustments for the revenues recovery ratio computation per the Act. These adjustments are reflected in the region-wide information.

Also, in the 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 2008. Pace ended the year with a 10.0% recovery ratio for Regional ADA Paratransit Services. The 2008 budget for ADA paratransit service adopted by the RTA meets the 10% recovery ratio requirement.

12. RECONCILIATION OF GOVERNMENT-WIDE TO REGION-WIDE REVENUES AND EXPENDITURES

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 11, in-kind services are added in the system-generated revenues and expenditures.

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

	RTA	CTA	Metra	Pace
Government-wide revenues (page 37)	$ 476,251	$ 1,841,682	$ 735,772	$ 311,391
Sales tax agency fund	871,535	-	-	-
Pension trust fund	(16,185)	33,188	-	-
Senior free rides		17,500	-	-
In-kind services	-	22,000	-	7,671
ADA Regional Paratransit funding	-	-	-	107,935
Interest on bonds	-	4,385	-	-
Unrealized loss on swap valuation	23,986	-	-	-
Region-wide revenues (page 38)	1,355,587	1,918,755	735,772	426,997
Government-wide expenditures (page 37)	589,988	1,786,433	830,294	317,887
Sales tax agency fund	871,535	-	-	-
Pension trust fund	9,858	-	-	-
In-kind services	-	22,000	-	7,671
Security costs	-	(32,382)	(16,558)	-
Lease of transportation facilities	-	-	(15,985)	-
Prior year positive balance lease proceeds	-	20,000	-	-
Pension and other employee benefits	-	13,191	-	-
Capital (depreciation, disposals/additions)	(732)	-	(2,744)	-
Region-wide expenditures (page 38)	1,470,649	1,809,242	795,007	325,558
Net revenues (expenditures)	$ (115,062)	$ 109,513	$ (59,235)	$ 101,439

13. SUBSEQUENT EVENTS

During 1998, the CTA entered into a lease and leaseback agreement (Green Line Lease) with three equity investors pertaining to the railway tracks, train stations and adjacent property on the Green Line. The CTA's payments associated with this agreement were guaranteed by American International Group Inc (AIG). During 2008, AIG's credit rating was reduced amid the U.S. global economic crisis. Although each equity investor had the right to demand that the CTA replace AIG as guarantor, one of the investors decided to simply exercise the option to terminate the Green Line transaction with CTA. CTA entered negotiations with this investor to unwind the transaction at the current market value in the equity defeasance account. These negotiations were finalized in 2009 and final payment was made and a termination agreement was executed. The restricted lease assets and associated lease liability related to this transaction were removed from CTA's financial statements upon termination and payment in 2009. CTA is in negotiations with the remaining two equity investors to determine whether to unwind the transaction or restructure the agreements with a new guarantor.

During 2008, CTA issued nearly $2 billion in Sales and Transfer Tax Receipts Revenue Bonds for the purpose of funding the pension and retiree healthcare. These bonds were initially executed as fixed rate bonds with a relatively high interest rate. In April 2009, CTA executed a basis swap transaction that has a net effect of changing the interest rate characteristics of the debt for a portion of the bonds from a fixed rate to a variable interest rate. The transaction was structured such that CTA will receive upfront cash payments in 2009 and 2010. Beginning in 2011 CTA will pay a percentage of a tax-exempt index (SIFMA) and receive a taxable index (LIBOR) plus a fixed payment annually over 20 years based on the notional amount of the transaction of $567,130,000. CTA has the right to terminate this basis swap transaction at any time.

In January 2009, the RTA borrowed $24 million under the terms of the working cash note agreement. The funds were used to supplement CTA's cash flow.

On May 27, 2009, Fitch Ratings downgraded the Regional Transportation Authority's (Illinois) (RTA, or the Authority) general obligation (GO) bond rating to 'AA-,' from 'AA,' and assigned a Negative Outlook to outstanding GO debt. In conjunction, Fitch assigned an 'F1+' rating to the Authority's approximately $132.8 million Series 2005B GO variable rate notes and an 'F1' rating to its approximately $260 million taxable GO working cash notes, Series 2009B. The Series 2009B and Series 2005B notes are expected to price during June 2009. The downgrade affects and the Negative Outlook applies to approximately $650.4 million of outstanding GO bonds.

On June 8, 2009, Moody's Investors Service assigned an Aa3 rating to the approximately $132.8 million remarketing of the Regional Transportation Authority (RTA) General Obligation Variable Rate Bonds, Series 2005B. At the same time, Moody's has downgraded the RTA's approximately $2.5 billion outstanding parity bonds to Aa3 from Aa2. The outlook is stable. The bonds are secured by a gross pledge of sales taxes and other state aid and constitute a full faith and credit obligation of the RTA.

In June 2009 the RTA intends to issue up to $260 million of Working Cash Notes that will mature not later than June 1, 2011. The purpose of the funding is to payoff an existing note and to provide timely operating funding for RTA and the Service Boards necessitated by the economic downturn.

On July 1, 2009 the RTA will initiate a mandatory tender of all Series 2005B bonds ($132,770,000), modify the indenture, and reissue the bonds in a different mode. (This is not a refunding. The par value and maturity of Series 2005B will not be changed by the transaction.) The mandatory tender will allow the Authority to eliminate the need to have a liquidity provider, change the interest reset frequency from weekly to monthly and lengthen the extension period from seven days to 12 months.

* * * * * *

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING GOVERNMENT-WIDE SCHEDULES OF REVENUES AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(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	$ -	$ 520,456	$ 315,859	$ 58,662	$ 618	$ -	$ 894,359
RTA financial assistance	-	641,832	287,181	216,607	1,148,703	-	(3,083)
Other public funding	-	37,650	98,952	3,357	-	-	139,959
Capital grants	-	518,520	18,972	27,646	119,373	-	445,765
Sales taxes	109,003	-	-	-	-	840,613	949,616
Interest on sales taxes	1,081	-	-	-	-	-	1,081
Public Transportation Fund	227,201	-	-	-	-	-	227,201
Operating assistance CTA and Pace	14,441	-	-	-	-	-	14,441
State assistance	121,870	-	-	-	-	-	121,870
Investment income	(725)	-	-	-	-	-	(725)
Program revenues and other	3,380	-	-	-	-	-	3,380
Leasehold revenue	-	4,262	-	-	-	-	4,262
Interest revenue from leasing transactions	-	118,962	14,808	5,119	-	-	138,889
Total revenues	476,251	1,841,682	735,772	311,391	1,268,694	840,613	2,937,015
EXPENDITURES:							
Operating	-	1,194,390	594,603	279,432	-	352	2,068,073
Depreciation	-	403,248	220,883	33,186	-	-	657,317
Financial Assistance to Service Boards	249,948	-	-	-	-	249,948	-
Operating Assistance - CTA & Pace	58,142	-	-	-	-	58,142	-
Capital grants—discretionary	26,288	-	-	-	-	26,288	-
Capital grants—bonds	93,085	-	-	-	-	93,085	-
Insurance (JSIF)	4,375	-	-	-	-	-	4,375
Administrative expenses	7,532	-	-	-	-	-	7,532
Regional expenses	20,656	-	-	-	-	266	20,390
Technology program	2,467	-	-	-	-	-	2,467
Bond-related expenses	127,495	72,028	-	-	-	-	199,523
Interest expense	-	-	-	150	-	-	150
Interest expense from leasing transactions	-	116,767	14,808	5,119	-	-	136,694
Total expenditures	589,988	1,786,433	830,294	317,887	-	428,081	3,096,521
NET REVENUES (EXPENDITURES)	$ (113,737)	$ 55,249	$ (94,522)	$ (6,496)	$ 1,268,694	$ 1,268,694	$ (159,508)

Note 1—Changes in net assets shown on page 4 and net revenues and expenditures shown on this page are similar.
Note 2—Government-wide to Region-wide revenues and expenditures shown on this page are reconciled in Note 12.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

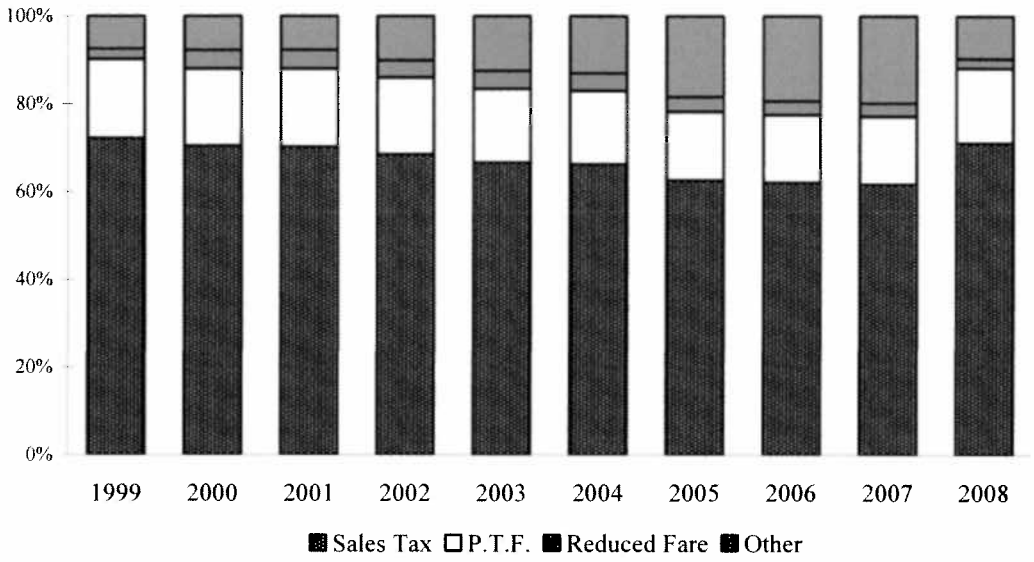
SPECIAL-PURPOSE COMBINING REGION-WIDE SCHEDULES OF REVENUES AND EXPENDITURES—BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2008
(In Thousands)

	RTA Government-Wide and Fiduciary Funds	Service Boards: Chicago Transit Authority	Service Boards: Commuter Rail Division	Service Boards: Suburban Bus Division	Combining Adjustments: Debit	Combining Adjustments: Credit	Total Combined	Total Region-Wide Budget
REVENUES:								
RTA financial assistance	$ -	$ 641,832	$ 287,181	$ 216,607	$ 1,148,703	$ -	$ (3,083)	$ -
Other public funding	-	37,650	98,952	3,357	-	-	139,959	-
Capital grants	-	518,520	18,972	27,646	119,373	-	445,765	-
Interest revenue from leasing transactions	-	118,962	14,808	5,119	-	-	138,889	-
Sales taxes	949,617	-	-	-	-	-	949,617	996,957
Public Transportation Fund	227,201	-	-	-	-	-	227,201	189,600
Operating assistance CTA and Pace	14,441	-	-	-	-	-	14,441	10,000
State assistance	121,870	-	-	-	-	-	121,870	116,477
State reduced fare reimbursement	28,919	-	-	-	28,919	-	-	-
Pension and JSIF contribution	9,195	-	-	-	995	-	8,200	-
Pension and other employee benefits	-	33,188	-	-	-	-	33,188	-
Investment income	(15,120)	-	-	-	-	-	(15,120)	-
Interest on bond transactions	-	4,385	-	-	-	-	4,385	-
Interest on sales taxes to Service Boards	2,002	-	-	-	2,002	-	-	-
Subtotal	1,338,125	1,354,537	419,913	252,729	1,299,992	-	2,065,312	1,313,034
Investment income	(10,834)	-	-	-	-	-	(10,834)	12,965
Other revenues	3,229	-	-	107,935	-	-	111,164	19,470
Interest on sales taxes	1,081	-	-	-	-	-	1,081	1,065
Service Boards revenues	-	520,456	315,859	58,662	618	-	894,359	1,020,817
Add (Subtract):								
Senior Free Ride	-	17,500	-	-	-	-	17,500	-
In-kind services	-	22,000	-	7,671	-	-	29,671	22,000
Leasehold revenue	-	4,262	-	-	-	-	4,262	4,262
Unrealized gain (loss) on swap valuation	23,986	-	-	-	-	-	23,986	-
Subtotal	17,462	564,218	315,859	174,268	618	-	1,071,189	1,080,579
Total revenues	1,355,587	1,918,755	735,772	426,997	1,300,610	-	3,136,501	2,393,613
EXPENDITURES:								
Depreciation	-	403,248	220,883	33,186	-	-	657,317	-
Interest expenses from leasing transactions	-	116,767	14,808	5,119	-	-	136,694	-
Interest expenses from bond transactions	-	72,028	-	-	-	-	72,028	-
Operating grants to Service Boards	1,090,561	-	-	-	-	1,090,561	-	-
CTA & PACE (PTF) expenditures	58,142	-	-	-	-	58,142	-	-
Capital grants—discretionary	26,289	-	-	-	-	26,289	-	-
Capital grants—bonds	93,085	-	-	-	-	93,085	-	-
State reduced fare reimbursement	28,919	-	-	-	-	28,919	-	-
Regional expenses and other	14,233	-	-	-	-	266	13,967	-
Bond-related expenses	127,495	-	-	-	-	-	127,495	-
Interest expense	-	-	-	150	-	-	150	-
Interest on sales taxes to Service Boards	2,002	-	-	-	-	2,002	-	-
Subtotal	1,440,726	592,043	235,691	38,455	-	1,299,264	1,007,651	-
Operating expenses		1,194,390	594,603	279,432	-	352	2,068,073	1,971,491
Prior year positive balance - lease proceeds	-	20,000	-	-	-	-	20,000	-
Pension and other employee benefits	-	13,191	-	-	-	-	13,191	-
Administrative expenses	7,532	-	-	-	-	995	6,537	8,209
Regional expenses	20,656	-	-	-	-	-	20,656	25,403
Technology program	2,467	-	-	-	-	-	2,467	1,473
Add (Subtract):	-	-	-	-	-	-	-	-
In-kind services	-	22,000	-	7,671	-	-	29,671	29,671
Security costs	-	(32,382)	(16,558)	-	-	-	(48,940)	(48,940)
Lease of transportation facilities	-	-	(15,985)	-	-	-	(15,985)	(15,985)
Capital (Depreciation, disposals/additions)	(732)	-	(2,744)	-	-	-	(3,476)	(3,476)
Subtotal	29,923	1,217,199	559,316	287,103	-	1,347	2,092,194	1,967,846
Total expenditures	1,470,649	1,809,242	795,007	325,558	-	1,300,611	3,099,845	1,967,846
NET REVENUES (EXPENDITURES)	$ (115,062)	$ 109,513	$ (59,235)	$ 101,439	$ 1,300,610	$ 1,300,611	$ 36,656	$ 425,767

Table 1

RTA REVENUE BY SOURCE

1999-2008



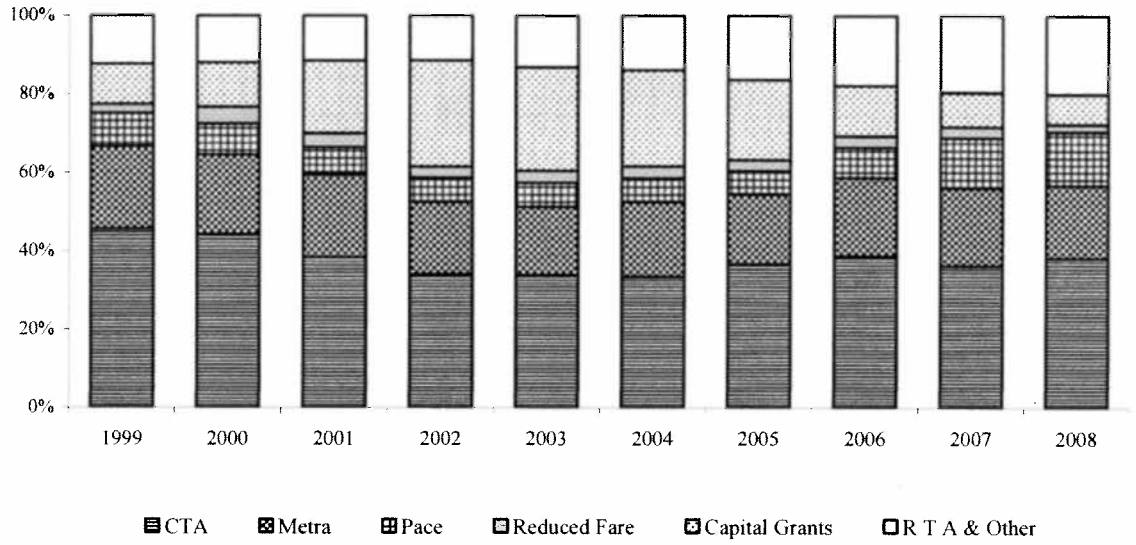
Last Ten Years *(In Thousands)*

	Sales Tax	Public Transportation Fund	Reduced Fare	Other	Total
12 Months Ended 12/31/99	$613,514	$153,343	$19,386	$63,624	$849,867
Percentage of Total	72.19%	18.04%	2.28%	7.49%	100%
12 Months Ended 12/31/00	650,284	162,247	38,759	71,947	923,237
Percentage of Total	70.44%	17.57%	4.20%	7.79%	100%
12 Months Ended 12/31/01	653,522	164,987	39,531	71,742	929,782
Percentage of Total	70.29%	17.74%	4.25%	7.72%	100%
12 Months Ended 12/31/02	647,685	165,665	36,260	95,167	944,777
Percentage of Total	68.55%	17.53%	3.84%	10.07%	100%
12 Months Ended 12/31/03	654,988	164,739	39,662	122,517	981,906
Percentage of Total	66.70%	16.78%	4.04%	12.48%	100%
12 Months Ended 12/31/04	675,628	170,397	40,153	132,664	1,018,842
Percentage of Total	66.31%	16.72%	3.94%	13.02%	100%
12 Months Ended 12/31/05	700,395	175,668	37,127	204,904	1,118,094
Percentage of Total	62.64%	15.71%	3.32%	18.33%	100%
12 Months Ended 12/31/06	746,829	186,136	37,327	232,193	1,202,485
Percentage of Total	62.11%	15.48%	3.10%	19.31%	100%
12 Months Ended 12/31/07	752,922	188,931	36,678	241,262	1,219,794
Percentage of Total	61.73%	15.49%	3.01%	19.78%	100%
12 Months Ended 12/31/08	949,617	227,201	28,919	129,784	1,335,521
Percentage of Total	71.10%	17.01%	2.17%	9.72%	100%

Table 2

DISTRIBUTION OF EXPENDITURES

1999-2008



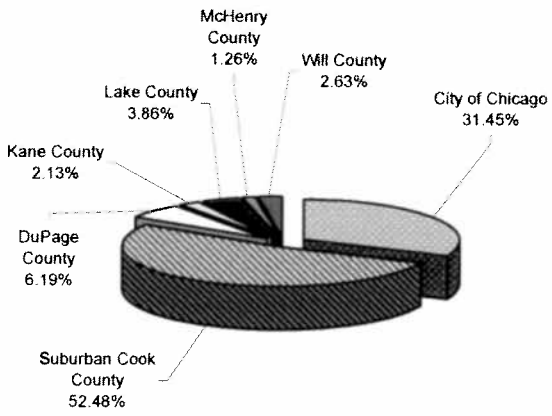
Last Ten Years *(In Thousands)*

	Financial Assistance				Reduced	Capital	R T A	
	CTA	Metra	Pace	Total	Fare	Grants	and Other	Total
12 Months Ended 12/31/99	$384,810	$177,784	$70,482	$633,076	$19,386	$86,913	$103,436	$842,811
Percentage of Total	45.66%	21.09%	8.36%	75.11%	2.30%	10.31%	12.28%	100%
12 Months Ended 12/31/00	402,126	184,559	71,772	658,457	38,759	102,806	108,546	908,568
Percentage of Total	44.26%	20.31%	7.90%	72.47%	4.27%	11.32%	11.94%	100%
12 Months Ended 12/31/01	419,005	230,343	75,002	724,350	39,531	201,548	124,952	1,090,381
Percentage of Total	38.43%	21.13%	6.88%	66.44%	3.63%	18.48%	11.45%	100%
12 Months Ended 12/31/02	441,632	238,955	79,052	759,639	36,260	351,041	147,086	1,294,026
Percentage of Total	34.13%	18.47%	6.11%	58.71%	2.80%	27.13%	11.37%	100%
12 Months Ended 12/31/03	453,488	233,632	82,747	769,867	39,662	354,083	175,838	1,339,450
Percentage of Total	33.86%	17.44%	6.18%	57.48%	2.96%	26.43%	13.13%	100%
12 Months Ended 12/31/04	441,630	252,493	79,051	773,174	40,153	323,869	182,417	1,319,613
Percentage of Total	33.47%	19.13%	5.99%	58.59%	3.04%	24.54%	13.82%	100%
12 Months Ended 12/31/05	495,885	241,728	80,052	817,665	37,127	277,130	220,202	1,352,124
Percentage of Total	36.67%	17.88%	5.92%	60.47%	2.75%	20.50%	16.29%	100%
12 Months Ended 12/31/06	496,690	256,301	98,500	851,490	37,327	165,436	227,481	1,281,735
Percentage of Total	38.75%	20.00%	7.68%	66.43%	2.91%	12.91%	17.75%	100%
12 Months Ended 12/31/07	468,349	257,374	164,202	889,925	36,678	113,328	252,301	1,292,232
Percentage of Total	36.24%	19.92%	12.71%	68.87%	2.84%	8.77%	19.52%	100%
12 Months Ended 12/31/08	591,760	287,181	211,620	1,090,561	28,919	119,374	308,308	1,547,161
Percentage of Total	38.25%	18.56%	13.68%	70.49%	1.87%	7.72%	19.93%	100%

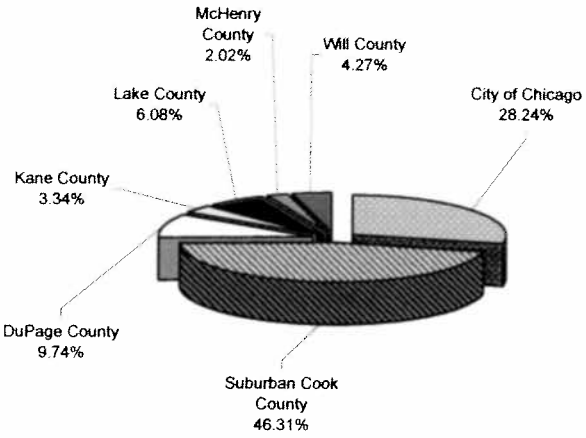
Table 3

SALES TAX REVENUE SOURCE BY COUNTY/CITY OF CHICAGO

2007



2008



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 12/31/99	$187,966	$333,513	$41,764	$10,761	$22,238	$6,528	$10,744	$613,514
Percentage of Total	30.64%	54.37%	6.81%	1.75%	3.62%	1.06%	1.75%	100%
12 Months Ended 12/31/00	199,056	354,307	42,741	11,589	23,985	6,942	11,664	650,284
Percentage of Total	30.62%	54.48%	6.57%	1.78%	3.69%	1.07%	1.79%	100%
12 Months Ended 12/31/01	197,370	357,522	42,498	11,796	25,017	7,122	12,197	653,522
Percentage of Total	30.20%	54.71%	6.50%	1.80%	3.83%	1.09%	1.87%	100%
12 Months Ended 12/31/02	195,417	353,999	40,961	12,256	24,913	7,373	12,766	647,685
Percentage of Total	30.17%	54.66%	6.32%	1.89%	3.85%	1.14%	1.97%	100%
12 Months Ended 12/31/03	198,383	356,386	40,916	12,828	24,968	7,599	13,905	654,985
Percentage of Total	30.29%	54.41%	6.25%	1.96%	3.81%	1.16%	2.12%	100%
12 Months Ended 12/31/04	205,355	363,792	42,785	13,954	26,150	8,160	15,432	675,628
Percentage of Total	30.39%	53.85%	6.33%	2.07%	3.87%	1.21%	2.28%	100%
12 Months Ended 12/31/05	214,134	373,317	44,495	15,328	27,348	8,635	17,138	700,395
Percentage of Total	30.57%	53.30%	6.35%	2.19%	3.90%	1.23%	2.45%	100%
12 Months Ended 12/31/06	231,273	395,727	46,867	16,008	28,743	9,194	19,016	746,828
Percentage of Total	30.97%	52.99%	6.28%	2.14%	3.85%	1.23%	2.55%	100%
12 Months Ended 12/31/07	236,783	395,163	46,592	16,015	29,058	9,494	19,817	752,922
Percentage of Total	31.45%	52.48%	6.19%	2.13%	3.86%	1.26%	2.63%	100%
12 Months Ended 12/31/08	219,093	533,095	75,587	25,908	47,143	15,700	33,091	949,617
Percentage of Total	23.07%	56.14%	7.96%	2.73%	4.96%	1.65%	3.48%	100%

LEGAL DEBT CAPACITY

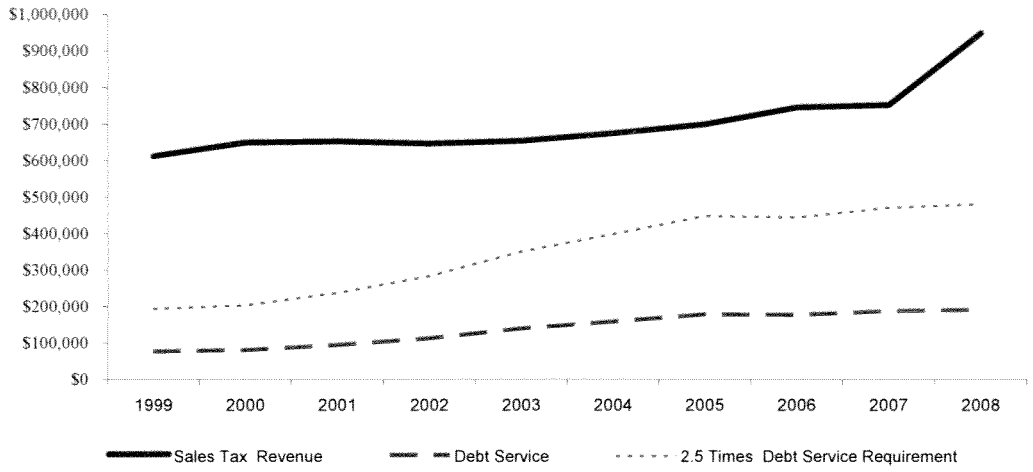
2008

Legal Debt Margin:	Balance Outstanding at December 31, 2008	Issued	
Debt Limitation per Act for General Obligations			$2,600,000,000
Debt applicable to limitation :			
Non-SCIP Bonds:			
1990A General Obligation Bonds	$60,795,000		
1991A General Obligation Bonds	55,745,000		
1992B General Obligation Bonds	4,590,000		
1994B General Obligation Bonds	7,095,000		
1994D General Obligation Bonds	29,225,000		
1997 General Obligation Refunding Bonds	65,955,000		
2002B General Obligation Bonds	144,085,000		
2003B General Obligation Bonds	139,990,000		
2003C General Obligation Refunding Bonds	3,565,000		
2005B General Obligation Refunding Bonds	139,305,000		
Total RTA Bonds Applicable to Limitation	$650,350,000		(650,350,000)
SCIP Bonds:			
1992A General Obligation Bonds	$28,755,000	$188,000,000	
1993A General Obligation Bonds		55,000,000	
1994A General Obligation Bonds	17,300,000	195,000,000	
1994C General Obligation Bonds	28,560,000	62,000,000	
1999 General Obligation Refunding Bonds	274,445,000		
2000 General Obligation Bonds	230,065,000	260,000,000	
2001A General Obligation Bonds	88,630,000	100,000,000	
2001B General Obligation Refunding Bonds	29,800,000		
2002A General Obligation Bonds	144,925,000	160,000,000	
2003A General Obligation Bonds	242,420,000	260,000,000	
2004A General Obligation Bonds	246,410,000	260,000,000	
2006A General Obligation Bonds	245,915,000	250,350,000	
Total SCIP Bonds Applicable to Limitation		$1,790,350,000	(1,790,350,000)
Total SCIP Bonds Outstanding	$1,577,225,000		
Total Bonds Outstanding	$2,227,575,000		
Debt Margin for General Obligations			$159,300,000
Debt Limitation per Act for Working Cash Notes			$400,000,000
Total RTA Working Cash Notes Applicable to Limitation	$56,000,000	$56,000,000	(56,000,000)
Debt Margin for Working Cash Notes			$344,000,000
Total Legal Debt Margin			$503,300,000

Table 5

COMPARISON OF SALES TAX REVENUE TO DEBT SERVICE REQUIREMENT

1999 - 2008
(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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Sales Tax Revenue	$ 613,514	$ 650,284	$ 653,522	$ 647,685	$ 654,985	$ 675,628	$ 700,395	$ 746,829	$ 752,922	$ 949,617
Debt Service Requirement	77,866	81,676	95,187	113,526	140,607	159,702	179,536	178,086	188,551	192,555
2.5 Times Debt Service Requirement	$194,665	$204,190	$237,968	$283,815	$351,518	$399,255	$448,840	$445,215	$471,378	$481,388

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
1999	$ 16,988	$ 60,878	$ 77,866	$ 842,811	9.24%
2000	22,949	58,727	81,676	908,568	8.99%
2001	19,805	75,382	95,187	1,090,381	8.73%
2002	27,262	86,264	113,526	1,294,026	8.77%
2003	37,940	102,667	140,607	1,339,450	10.50%
2004	40,430	119,272	159,702	1,319,613	12.10%
2005	49,570	129,966	179,536	1,352,124	13.28%
2006	55,110	122,976	178,086	1,281,765	13.89%
2007	59,135	129,416	188,551	1,292,232	14.59%
2008	64,685	127,870	192,555	1,547,161	12.45%

Table 7

FEDERAL ALLOCATION OF CAPITAL FUNDS TO NORTHEASTERN ILLINOIS

Last Ten Calendar Years

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

Federal Fiscal Year	Total Awarded	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division
1999	$ 299.59	$ 162.67	$ 111.49	$ 25.43
2000	336.65	177.17	132.89	26.59
2001	355.47	184.46	145.75	25.26
2002	430.08	225.42	174.29	30.37
2003	463.90	256.70	173.50	33.70
2004	493.16	291.76	168.05	33.35
2005	536.83	330.08	174.80	31.95
2006	496.62	280.03	168.69	47.90
2007	449.49	288.61	128.45	32.43
2008	489.91	279.38	169.55	40.98
Total	$ 4,351.70	$ 2,476.28	$ 1,547.46	$ 327.96

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

Table 8

SERVICE BOARD OPERATING CHARACTERISTICS

2008

Chicago Transit Authority

Rapid Transit

- 8 rail routes
- 143 stations served
- 1,190 rapid transit cars
- 198.1 million riders per year
- 1,288 STO* positions

Motor Bus

- 153 bus routes
- 2,150 buses
- 328.2 million riders per year
- 4,346 STO* positions

Other

- 1.2 billion passenger rail miles per year
- 12.3 million rail miles per year
- 779.8 million passenger miles per year
- 70.8 million vehicle miles per year
- 5,233 without STO* Postions

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

*Metra Commuter Rail Division

- 487.7 route miles
- 1,155 miles of track
- 239 stations
- 144 locomotives
- 823 passenger cars
- 171 electric cars
- 702 weekly trains operated
- 95.4% on-time performance
- 86.8 million riders per year
- 4,007 full-time employees

Other

- 1.7 billion passenger miles per year
- 44.7 million vehicle miles per year

**All data excludes NICTD South Shore*

Pace Suburban Bus Division

Fixed Route

- 144 regular routes
- 48 feeder routes
- 1 subscription routes
- 19 shuttle routes
- 573 vehicles in use during peak periods
- 34.6 million riders per year
- 12 seasonal routes
- 703 Pace-owed busses
- 1,358 full-time employees

Paratransit**

- 168 Pace owned lift-equipped buses in service
- 3.7 millions of riders per year
- 35 full-time employees

Dial-A-Ride**

- 61 local services
- 203 Pace owned lift-equipped buses in service
- 222 communities served
- 1.1 millions of riders per year
- 6.3 million passenger miles per year
- 4.7 million vehicle miles per year

Other

- 721 vanpools in operation
- 2.0 million riders for the year
- 22.3 million passenger miles per year
- 31.0 million vehicle miles per year

**Prior to 2008 ADA Paratransit and Dial-A-Ride were combined.

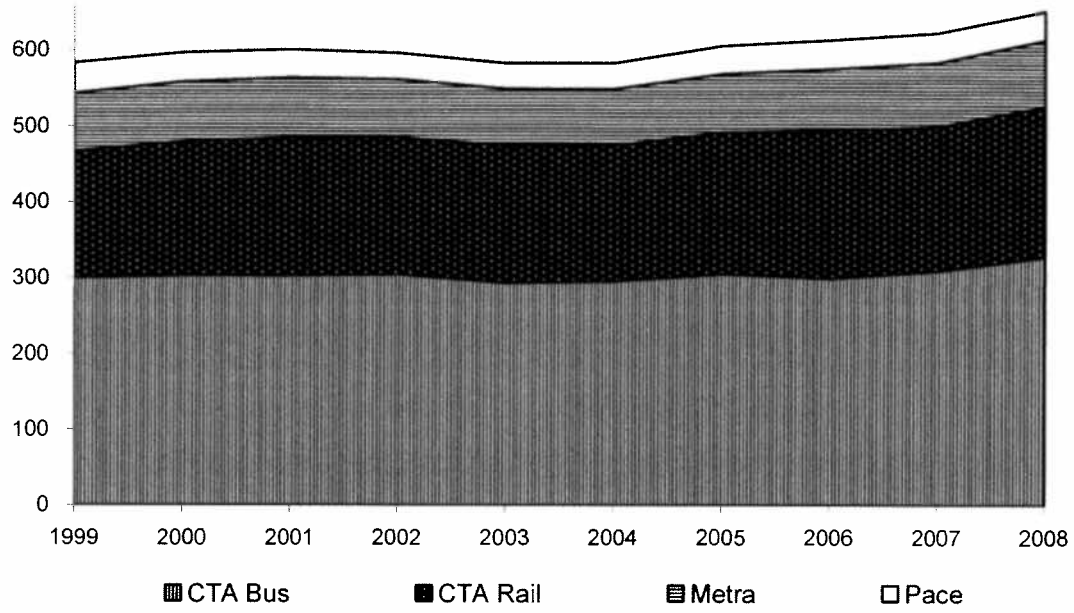
Source of data: Information obtained from the Service Boards' records.

Table 9

1999-2008

(In Millions)

SYSTEM RIDERSHIP
UNLINKED PASSENGER TRIPS



Last Ten Years *(In Millions)*

Service Consumed:	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
CTA - Bus	300.3	303.3	303.1	304.8	293.6	296.0	305.5	299.6	309.3	328.2
CTA - Rail	166.5	176.3	181.7	180.4	181.1	178.7	186.8	195.2	190.3	198.1
Total CTA*	466.7	479.6	484.8	485.2	474.7	474.7	492.3	494.8	499.6	526.3
Metra	76.6	78.8	79.2	76.8	74.8	74.4	77.0	80.8	84.4	87.7
Pace**	40.2	38.6	37.0	34.8	33.7	34.1	36.9	38.0	39.0	37.8
System Total	583.5	597.0	601.0	596.8	583.2	583.2	606.2	613.6	623.0	651.8
Percent Change	4.37%	2.31%	0.68%	-0.70%	-2.28%	0.00%	3.93%	1.23%	1.53%	4.62%

CTA Stat amounts include rail-to-rail transfers.

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

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

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 2008.

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Metra					
Union Pacific	$ 84,171	$ 187,214	$ (103,043)	$ 103,043	$ -
Burlington Northern/Santa Fe	50,480	71,209	(20,729)	20,729	-
Northern Indiana Commuter Transportation District (NICTD)	4,468	9,188	(4,720)	4,720	-
Total Metra	$ 139,119	$ 267,611	$ (128,492)	$ 128,492	$ -
Pace					
Summary of Services					
Fixed Route - Public Funded Carriers	$ 1,973	$ 3,504	$ (1,531)	$ 3,908	$ 1,935
Fixed Route - Private Contract Carriers	2,728	9,748	(7,020)	7,020	-
Total Fixed Route Service	4,701	13,252	(8,551)	10,928	1,935
Private Contract Carriers					
DAR Services	1,295	10,536	(9,241)	4,827	4,414
DAR and Stable Services	7,676	97,111	(89,435)	89,435	-
Total Private Contract Carriers	8,970	107,646	(98,676)	94,262	4,414
Paratransit - Municipal Carriers	454	5,866	(5,412)	895	4,517
Total Pace	$ 14,125	$ 126,764	$ (112,639)	$ 106,086	$ 10,866

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services					
Fixed Route - Public Funded Carriers					
City of Highland Park	$ 447	$ 1,070	$ (623)	$ 1,269	$ 822
Village of Niles	524	1,384	(860)	1,587	1,063
Village of Downers Grove	428	476	(48)	476	48
Village of Schaumburg	573	573	-	576	3
Total	$ 1,973	$ 3,504	$ (1,531)	$ 3,908	$ 1,935
Private Contract Carriers - Fixed Route					
Academy Coach Lines	$ 627	$ 3,123	$ (2,496)	$ 2,496	$ -
Colonial Coach Lines	145	694	(549)	549	-
First Student	1,657	4,852	(3,195)	3,195	-
M V Transportation	126	826	(699)	699	
Village of Schaumburg	173	253	(80)	80	-
Total	$ 2,728	$ 9,748	$ (7,020)	$ 7,020	$ -
Private Contract Carriers - Dial-a-Ride Services					
Addison	$ 2	$ 50	$ (48)	$ 3	$ 45
Aurora Township	64	544	(481)	301	180
Barrington	2	70	(68)	29	39
Batavia Township	8	72	(64)	40	24
Bloomingdale Township	32	383	(351)	246	106
Central Lake	8	141	(133)	91	41
Central Will	61	658	(598)	399	199
Downers Grove	19	147	(127)	97	30
Dundee	14	124	(110)	67	43
Dupage County	9	90	(80)	80	-
Dupage Township	8	144	(136)	99	36
Elgin	53	365	(311)	248	63
Elk Grove	27	339	(312)	31	281
Freemont Township	1	9	(8)	(1)	9
Hampshire Township	1	19	(18)	14	5
Hanover Township	3	29	(26)	(0)	26
Hometown	1	22	(21)	4	17
Joliet Call in and Ride	1	15	(15)	15	-
Leyden Township	23	249	(226)	11	215
Marengo	-	10	(10)	10	-
McHenry Township	93	1,452	(1,360)	682	678
Milton Township	15	195	(181)	121	60
N. Suburban Cook	2	65	(63)	63	-
Naperville/Lisle	164	839	(675)	328	346
Northeast Lake-Warren	15	370	(355)	316	39
Northeast Lake-Zion	2	39	(37)	28	9
Northwest Lake	18	282	(264)	264	-
Pioneer Center	7	41	(34)	34	-
Northwest Suburban Cook	19	267	(248)	211	37
Ride DuPage	193	1,740	(1,547)	159	1,388
Ride In Kane	27	839	(812)	642	170
South Cook	-	-	-	-	-

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services, continued					
Private Contract Carries - Dial - a- Ride Services, continued					
Southwest Lake-Cuba	$ 1	$ 6	$ (5)	$ 2	$ 2
Southwest Lake-Wauconda	4	32	(28)	13	15
Southwest Will	1	18	(17)	13	5
Village of Bloomingdale	2	24	(22)	(2)	24
Village of Skokie/West Cook	318	232	87	(87)	-
Village of St. Charles	30	205	(175)	113	62
Wayne Township	5	82	(77)	59	19
Woodstock	39	329	(289)	88	202
Total	$ 1,295	$ 10,536	$ (9,241)	$ 4,827	$ 4,414
Private Contract Carriers - Dial-a-Ride and Stable Services (ADA Services)					
DuPage County	$ 76	$ 865	$ (789)	$ 789	$ -
Kane County	50	578	(528)	528	-
North Suburban Cook	463	5,498	(5,035)	5,035	-
Northeastern/Central Lake	123	1,140	(1,016)	1,016	-
South Cook	898	6,169	(5,271)	5,271	-
Chicago ADA	5,846	80,411	(74,565)	74,565	-
Southwest/Central Will	34	449	(415)	415	-
West Cook	185	2,001	(1,816)	1,816	-
Total	$ 7,676	$ 97,111	$ (89,435)	$ 89,435	$ -
Paratransit - Municipal Carriers					
Aurora	$ 3	$ 58	$ (55)	$ 7	$ 48
Batavia	0	14	(14)	1	13
Bensenville	26	261	(235)	55	180
Bloom	23	365	(342)	56	286
Crestwood	6	102	(97)	15	82
Elgin	3	18	(16)	7	9
Ela	11	155	(144)	21	123
Forest Park	14	154	(140)	33	107
Fox Lake/Grant	3	8	(5)	3	2
Frankfort	25	198	(173)	26	147
Harvard	10	70	(60)	16	44
Lemont	5	78	(72)	13	59
Lyons	12	310	(298)	33	264
Norridge	13	102	(89)	32	57
Oak Park	30	349	(320)	65	255

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services, continued					
Paratransit - Municipal Carriers, continued					
Orland Park	$ 25	$ 426	$ (401)	$ 47	$ 354
Palatine	11	252	(241)	26	215
Palos Hills	10	88	(78)	14	65
Park Forest	23	106	(84)	45	39
Peotone	21	322	(300)	58	243
Rich Township	59	578	(519)	53	466
Schaumburg	84	1,092	(1,008)	172	835
St. Charles	1	23	(21)	2	19
Stickney	17	311	(294)	46	248
Tinley Park	8	108	(100)	21	79
Vernon	4	117	(112)	8	104
Worth Township	7	200	(193)	19	174
Total	$ 454	$ 5,866	$ (5,412)	$ 895	$ 4,517

Regional Transportation Authority

The six-county public transportation system serving northeastern Illinois

RTA Main Office
175 West Jackson Boulevard, Suite 1550
Chicago, Illinois 60604
(312) 913-3200
www.rtachicago.com

RTA Customer Service
165 N. Jefferson Street
Chicago, Illinois 60661
(312) 913-3110

Community Outreach
(312) 913-3237

RTA ADA Certification Helpline
Voice (312) 663- 4357
TTY (312) 913-3122

Travel Information Center and RTA Reduced Fare Card
Call 836-7000 from any area code in the six-county region
TTY (312) 836-4949
www.rtachicago.com

RTA Transit Benefit Program
(800) 531-2828

Chicago Transit Authority
567 West Lake Street
Chicago, Illinois 60661
1-888-968-7282
www.transitchicago.com

Metra
547 West Jackson Boulevard
Chicago, Illinois 60661
(312) 322-6777
www.metrarail.com

Pace
550 West Algonquin Road
Arlington Heights, Illinois 60005
(847) 364-7223
www.pacebus.com

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Regional Transportation Authority and Service Boards

Special-Purpose Combining Financial Statements for the Year Ended December 31, 2009 and Independent Accountants' Compilation Report

2009

cta

Metra

pace

Regional Transportation Authority

Regional Transportation Authority and Service Boards

Special-Purpose Combining Financial Statements for the Year Ended December 31, 2009 and Independent Accountant's Compilation Report

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

(See Independent Accountant's Compilation Report)

Prepared by:

Finance & Administration Department
Joseph G. Costello, CPA, CPFO
Senior Deputy Executive Director

and

Controller Division

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

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Regional Transportation Authority

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Chicago, IL 60604
(312) 913-3200
www.rtachicago.com

Board of Directors
Regional Transportation Authority
175 West Jackson Boulevard, Suite 1550
Chicago, Illinois 60604

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, 2009. 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.

J G Costello

Joseph G. Costello
Senior Deputy Executive Director,
Finance, Chief Financial Officer
Regional Transportation Authority
June 30, 2010

McGladrey & Pullen
Certified Public Accountants

Independent Accountant's Report

To the Board of Directors
Regional Transportation Authority
Chicago, Illinois

We have compiled the accompanying special-purpose combining financial statements of the Regional Transportation Authority and Service Boards as of December 31, 2009, and for the year then ended, and the supplementary and statistical information, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting information that is the representation of management in the form of financial statements and supplementary and statistical information. We have not audited or reviewed the accompanying special-purpose combining financial statements and supplementary and statistical information and, accordingly, do not express an opinion or any other form of assurance on them.

The accompanying special-purpose financial statements and supplementary and statistical information were prepared for the purpose of complying with the statutory requirement of the Regional Transportation Authority Act as described in Note 1, and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Schaumburg, Illinois
June 30, 2010

McGladrey & Pullen, LLP is a member firm of RSM International –
an affiliation of separate and independent legal entities.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF NET ASSETS

DECEMBER 31, 2009

(In Thousands)

ASSETS:	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
CURRENT ASSETS:							
Cash and investments:							
Restricted - cash and cash equivalents	$ -	$ 85,090	$ -	$ 25,406	$ -	$ -	$ 110,496
Unrestricted - cash and cash equivalents	12,862	59,542	47,438	7,143	-	-	126,985
Restricted - investments	339,846	-	-	-	-	-	339,846
Unrestricted - investments	165,745	1,007	-	-	-	-	166,752
Unamortized bond issue costs	1,035	-	-	-	-	-	1,035
Receivables:							
Intergovernmental receivables	217,278	-	-	-	-	62,255	155,023
Grant projects	-	33	25,606	544	-	9,468	16,715
RTA financial assistance	-	205,633	76,245	45,177	-	78,173	248,882
Other carriers	-	-	372	-	-	-	372
Other receivables	-	104,513	11,945	16,697	-	38	133,117
Interest on investments	385	-	-	-	-	-	385
Loan to S.B. note and interest	1,058	-	-	-	-	-	1,058
Materials and supplies	-	92,805	14,638	5,885	-	-	113,328
Repayment of leasing commitments	-	-	-	1,439	-	-	1,439
Prepaid expenses and other assets	58,362	5,887	1,195	1,438	-	-	66,882
Total current assets	796,571	554,510	177,439	103,729		149,934	1,482,315
Capital assets:							
Plant, property and equipment	15,730	8,195,707	5,419,057	478,671	-	-	14,109,165
Capital projects in progress	-	561,279	2,578	1,818	-	-	565,675
Less accumulated depreciation	(3,070)	(4,597,539)	(2,884,385)	(292,482)	-	-	(7,777,476)
Total capital assets	12,660	4,159,447	2,537,250	188,007	-	-	6,897,364
Other assets:							
Unamortized bond issue costs	11,366	25,167	-	-	-	-	36,533
Note receivable	2,108	-	-	-	-	-	2,108
Investment relating to employee pension benefits plans	-	64,529	-	-	-	-	64,529
Restricted assets	-	250,334	-	-	-	-	250,334
Amount due under sale/leaseback	-	1,588,822	179,227	89,733	-	-	1,857,782
Total other assets	13,474	1,928,852	179,227	89,733	-	-	2,211,286
TOTAL ASSETS	$ 822,705	$ 6,642,809	$ 2,893,916	$ 381,469	$ -	$ 149,934	$ 10,590,965

(Continued)

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF NET ASSETS (Continued)
DECEMBER 31, 2009
(In Thousands)

LIABILITIES	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
CURRENT LIABILITIES:							
Vouchers payable	$ 56	$ 129,198	$ 53,650	$ 2,672	$ -	$ -	$ 185,576
Accrued interest payable	-	13,081	-	58	-	-	13,139
Intergovernmental payables	87,641	-	-	3,942	87,641	-	3,942
Due to other funds	1,137	-	-	-	-	-	1,137
Current portion of general obligation bonds payable	64,125	42,790	-	-	-	-	106,915
Current portion of unamortized bond premium	5,702	-	-	-	-	-	5,702
Other current liabilities:							
Accrued other expenses	4,444	90,717	30,045	28,324	59,185	-	94,345
Unrealized revenue, capital grant	-	8,451	-	-	-	-	8,451
Deferred revenue, assistance and other	30,649	72,766	14,045	1,053	-	-	118,513
Capital lease obligation	-	108,573	14,660	1,439	-	-	124,672
Certificate of participation	-	5,127	-	-	-	-	5,127
Claims liability	-	78,835	2,859	19,768	3,108	-	98,354
Total current liabilities	193,754	549,538	115,259	57,256	149,934	-	765,873
LONG-TERM LIABILITIES:							
General obligation bonds payable	2,354,995	2,751,760	-	-	-	-	5,106,755
Claims liability	-	124,609	14,631	10,887	-	-	150,127
Accrued interest payable	33,404	-	-	-	-	-	33,404
Capital lease obligation	-	1,641,589	164,566	89,733	-	-	1,895,888
Premium on capital lease payable	-	5,061	-	-	-	-	5,061
Deferred revenue	46,973	28,711	-	-	-	-	75,684
Accrued pension cost	-	18,373	-	2,261	-	-	20,634
Unamortized bond premium	113,800	48,277	-	-	-	-	162,077
Certificate of participation	-	66,887	-	-	-	-	66,887
Deferred rent	2,160	-	-	-	-	-	2,160
Intergovernmental payables	-	-	-	2,167	-	-	2,167
Other long-term liabilities	-	60,591	-	10,219	-	-	70,810
Total long-term liabilities	2,551,332	4,745,858	179,197	115,267	-	-	7,591,654
Total liabilities	2,745,086	5,295,396	294,456	172,523	149,934	-	8,357,527
NET ASSETS (DEFICIT):							
Invested in capital assets, net	12,660	3,054,994	2,537,250	188,007	-	-	5,792,911
Net assets restricted for:							
Payment on obligations and others	-	80,719	-	-	-	-	80,719
Accumulated unrestricted (deficit)	(1,935,041)	(1,788,300)	62,210	20,939	1,078,605	1,078,605	(3,640,192)
TOTAL NET ASSETS (DEFICIT)	$ (1,922,381)	$ 1,347,413	$ 2,599,460	$ 208,946	$ 1,078,605	$ 1,078,605	$ 2,233,438

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

(Concluded)

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2009
(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	$ -	$ 564,514	$ 298,586	$ 58,960	$ 727	$ -	$ 921,333
Sales taxes	99,027	-	-	-	-	843,164	942,191
Interest on sales taxes	309	-	-	-	-	-	309
Public Transportation Fund	228,501	-	-	-	-	-	228,501
Operating assistance - CTA and Pace	9,101	-	-	-	-	-	9,101
State assistance	123,008	-	-	-	-	-	123,008
Investment income	39,576	-	-	-	-	-	39,576
Program revenues and others	4,399	-	-	-	-	-	4,399
Total revenues	503,921	564,514	298,586	58,960	727	843,164	2,268,418
EXPENSES:							
Operating expenses	-	1,251,197	576,899	289,110	-	359	2,116,847
Depreciation	-	398,288	230,548	37,447	-	-	666,283
Financial assistance to Service Boards	93,453	-	-	-	-	93,453	-
Operating grant - CTA and Pace	74,138	-	-	-	-	74,138	-
Capital grants—discretionary	19,166	-	-	-	-	19,166	-
Capital grants—bonds	47,957	-	-	-	-	47,957	-
Insurance (JSIF)	3,827	-	-	-	-	-	3,827
Administrative expenses	12,014	-	-	-	-	-	12,014
Regional expenses	19,793	-	-	-	-	368	19,425
Technology program	1,416	-	-	-	-	-	1,416
Bond-related expenses	131,775	-	-	-	-	-	131,775
Total expenses	403,539	1,649,485	807,447	326,557	-	235,441	2,951,587
OPERATING INCOME (LOSS)	100,382	(1,084,971)	(508,861)	(267,597)	727	1,078,605	(683,169)
NONOPERATING REVENUE (EXPENSE):							
RTA financial assistance	-	626,349	305,184	220,483	1,010,956	-	141,060
Leasehold revenue	-	4,262	-	-	-	-	4,262
Interest revenue from leasing transactions	-	105,692	11,355	5,432	-	-	122,479
Interest expense on leasing transactions	-	(116,852)	(11,355)	(5,432)	-	-	(133,639)
Interest expense on bond transactions	-	(156,235)	-	-	-	-	(156,235)
Innovation Coordination & Enhancement (ICE)	-	-	-	4,137	-	-	4,137
Other public funding	-	35,760	117,154	12,342	-	-	165,256
Capital grants	-	463,830	27,678	36,412	66,922	-	460,998
Investment income	-	1,971	-	156	-	-	2,127
Gain on sale of assets	-	100	-	-	-	-	100
Total nonoperating revenue (expense)	-	964,877	450,016	273,530	1,077,878	-	610,545
CHANGES IN NET ASSETS	100,382	(120,094)	(58,845)	5,933	1,078,605	1,078,605	(72,624)
NET ASSETS (DEFICIT):							
Beginning of year	(2,022,763)	1,467,507	2,658,305	203,013	-	-	2,306,062
End of year	$ (1,922,381)	$ 1,347,413	$ 2,599,460	$ 208,946	$ 1,078,605	$ 1,078,605	$ 2,233,438

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

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009
(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	$ -	$ 510,191	$ 236,068	$ 49,433	$ 795,692
Payments to employees	-	(846,702)	(265,040)	(102,371)	(1,214,113)
Payments to vendors	(2,677)	(376,187)	(298,230)	(185,636)	(862,730)
Other receipts and payments	-	65,991	46,460	4,240	116,691
Net cash from operating activities	(2,677)	(646,707)	(280,742)	(234,334)	(1,164,460)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Financial assistance—operating	-	720,676	304,163	238,027	1,262,866
Net cash from noncapital financing activities	-	720,676	304,163	238,027	1,262,866
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Interest income from assets restricted for payment of leasehold obligations	-	105,692	-	-	105,692
Repayment of lease\leaseback obligations	-	(146,549)	-	-	(146,549)
Increase/decrease in assets restricted for payment of leasehold obligations	-	24,613	-	-	24,613
Financial assistance—grant projects	-	458,807	136,708	37,158	632,673
Proceeds from the sale of property and equipment	-	100	-	-	100
Interest expense on bonds	-	(164,183)	-	-	(164,183)
Proceeds from other long-term liabilities	-	56,728	-	-	56,728
Repayment of bonds payable	-	(33,609)	-	-	(33,609)
Payments for capital acquisition	-	(586,812)	(173,386)	(40,254)	(800,452)
Net cash from capital and related financing activities	-	(285,213)	(36,678)	(3,096)	(324,987)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income	386	1,971	683	214	3,254
Sales and purchases of investments, net	852	286,339	-	-	287,191
Net cash from investing activities	1,238	288,310	683	214	290,445
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,439)	77,066	(12,574)	811	63,864
CASH AND CASH EQUIVALENTS—Beginning of year	14,301	67,566	60,012	31,738	173,617
CASH AND CASH EQUIVALENTS—End of year	$ 12,862	$ 144,632	$ 47,438	$ 32,549	$ 237,481
RECONCILIATION OF OPERATING ACTIVITIES:					
Net loss from operations	$ (3,769)	$ (1,084,971)	$ (508,861)	$ (267,597)	$ (1,865,198)
Adjustments to reconcile operating loss to net cash from operating activities:					
Depreciation	-	398,288	230,548	37,447	666,283
Claims provision and settlement	-	-	(7,720)	-	(7,720)
State reduced fare assistance	-	-	(3,400)	-	(3,400)
Interest and dividends received	-	-	(683)	-	(683)
Changes in current assets and liabilities	1,092	39,976	9,374	(4,184)	46,258
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (2,677)	$ (646,707)	$ (280,742)	$ (234,334)	$ (1,164,460)

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

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

NOTES TO SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(See Independent Accountant's Compilation Report)

1. BASIS OF ACCOUNTING

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. The special-purpose combining financial statements are not in accordance with accounting principles generally accepted in the United States of America primarily due to the RTA and Service Boards using a different basis of accounting 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 describe the basis of accounting for each entity and contain the omitted disclosures.

Intergovernmental receivables, payables, revenues, expenses, and expenditures have 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 assets.

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.

2. ORGANIZATIONAL STRUCTURE

RTA

The RTA was established in 1974 upon the approval of a referendum in its six-county Northeastern Illinois Region (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.

CTA

The 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 Chicago City Council has granted the CTA the exclusive right to operate a passenger transportation system 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 RTA Act, as amended effective November 9, 1983, established the Suburban Bus Division (Pace) to operate suburban bus service within suburban Cook County and the five collar counties of DuPage, Kane, Lake, McHenry, and Will. The independent operations of Pace commenced on July 1, 1984.

Pace determines the level, nature, and kind of public transportation services that should be provided in the suburban region. Pace operates suburban bus services using stock, structures, and equipment purchased through capital grants funded by federal and state agencies and the RTA.

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, 2009 year-end.

3. REPORTING ENTITY

The RTA and each of the Service Boards have adopted the provisions of the Governmental Accounting Standards Board's Statement No. 14 (Statement No. 14), *The Financial Reporting Entity*.

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

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

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

- The RTA Board has control neither in the selection nor the appointment of any Service Board Director nor of any of its management. Further, directors of the Service Boards are excluded from serving on more than one entity's board of directors, including that of the RTA, except for the Chairman of the CTA Board of Directors who is also an RTA Board member.

- The Illinois statutes required the RTA Board to approve the budgets of the Service Boards, if such budgets meet specified system-generated 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.

Accordingly, financial statements for the Service Boards are not included or combined with the RTA's financial statements under Statement No. 14. 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."

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Accounting—The RTA maintains records using a fund accounting model consisting of a General Fund, Debt Service Fund, Capital Projects Fund, Proprietary Fund, Business-Type Activities, Agency Fund, and Pension Trust Fund. All Governmental Funds and the Agency Fund are accounted for using the modified accrual method of accounting (i.e., revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred). The Proprietary Fund and the Pension Trust Fund are accounted for using the accrual method of accounting. For the purpose of these combining financial statements, all RTA funds have been combined.

The Service Boards are accounted for on a Proprietary Fund basis. Accordingly, the accrual method of accounting is utilized by the Service Boards. For purposes of these combining financial statements, the individual Service Board financial statements are combined with those of the RTA.

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 that reasonably approximates fair market value.

For the purposes of the combining statements 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 statements of net assets.

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.

Materials and Supplies—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 and other financial sources: (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.

Sales Taxes

The Act authorizes the RTA to impose a retailers' occupation tax "ROT," a service occupation tax "SOT," and a use tax "UT." The RTA imposed this tax at the maximum permissible rate in 1979. The 2008 legislation increased the sales tax by 0.25% in Cook and .50% in the collar counties. The individual collar counties keep 0.25% of the increase. All of the RTA sales taxes are collected by the Illinois Department of Revenue under procedures that are largely identical to the corresponding state sales taxes. The ROT is imposed on the gross receipts from the sale of tangible personal property at a rate of 1% in Cook County and 0.75% in the collar counties. Except for the tax on food and drugs, the RTA tax base is identical to the State retailers' occupation tax base. Consequently, when the state base is expanded or contracted by taxing or exempting receipts from specific transactions, e.g., the sale of computer software or rolling stock, the RTA tax base likewise expands or contracts. However, when the legislature exempted the sale of food and drugs from the state tax, the exemption was not extended to the RTA and other local government taxes. As a result the RTA tax on food and drugs is imposed at a rate of 1.25% in Cook, and 0.75% in collar counties.

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

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

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

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

The RTA Sales Tax consists of (i) in Cook County, (a) a tax of 1.25% of the gross receipts from sales of drugs, certain medical supplies and food prepared for consumption off the premises (other than for immediate consumption) imposed on all persons selling tangible personal property at retail (a Food and Drug Tax) and (b) a tax of 1% of the gross receipts from all other taxable retail sales; (ii) in counties within Northeastern Illinois other than Cook County, a tax of 0.5% of the gross receipts from all taxable retail sales (together with (i) (b), a General Sales Tax); and (iii) a tax of 1% on the use in Cook County, and 0.5% on the use in Northeastern Illinois other than Cook County of tangible personal property purchased from a retailer outside Northeastern Illinois and titled or registered with a State agency by a person with a Northeastern Illinois address (a Use Tax); and (iv) a tax imposed in the same locations and at the same rates as the Food and Drug Tax and the General Sales Tax on persons engaged in a sale of service pursuant to which property in the form of tangible personal property or in the form of real estate is transferred incident to a sale of a service (a Service Occupation Tax).

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

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

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

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

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

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

In January 2008, Illinois Public Act 95-0708 increased the RTA sales tax rate throughout the region, increased the real estate transfer tax (RETT) in the City of Chicago, and raised the portion of RTA sales tax revenues matched by PTF. The RTA sales tax rate was increased 0.25% in Cook County and 0.50% in the Collar Counties effective April 1, 2008. Proceeds of the sales tax increase in the Collar Counties are divided evenly between the RTA and the county where the tax is collected. Effective April 1, 2008, the real estate transfer tax in the City of Chicago was increased 0.3% (e.g. for every $500 in sales price $1.50 in tax is collected).

In February 2008, the PTF match of the old 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. Beginning in January 2009, the PTF match of both the RETT and the RTA portion of the sales tax increase will rise 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.

Car Rental Tax

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

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

Motor Fuel Tax

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

Off-Street Parking Tax

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

Replacement Vehicle Tax

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

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

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

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

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

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

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

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

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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 general fund and sales tax agency fund.

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

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

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

- The second source of funds to be credited against the budgeted funding amount is from PTF receipts; and

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

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

6. LEASES

The RTA and CTA hold operating leases which are primarily for rent expense on the facilities they occupy. Metra has several operating leases, primarily for the use of passenger terminals. Pace has multi-year leases for vehicles and bus tires.

CTA

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 at an estimated aggregate cost of $120.5 million. The terms of the 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, beginning on December 1, 2008. The present value of the future payments to be made by the CTA

under the lease of approximately $112 million is reflected in the accompanying December 31, 2009 statement of net assets as a capital lease obligation.

In 2003, 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.

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 and 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 debt service payment over the next 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. This amount is recorded as a component of long-term debt in the accompanying statement of net assets.

The bonds are payable from and secured by the lease entered into between the PBC and the CTA and are considered a general obligation of the CTA payable from any lawfully available funds. Bond issue costs and premium related to this transaction are presented as such on the balance sheets. The present value of the future payments to be made by the CTA under the lease of approximately $85.3 million is reflected in the accompanying December 31, 2009 statement of net assets as a capital lease obligation.

In 2003, the CTA entered into a lease/leaseback agreement with a third party pertaining to certain buses with a book value of $14.8 million as of December 31, 2009. Under the bus lease agreements, which provide certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $16.1 million is reflected in the accompanying December 31, 2009 statement of net assets as capital lease obligation.

During 2002, the CTA entered into two lease and leaseback agreements with a third party pertaining to certain buses (lots 1 and 2), with a book value of $22.8 million as of December 31, 2009. Under the bus lease agreements, which provide certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $117.2 million is reflected in the accompanying December 31, 2009 statement of net assets as capital lease obligation.

During 2002, the CTA entered into a lease and leaseback agreement with a third party pertaining to certain qualified technological equipment (QTE), with a book value of $9.7 million as of December 31, 2009. Under the QTE lease agreement, which provides certain cash and tax benefits to the third party, the CTA entered into a long term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $85.9 million is reflected in the accompanying December 31, 2009 statement of net assets as capital lease obligation.

During 1998, the CTA entered into a lease/leaseback agreement (1998 Agreement) with a third party pertaining to a rail line (Green Line), with a book value of $235 million as of December 31, 2009. The 1998 Agreement, which provides certain cash and tax benefits to the third party, also provides for a trust established by the CTA to lease the rail line to an equity investor trust (1998 Equity Trust), which would then lease the facilities back to another trust established by the CTA under a separate lease (1998 Lease). The present value of the future payments to be made by the CTA under the lease of approximately $201.3 million is reflected in the accompanying December 31, 2009 statement of net assets as capital lease obligation.

During 1997, the CTA entered into four lease/leaseback agreements (1997 Agreements) with a third party pertaining to certain of its facilities having a book value of $48.1 million as of December 31, 2009. The 1997 Agreements, which provide certain cash and tax benefits to the third party, also provide for a trust established by the CTA to lease the facilities to an equity investor trust (Equity Trust), which would then lease the facilities back to another trust established by the CTA under separate leases (Leases). The CTA received certain funds as prepayments by the Equity Trust. The funds have been deposited in designated investment accounts sufficient to meet the payments required under the Leases, and are recorded as assets restricted for repayment of leasing commitments. The Equity Trust has a security interest in the deposits to guarantee the payments due from the CTA and may take possession of the facilities upon a default by the CTA under the Lease. No other lease payments are required until the end of each lease. The present value of the future payments to be made by the CTA under the Leases (net of the payment due from the Equity Trust in 2023 and 2024) of approximately $37.5 million is reflected in the accompanying December 31, 2009 statement of net assets as a capital lease obligation.

In connection with the 1997 Agreements, the CTA also received proceeds of $11.9 million. The Federal Transit Administration (FTA) has approved the CTA's right to the benefit received from these transactions. The CTA has elected to defer recognition of the proceeds over the remaining lease term.

During 1996, the CTA entered into similar lease/leaseback agreements (1996 Agreements) with a third party pertaining to certain of its facilities, with a book value of $49.4 million as of December 31, 2009. The 1996 Agreements, which provide certain cash and tax benefits to the third party, also provide for a trust established by the CTA to lease the facilities to an equity investor trust (1996 Equity Trust), which would then lease the facilities back to another trust established by the CTA under a separate lease (the 1996 Lease). The present value of the future payments to be made by the CTA under the leases (net of the payment due from the 1996 Equity Trust in 2024) of approximately $37.6 million is reflected in the accompanying December 31, 2009 statement of net assets as a capital lease obligation.

In connection with the 1996 Agreements, the CTA also received proceeds of $10.9 million and agreed to make approximately $80 million of improvements to one of the facilities. The FTA has approved the CTA's right to the benefit received from these transactions. The CTA has elected to defer recognition of the proceeds over the remaining lease term.

During 1995, the CTA entered into sale/leaseback agreements (1995 Agreements) with third parties. The 1995 Agreements provided for the CTA to sell and lease back certain rail equipment totaling $487.1 million at cost for a period of 19 years beginning on the date of the respective transaction. As of December 31, 2009, the total payments due under the 1995 Agreements are recorded as capital lease obligations totaling $1,057.2 billion. The CTA has deposited funds into designated cash and investment accounts sufficient to meet all of its payment obligations throughout the terms of the leases, and recorded such amounts as assets restricted for repayment of leasing commitments.

Change in Capital Lease Obligations:

Changes in capital leases for the year ended December 31, 2009 are as follows (in thousands of dollars):

2009	Beginning balance	Additions*	Principal paid	Ending balance	Interest paid	Due in one year
2003 (Buses)	$ 15,557	$ 555	$ -	$ 16,112	$ 555	$ -
2002 (Buses)	111,611	5,625	-	117,236	5,625	1,514
2002 (QTE)	80,793	5,129	-	85,922	5,129	-
1998 (Green)	251,355	14,164	(64,203)	201,316	14,164	32,813
1997 (Garages)	34,906	2,625	-	37,531	2,625	-
1996 (Skokie/Racine)	35,008	2,573	-	37,581	2,573	-
1995 (Pickle)	1,043,264	77,639	(63,698)	1,057,205	77,639	63,698
Total lease/leasebacks	1,572,494	108,310	(127,901)	1,552,903	108,310	98,025
2005 PBC Lease	87,175	-	(1,880)	85,295	4,310	1,955
2008 Bus Lease	120,190	-	(8,226)	111,964	5,210	8,593
Total capital lease obligation	$ 1,779,859	$ 108,310	$ (138,007)	$ 1,750,162	$ 117,830	$ 108,573

* Additions include accretion of interest.

The following table sets forth the aggregate amounts due under the sublease agreements:

Future Minimum Lease Payments: As of December 31, 2009, future minimum lease payments for capital leases, in the aggregate, are as follows (in thousands of dollars):

2010	$ 108,573
2011	99,035
2012	98,312
2013	178,440
2014	170,612
2015 - 2019	1,525,180
2020 - 2024	393,328
2025 - 2029	22,060
2030 - 2034	22,331
Total future minimum payments	2,617,871
Less interest	(867,709)
Present value of minimum lease payments	$ 1,750,162

The present value of all future payments to be made by the CTA under all its leases of approximately $1.8 million is reflected in the accompanying December 31, 2009 statement of net assets as capital lease obligations.

Metra

On September 18, 1998, Metra entered into a transaction to lease 174 railcars to three equity investors (headlease) and simultaneously subleased the railcars back (sublease). Under these agreements, Metra maintains the right to use the railcars and is also responsible for their continued maintenance and insurance. Metra's sublease arrangements have been recorded as long-term obligations for accounting purposes.

At closing, the railcars had a fair market value of approximately $296.9 million and a book value of $262.9 million. As part of the headlease agreements, Metra received prepayments equivalent to the net present value of the headlease obligations totaling approximately $274 million.

Metra transferred approximately $177.4 million and $52.9 million of the prepayment proceeds to third parties, in accordance with the terms of debt and equity payment undertaking agreements, respectively. These agreements constitute commitments by the debt and equity payment undertakers to pay Metra's sublease and buy-out options, under the terms of the subleases. The debt payment undertaker and equity payment undertaker are finance companies.

In connection with the transaction, Metra recognized $43.7 million as leasehold revenue in 1998.

In 2008, American International Group, Inc. ("AIG") incurred a ratings downgrade. AIG acted as the Debt Payment Undertaker ("DPU"), Equity Payment Undertaker (EPU"), and Standby Letter of Credit Provider ("SLOCP") for these transactions. Once AIG's rating fell below levels specified per the terms of the agreements, AIG was required to provide additional collateral to securitize the transactions. Later in 2008, AIG's credit ratings were further downgraded which triggered an event of default. No notices of default were or have been received; however, the investors can demand to have AIG replaced or that some other suitable arrangement be made.

On December 18, 2008, one of the investors terminated their transaction. A second investor has advised Metra that they are satisfied with AIG in its capacities. The remaining investor has sent notices demanding that AIG be replaced. Subsequently, the investor has been allowing Metra to pursue potential options that could be mutually acceptable to both the investor and Metra. Metra does not anticipate a material adverse financial impact as a result.

The net present value of the future payments due under the subleases has been recorded as a liability on the accompanying balance sheet. Since the debt and equity payment undertaking agreements have been structured to meet all future obligations under the subleases, the related asset balances have been recorded to equal the sublease liabilities on the accompanying balance sheet. The following table sets forth the aggregate amounts due under the sublease agreements:

Future Minimum Lease Payments: As of December 31, 2009, future minimum lease payments for capital leases, in the aggregate, are as follows (in thousands of dollars):

2010	$ 14,660,341
2011	14,660,341
2012	14,660,341
2013	14,660,341
2014	14,660,341
2015 - 2019	73,301,705
2020 - 2021	151,011,259
Total future minimum payments	297,614,669
Less imputed interest	(118,388,183)
Present value of minimum lease payments	$ 179,226,486

The present value of minimum lease payments of the Metra lease is $179.2 million which is reflected in the accompanying December 31, 2009 statement of net assets as capital lease obligations.

Pace

During 2003, Pace entered into two lease and leaseback agreements and realized a gain of $2.4 million from the proceeds. The transactions allowed Pace to earn up-front economic cash benefit for transferring ownership (not legal title) of a group of assets to a taxpayer that could take advantage of the benefits of tax ownership.

The first lease and leaseback agreement with a third party pertained to certain buses (lot 1, 2, and 3) with a book value of $20.2 million as of December 31, 2009. Under the bus lease agreements, which provide certain cash and tax benefits to the third party, Pace entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to Pace under a sublease. The present value of the future payments to be made by Pace under the lease is approximately $64.6 million and is reflected in the accompanying December 31, 2009 statement of net assets as the total of the current and long-term portions of capital lease obligation.

The second lease and leaseback agreement with a third party pertained to certain buses (lot 4) with a book value of $12.7 million as of December 31, 2009. Under the bus lease agreements, Pace entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to Pace under a sublease. The present value of the future payments to be made by Pace under the lease is approximately $26.5 million and is reflected in the accompanying December 31, 2009 statement of net assets as the total of the current and long-term portions of the capital lease obligation.

2009	Beginning balance	Additions	Reductions	Ending balance	Interest expense	Due in one year
2003 (Buses)	$ 60,847,529	$ 3,788,069	$ -	$ 64,635,598	$ 3,788,069	$ 738,777
2003 (Buses)	24,891,695	1,644,155	-	26,535,850	1,644,155	699,761
Total	$ 85,739,224	$ 5,432,224	$ -	$ 91,171,448	$ 5,432,224	$ 1,438,538

As described above, Pace entered into two lease financing agreements with a third party in 2003.

The following table sets forth the aggregate amounts due under the sublease agreements:

2010	$ 1,438,538
2011	-
2012	-
2013	-
2014	-
2015 - 2016	124,399,915
Total future minimum payments	125,838,453
Less interest	(34,667,005)
Present value of minimum lease payments	$ 91,171,448
A reconciliation of the Statement of Net Assets to amount presented above:	
Capital lease obligation less current portion	$ 89,732,910
Less: Capital lease obligation current portion	1,438,538
Capital lease obligation - long-term portion	$ 91,171,448

The present value of the future payments including the purchase option to be made by Pace under these leases are approximately $91.2 million and is reflected in the accompanying December 31, 2009 statement of net assets as the total of the current and long-term portions of the capital lease obligation.

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

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 the CTA that resolution of these matters will not have a material adverse impact on the CTA's financial position.

The CTA Defeased Debt: On October 26, 2006, the 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 outstanding balance of the defeased debt was $97.8 million as of December 31, 2009.

CTA Operating Leases: As of December 31, 2009, future minimum lease payments for operating leases, in the aggregate, are as follows (in thousands of dollars):

2010	$ 342,930
2011	353,217
2012	241,978
Total minimum lease payments	$ 938,125

Metra

Metra has entered into several non-cancelable operating leases, primarily for the use of passenger terminals, which expire on various dates through 2045. Future minimum rental payments under all non-cancelable operating leases having initial or remaining terms in excess of one year as of December 31, 2009 were:

2010	$ 10,853,596
2011	10,867,294
2012	10,880,617
2013	10,542,251
2014	10,545,651
2015 - 2019	47,122,455
2020 - 2024	10,436,271
2025 - 2029	7,144,953
Thereafter	18,994,944
Total	$ 137,388,032

Total rent expense aggregated $15.2 million for the year ended December 31, 2009.

Metra had Grants of $329.3 million in unexpended obligations related to federal and state (including local) capital grant contracts as of December 31, 2009.

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 monies from federal and state government agencies under various grants. The costs, both direct and indirect, charged to these grants are subject to audit 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.

Pace

Pace has agreements with paratransit public funded carriers that generally provide that Pace will reimburse the lesser of the approved budget, $3.00 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.

Pace has grant agreements with public contract carriers which 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 OMB Circular A-133 for which a separate report is issued.

RTA

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

2010	$ 1,739,740
2011	1,822,918
2012	1,906,161
2013	1,989,448
2014	2,072,800
2015-2017	6,190,540
Total	$ 15,721,607

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, 2009, $744 million of cash and investments. Of this amount, $450 million is restricted for self-insurance and other damage reserve liabilities, debt service, health insurance claims, and capital projects. In addition, CTA, Metra, and Pace hold $2.21 billion of investments in other assets for employee pension benefits, damage liabilities, and capital lease obligations, which are recorded as other assets in the financial statements.

9. GENERAL OBLIGATION BONDS PAYABLE

Changes during the year in bonds payable were as follows:

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

* Strategic Capital Improvement Program (SCIP) Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2010	$ -	$ 1,951,600	$ 1,951,600
2011	-	1,951,601	1,951,601
2012	-	1,951,600	1,951,600
2013	-	1,951,600	1,951,600
2014	-	1,951,600	1,951,600
2015-2024	24,395,000	3,940,999	28,335,999
Total	$ 24,395,000	$ 13,699,000	$ 38,094,000

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 Bonds to maturity are set forth below:

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

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

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

Debt service requirements on the Series 2002A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2010	$ 3,150,000	$ 8,407,938	$ 11,557,938
2011	3,315,000	8,250,438	11,565,438
2012	3,495,000	8,068,113	11,563,113
2013	3,690,000	7,867,150	11,557,150
2014	3,900,000	7,654,975	11,554,975
2015-2019	23,070,000	34,635,050	57,705,050
2020-2024	30,535,000	26,937,900	57,472,900
2025-2029	40,450,000	16,654,200	57,104,200
2030-2032	30,335,000	3,708,300	34,043,300
Total	$ 141,940,000	$ 122,184,064	$ 264,124,064

In June 2002, the RTA issued $200 million in General Obligation Bonds, Series 2002B, to provide interim funding, as needed for a portion of the costs in connection with the reconstruction and expansion of rapid transit facilities operated by the CTA and to fund other public transportation projects.

The Series 2002B Bonds mature on June 1 over a seventeen year period and interest is payable at rates ranging from 3.00% to 5.50% on December 1, 2002, and semi-annually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2002B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2010	$ 10,870,000	$ 6,941,888	$ 17,811,888
2011	11,325,000	6,331,525	17,656,525
2012	11,815,000	5,695,175	17,510,175
2013	12,335,000	5,031,050	17,366,050
2014	12,900,000	4,345,150	17,245,150
2015-2019	74,390,000	10,379,663	84,769,663
Total	$ 133,635,000	$ 38,724,451	$ 172,359,451

2003 General Obligation Bonds—In May 2003, the RTA issued $260 million in General Obligation Bonds, Series 2003A, to pay the costs of construction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 2003A Bonds mature on July 1 over a thirty-year period and interest is payable at rates ranging from 2.0% to 5.5% on January 1, 2004 and semiannually thereafter on January 1 and July 1 in each remaining year.

Debt service requirements on the Series 2003A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2010	$ 5,045,000	$ 13,528,575	$ 18,573,575
2011	5,310,000	13,276,325	18,586,325
2012	5,600,000	13,010,825	18,610,825
2013	5,910,000	12,730,825	18,640,825
2014	6,235,000	12,435,325	18,670,325
2015-2019	36,700,000	56,640,600	93,340,600
2020-2024	47,975,000	45,374,675	93,349,675
2025-2029	62,235,000	30,314,475	92,549,475
2030-2033	62,620,000	9,633,000	72,253,000
Total	$ 237,630,000	$ 206,944,625	$ 444,574,625

In January 2003, the RTA issued $150 million in General Obligation Bonds, Series 2003B, to pay the costs of construction, acquisition, repair, and replacement of certain public transportation facilities for the Service Boards.

The Series 2003B Bonds mature on June 1 over a thirty-year period and interest is payable at rates ranging from 4.0% to 5.5% on June 1, 2003 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2003B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2010	$ 2,955,000	$ 7,538,925	$ 10,493,925
2011	3,105,000	7,402,200	10,507,200
2012	3,265,000	7,242,950	10,507,950
2013	3,435,000	7,066,863	10,501,863
2014	3,610,000	6,873,125	10,483,125
2015-2019	21,190,000	31,078,002	52,268,002
2020-2024	27,545,000	24,413,239	51,958,239
2025-2029	35,820,000	15,710,520	51,530,520
2030-2033	36,255,000	4,306,320	40,561,320
Total	$ 137,180,000	$ 111,632,144	$ 248,812,144

2004 General Obligation Bonds—In October 2004, the RTA issued $260 million in General Obligation Bonds, Series 2004A, to pay the costs of construction, acquisition, repair, and replacement of certain public transportation facilities for the Service Boards.

The Series 2004A Bonds mature on June 1 over a thirty-year period and interest is payable at rates ranging from 5.0% to 5.75% on June 1, 2005 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2004A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2010	$ 4,870,000	$ 13,287,538	$ 18,157,538
2011	5,120,000	13,037,788	18,157,788
2012	5,385,000	12,775,163	18,160,163
2013	5,660,000	12,499,038	18,159,038
2014	5,950,000	12,208,788	18,158,788
2015-2019	34,730,000	55,523,207	90,253,207
2020-2024	45,120,000	44,515,863	89,635,863
2025-2029	58,660,000	30,575,413	89,235,413
2030-2034	76,280,000	11,425,825	87,705,825
Total	$ 241,775,000	$ 205,848,623	$ 447,623,623

2005 General Obligation Bonds— In May 2005, the RTA issued $148 million in General Obligation Bonds, Series 2005B, to provide funds to refund in advance of maturity the RTA's outstanding Series 1996A Bonds, maturing June 1 in the years 2005-2025, in the aggregate amount of $147 million.

The Series 2005B Bonds mature on June 1 over a twenty year period and interest is payable at variable rates which reset weekly based on current market rates.

Debt service requirements on the Series 2005B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2010	$ 6,850,000	$ 4,268,385	$ 11,118,385
2011	7,210,000	4,036,395	11,246,395
2012	7,590,000	3,792,195	11,382,195
2013	7,960,000	3,535,620	11,495,620
2014	8,425,000	3,265,268	11,690,268
2015-2019	15,005,000	14,595,984	29,600,984
2020-2024	69,625,000	7,644,864	77,269,864
2025	10,105,000	166,733	10,271,733
Total	$ 132,770,000	$ 41,305,444	$ 174,075,444

2006 General Obligation Bonds—In October 2006, the RTA issued $250 million in General Obligation Bonds, Series 2006A, to finance a portion of the costs incurred in connection with the construction, acquisition, repair and replacement of certain public transportation facilities.

The Series 2006A Bonds mature on July 1, over a thirty year period and interest is payable at rates ranging from 4.25% to 5.00% on January 1, 2007 and semiannually thereafter on January 1 and July 1 in each remaining year.

Debt service requirements on the Series 2006A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2010	$ 3,780,000	$ 11,860,031	$ 15,640,031
2011	3,955,000	11,671,031	15,626,031
2012	4,150,000	11,473,281	15,623,281
2013	4,390,000	11,265,781	15,655,781
2014	4,630,000	11,046,281	15,676,281
2015-2019	28,135,000	51,427,156	79,562,156
2020-2024	56,335,000	42,668,156	99,003,156
2025-2029	92,705,000	23,054,406	115,759,406
2030-2034	31,665,000	9,001,525	40,666,525
2035	12,545,000	564,525	13,109,525
Total	$ 242,290,000	$ 184,032,173	$ 426,322,173

2009 Working Cash Notes—In June 2009, the RTA issued $260 million in General Obligation Working Cash Notes, Series 2009B, to provide funds to be used to manage the cash flow needs of the RTA and the Service Boards, including if necessary, the refinancing of any existing Authority obligations for such purpose and pay the costs of issuance.

The Series 2009B Working Cash Notes mature on April 1, 2011 and June 1, 2011 and interest is payable at 2.879% and 2.979%, respectively.

Debt service requirements on the Series 2009B Working Cash Notes to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2010	$ -	$ 7,615,400	$ 7,615,400
2011	260,000,000	3,183,917	263,183,917
Total	$ 260,000,000	$ 10,799,317	$ 270,799,317

All the bonds are recorded as current and long-term liabilities, as applicable, of the governmental activities in the government-wide statement of net assets, and are general obligations of the RTA to which the full faith and credit of the RTA are pledged. The bonds are payable from all revenues and all other funds received or held by the RTA (except amounts in the Joint Self-Insurance Fund and amounts required to be held or used with respect to separate ordinance obligations) that lawfully may be used for retiring the debt.

The bonds are secured by an assignment of a lien on the sales taxes imposed by the RTA. All sales tax receipts are to be paid directly to the trustee by officials of the State. If, for any reason, the required monthly debt service payment has not been made by the RTA, the trustee is to deduct it from the sales tax receipts. If all payments have been made, the funds are made available to the RTA for regular use.

Under the RTA Act, the Service Boards' farebox receipts and funds on hand are not available for payment of debt service.

In the Debt Service Fund, $200,411,612 in investments are available to service principal and interest payments of the RTA's long-term debt as of December 31, 2009.

10. OTHER LONG-TERM LIABILITIES

Pace receives a one month advance from the Illinois Department of Revenue to compensate for the delay in the processing of sales tax payments. The advance is forwarded to the Regional Transportation Authority and is then allocated among the three Service Boards. Pace reported a liability of $8.5 million and $7 million, respectively, for this advance for the years ended December 31, 2009 and December 31, 2008.

11. PENSION

Plan Description—Effective July 1, 1976, the RTA participates, along with Metra and Pace, in a cost-sharing multi-employer noncontributory defined benefit pension plan, the Regional Transportation Authority Pension Plan ("Plan"), covering substantially all employees not otherwise covered by a union pension plan. The responsibilities for establishing, administering, and amending the Plan are divided among a Board of Trustees, a Retirement Committee, a Plan Administrator, and the RTA Board of Directors ("Plan Administrators").

The Plan is classified as a "governmental plan" and is, therefore, generally exempt from the provisions of the Employee Retirement Income Security Act of 1974. The Internal Revenue Service has issued a letter of determination dated September 30, 1988 stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code ("Code") and is, therefore, exempt from Federal income taxes under the provisions of Section 501(a) of the Code. The Plan operates on a calendar fiscal year.

Pension Benefits—Participants are entitled to annual pension benefits upon normal retirement at age 65. Such benefits are generally based on a percentage of the average annual compensation in the highest three years of service, whether consecutive or not, multiplied by the number of years of credited service.

The Plan provides that, upon retirement, benefits payable will be reduced by a defined percentage of pension benefits payable to participants who received credit for prior service with an eligible employer. Because information with respect to these benefits is not readily available until retirement, the information included in the accumulated plan benefits and changes in accumulated plan benefits with respect to active and terminated participants does not reflect a reduction of these benefits.

The Plan permits early retirement at age 55 after completing ten years of credited service with reduced benefits. As a result of the August 1, 1999 amendment to the Plan, participants may receive their full vested benefits if they are at least 55 years of age and their combined age and credited years of service equals 85 or higher.

The Plan provides for benefit payments to beneficiaries equal to or reduced from the participant's monthly benefit payment subject to the election of the participant.

Disability Benefits—An employee is eligible for a disability pension if he or she becomes disabled after the completion of ten years of credited service, and is no longer receiving long-term disability benefits under a separate RTA benefit plan, or after reaching age 65, whichever is later.

Contributions and Vesting—The Plan is funded solely by employer contributions, which are actuarially determined under the projected unit credit method. During 2009, the RTA Board approved a resolution that a contribution of $10,827,000 be made to the Plan. The contribution is allocated as follows: Metra - $5,652,000; Pace - $ 4,038,000; RTA - $1,137,000. As of December 31, 2009, $10,827,000 had not been funded and was reported as contribution receivable in the Statements of Plan Net Assets. The 2009 contribution levels were within the actuarially determined ranges for the respective years.

Significant actuarial assumptions used to compute contribution requirements are the same as those used to determine the actuarial accrued liability presented in the note to the Required Supplementary Information.

Participating employees do not contribute to the Plan. If participants terminate continuous service before rendering five years (ten years prior to January 1, 1987) of credited service, they forfeit the right to receive the portion of their accumulated benefits attributable to employer contributions. All forfeitures are applied to reduce the amount of contributions otherwise payable by the employer.

The complete Plan financial report, including all required disclosures can be obtained from the Plan Administrators at the following address:

Regional Transportation Authority Pension Plan
175 West Jackson Boulevard, Suite 1550
Chicago, IL 60604

Funding Policy—Prior to July 1, 1979, contributions were made on the basis of non-actuarial estimates. The Plan's initial actuarial study found that those estimates were in excess of actuarial requirements. As a result, pension expense is being reduced by amortization of the excess over 30 years.

The RTA, Metra, and Pace are required to contribute the amounts necessary to fund the benefits of their respective employees in the Plan using the projected unit credit actuarial method. Employer contribution and the income it earns through investments are used to operate the Plan and to pay benefits. Assets are valued recognizing a portion of both realized and unrealized gains and losses in order to avoid wide swings in actuarially determined funding requirements from year to year.

Related-Party Transactions—There were no securities of the RTA, Metra, Pace or related parties included in the Plan's assets.

Annual Pension Cost and Net Pension Obligation—For 2007, 2008 and 2009, the RTA's annual pension costs equal the required contributions which were, $9,137,000, $9,195,000 and $10,827,000, respectively. The required contributions were determined as part of the January 1, 2007, 2008 and 2009 actuarial valuations.

In accordance with the GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, the RTA determined its net pension obligation at transition (January 1, 1997). There was no net pension obligation for the Plan at transition or at year-end.

Significant Actuarial Assumptions—The information presented in the notes and the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest valuation follows:

	January 1, 2009	January 1, 2008	January 1, 2007
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Straight-line, open	Straight-line, open	Straight-line, open
Remaining amortization period	30 years	30 years	30 years
Asset valuation method	Smoothed market value	Smoothed market value	Smoothed market value
Actuarial assumptions:			
Investment rate of return	8.5%	8.5%	8.5%
Projected salary increases:			
Attributed to inflation	*	*	4.0%
Attributed to seniority/merit	*	*	0.5%
Age graded scale	Range of 3.5% to 7.5% based on attained age.	Range of 3.5% to 7.5% based on attained age.	
Mortality	RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.	RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.	RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.
Withdrawals from service	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47 % at age 20 to 0.39% at age 60 for males.	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47% at age 20 to 0.39% at age 60 for males.	Termination rates range from 9.94% at age 20 to 0.15% at age 60 for females, and from 7.94 % at age 20 to 0.09% at age 60 for males.

* The actuarial assumption changed from a flat rate to rates based on an age scale.

Funded Status and Funding Progress – As of December 31, 2009, the most recent actuarial valuation date, the plan was 69.17 percent funded. The actuarial accrued liability for benefits was $153,284,576 and the actuarial value of assets was $106,021,198, resulting in an underfunded actuarial accrued liability (UAAL) of $(47,263,378). The covered payroll (annual payroll of active employees covered by the Plan) was $66,010,613 and the ratio of the UAAL to the covered payroll was 71.60 percent.

The CTA maintains two single-employer defined benefit pension plans, the Employees' Retirement Plan and the Supplemental Retirement Plan, covering substantially all full-time permanent union and nonunion employees and Chicago Transit Board members. The Employees' Retirement Plan is governed by the terms of the employees' collective bargaining agreement. The Supplemental Retirement Plan, which includes the Retirement Plan for Board Members and the Supplemental Retirement Plan for selected Officers, Executives, Supervisory and Professional Employees, provides benefits, in addition to the Employees' Retirement Plan, to management employees in certain employment classifications and Chicago Transit Board members.

11. 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 expenditures and the combining region-wide statement of revenues and expenditures—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 expenditures 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, 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 2009, the region-wide system-generated revenues recovery ratio is calculated from the Combining Region-Wide Schedules of Revenues and Expenditures—(Budget and Actual Budget Basis) as follows:

System-generated Revenues Recovery Ratio (in thousands)	**Revenues**	**Expenditures**
CTA*	$ 627,894	$ 1,207,307
Metra**	298,586	541,782
Pace***	58,067	181,851
RTA****	21,028	32,131
Total	$ 1,005,575	$ 1,963,071

The region-wide system-generated revenues recovery ratio for 2009 equals 56.17%.

* The system-generated revenues recovery ratio for the CTA included leasehold revenues of $4.3 million and Senior Free Rides revenue of $36.1 million, but excluded CTA expenditures for security costs of $32.3 million and Pension Obligation Bond debt Service for $44 million. It also included in-kind services of $22 million, both as revenues and expenditures.

** Metra's system-generated revenues recovery ratio included Senior Free Rides revenue of $7.2 million, but excluded $16.3 million security costs, $16.1 million costs for lease of transportation facilities and $2.7 million for funded depreciation to carriers were deducted from expenditures.

*** Pace system-generated revenues recovery ratio included Senior Free Rides revenue of $2.4 million, and in-kind services of $7.4 million both as revenues and expenditures.

**** The RTA added $20.6 million of unrealized gain on swap valuation to its revenues. Also, the RTA excluded all capital related depreciation expenses of $510 thousand.

**** $200 million of new expenses are exempted from the farebox recovery ratio to avoid the need to match each new dollar with a 50 cent fare increase. This exemption is phased out over 5 years, thereby requiring gradual fare increases.

These are allowable adjustments for the revenues recovery ratio computation per the Act. These adjustments are reflected in the region-wide information.

Also, in the 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 2009. Pace ended the year with a 10.0% recovery ratio for Regional ADA Paratransit Services. The 2009 budget for ADA paratransit service adopted by the RTA meets the 10% recovery ratio requirement.

12. RECONCILIATION OF GOVERNMENT-WIDE TO REGION-WIDE REVENUES AND EXPENDITURES

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 11, in-kind services are added in the system-generated revenues and expenditures.

The following data (in thousands) reconciles the combining government-wide to region-wide schedules of revenues and expenditures:

	RTA	CTA	Metra	Pace
Government-wide revenues (page 41)	$ 503,921	$ 1,802,478	$ 759,956	$ 337,922
Sales tax agency fund	941,738	-	-	-
Pension trust fund	32,299	6,138	-	-
Senior free rides	-	36,100	-	-
In-kind services	-	22,000	-	7,436
ADA Regional Paratransit funding	-	-	-	114,754
Unrealized gain on swap valuation	(20,590)	-	-	-
Region-wide revenues (page 42)	1,457,368	1,866,716	759,956	460,112
Government-wide expenditures (page 41)	403,539	1,922,572	818,802	331,989
Sales tax agency fund	941,738	-	-	-
Pension trust fund	9,852	-	-	-
In-kind services	-	22,000	-	7,436
Security costs	-	(32,300)	(16,269)	-
Prior year positive balance - lease proceeds	-	2,800	-	-
Working cash note	-	56,147	-	-
Lease of transportation facilities	-	-	(16,104)	-
Pension and other employee benefits	-	9,606	-	-
Capital (depreciation, disposals/additions)	(510)	-	(2,745)	-
Region-wide expenditures (page 42)	1,354,619	1,980,825	783,684	339,425
Net revenues (expenditures)	$ 102,749	$ (114,109)	$ (23,728)	$ 120,687

13. SUBSEQUENT EVENTS

CTA

Sales Tax Receipts Revenue Bonds – On April 6, 2010, the CTA issued $550 million in Sales Tax Receipts Revenue Bonds, Series 2010A and 2010B, to fund the purchase of new rail cars. The bonds mature on December 1, 2040 and have interest rates ranging between 4.0% and 6.2%.

Sales Tax Receipts Revenue Refunding Bonds – On April 14, 2010, the CTA Board approved the issuance of up to $100 million in Capital Grants Receipts Revenue Bonds – Refunding Series 2010, to refund previous bond series and to accelerate the completion of key capital projects.

Operations – In December 2009, the Chicago Transit Board approved the 2010 Budget. This budget included the elimination of approximately 1,000 jobs and service reductions which went into effect February 7, 2010. As a result of these service changes, CTA closed the Archer bus garage and reduced the size of its bus fleet by retiring some of its oldest buses.

Lease Transactions – During 1998, the CTA entered into a lease and leaseback agreement with three investors pertaining to a property, railway tracks and train stations on the Green Line. The CTA's payments associated with this agreement were guaranteed by American International Group Inc. (AIG). During 2008, AIG's credit rating was cut amid the U.S. mortgage meltdown and global economic crisis. The rating cut provided the third party investors with the option to require CTA to replace the Payment Undertaker Guarantor. One of the three investors chose to unwind the transaction. One investor entered into a forbearance agreement that allowed CTA to continue to use AIG as long as the rating does not fall below BB by Standard & Poor's and B1 by Moody's. CTA is still in negotiations with one of the investors regarding the replacement of AIG.

In 2002 and 2003, CTA entered into a lease and leaseback agreement with third party investors for buses. CTA entered into an agreement with Financial Security Assurance, Inc. (FSA) to act as the debt payment and strip surety guarantor. FSA's credit rating was downgraded during the 2008 financial crisis. This downgrading allows the private investors the option to require CTA to replace the guarantor. CTA is still in negotiations with the investors.

RTA

On January 21, 2010, the RTA issued $175.1 million of Non-SCIP bonds.

* * * * * *

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING GOVERNMENT-WIDE SCHEDULES OF REVENUES AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(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	$ -	$ 566,585	$ 298,586	$ 58,960	$ 727	$ -	$ 923,404
RTA financial assistance	-	626,349	305,184	224,776	1,010,956	-	145,353
Other public funding	-	35,760	117,154	12,342	-	-	165,256
Capital grants	-	463,830	27,678	36,412	66,922	-	460,998
Sales taxes	99,027	-	-	-	-	843,164	942,191
Interest on sales taxes	309	-	-	-	-	-	309
Public Transportation Fund	228,501	-	-	-	-	-	228,501
Operating assistance	9,101	-	-	-	-	-	9,101
State assistance	123,008	-	-	-	-	-	123,008
Investment income	39,576	-	-	-	-	-	39,576
Program revenues and other	4,399	-	-	-	-	-	4,399
Leasehold revenue	-	4,262	-	-	-	-	4,262
Interest revenue from leasing transactions	-	105,692	11,355	5,432	-	-	122,479
Total revenues	503,921	1,802,478	759,957	337,922	1,078,605	843,164	3,168,837
EXPENDITURES:							
Operating	-	1,251,197	576,899	289,110	-	359	2,116,847
Depreciation	-	398,288	230,548	37,447	-	-	666,283
Financial Assistance to Service Boards	93,453	-	-	-	-	93,453	-
Operating Assistance - CTA & Pace	74,138	-	-	-	-	74,138	-
Capital grants—discretionary	19,166	-	-	-	-	19,166	-
Capital grants—bonds	47,957	-	-	-	-	47,957	-
Insurance (JSIF)	3,827	-	-	-	-	-	3,827
Administrative expenses	12,014	-	-	-	-	-	12,014
Regional expenses	19,793	-	-	-	-	368	19,425
Technology program	1,416	-	-	-	-	-	1,416
Bond-related expenses	131,775	156,235	-	-	-	-	288,010
Interest expense from leasing transactions	-	116,852	11,355	5,432	-	-	133,639
Total expenditures	403,539	1,922,572	818,802	331,989	-	235,441	3,241,461
NET REVENUES (EXPENDITURES)	$ 100,382	$ (120,094)	$ (58,845)	$ 5,933	$ 1,078,605	$ 1,078,605	$ (72,624)

Note 1—Changes in net assets shown on page 4 and net revenues and expenditures shown on this page are similar.
Note 2—Government-wide to Region-wide revenues and expenditures shown on this page are reconciled in Note 12.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

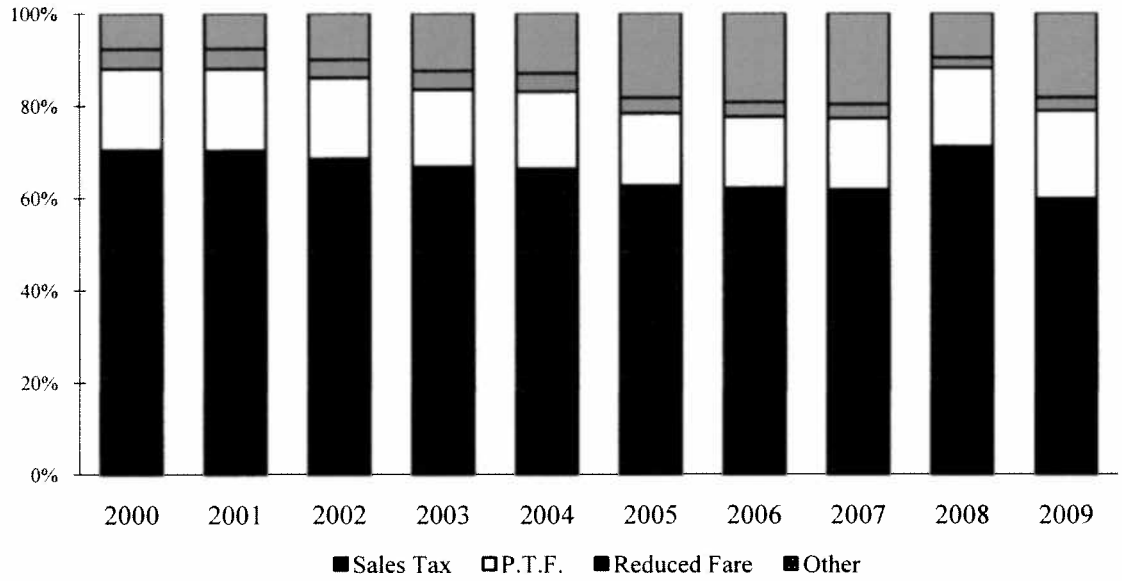
SPECIAL-PURPOSE COMBINING REGION-WIDE SCHEDULES OF REVENUES AND EXPENDITURES—BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2009
(In Thousands)

	RTA Government-Wide and Fiduciary Funds	Service Boards: Chicago Transit Authority	Service Boards: Commuter Rail Division	Service Boards: Suburban Bus Division	Combining Adjustments: Debit	Combining Adjustments: Credit	Total Combined	Total Region-Wide Budget
REVENUES:								
RTA financial assistance	$ -	$ 626,349	$ 305,183	$ 224,776	$ 1,010,956	$ -	$ 145,352	$ -
Other public funding	-	35,760	117,154	12,342	-	-	165,256	-
Capital grants	-	463,830	27,678	36,412	66,922	-	460,998	-
Interest revenue from leasing transactions	-	105,692	11,355	5,432	-	-	122,479	-
Sales taxes	885,137	-	-	-	-	-	885,137	979,655
Public Transportation Fund	285,541	-	-	-	-	-	285,541	160,000
ICE	9,101	-	-	-	-	-	9,101	9,101
CTA Loan Recovery PTF	56,147	-	-	-	-	-	56,147	-
State assistance	123,008	-	-	-	-	-	123,008	122,000
State reduced fare reimbursement	41,970	-	-	-	41,970	-	-	33,570
Pension contribution	10,827	-	-	-	1,137	-	9,690	-
Pension and other employee benefits	-	6,138	-	-	-	-	6,138	-
Investment income	23,452	-	-	-	-	-	23,452	-
Interest on sales taxes to Service Boards	471	-	-	-	471	-	-	-
Subtotal	1,435,654	1,237,769	461,370	278,962	1,121,456	-	2,292,299	1,304,326
Investment income	37,654	-	-	-	-	-	37,654	10,354
Other revenues	4,341	-	-	114,754	-	-	119,095	3,450
Interest on sales taxes	309	-	-	-	-	-	309	1,550
Service Boards revenues	-	566,585	298,586	58,960	727	-	923,404	1,199,901
Add (Subtract):								
Senior Free Ride	-	36,100	-	-	-	-	36,100	36,100
In-kind services	-	22,000	-	7,436	-	-	29,436	29,436
Leasehold revenue	-	4,262	-	-	-	-	4,262	4,262
Unrealized gain (loss) on swap valuation	(20,590)	-	-	-	-	-	(20,590)	-
Subtotal	21,714	628,947	298,586	181,150	727	-	1,129,670	1,285,053
Total revenues	1,457,368	1,866,716	759,956	460,112	1,122,183	-	3,421,969	2,589,379
EXPENDITURES:								
Depreciation	-	398,288	230,548	37,447	-	-	666,283	-
Interest expenses from leasing transactions	-	116,852	11,355	5,432	-	-	133,639	-
Interest expenses from bond transactions	-	156,235	-	-	-	-	156,235	-
Prior year positive balance - lease proceeds	-	2,800	-	-	-	-	2,800	-
Operating grants to Service Boards	879,562	-	-	-	-	879,562	-	-
CTA & PACE (PTF) expenditures	131,179	-	-	-	-	131,179	-	-
Capital grants—discretionary	19,166	-	-	-	-	19,166	-	-
Capital grants—bonds	47,957	-	-	-	-	47,957	-	-
State reduced fare reimbursement	41,970	-	-	-	-	41,970	-	-
Regional expenses and other	13,678	-	-	-	-	368	13,310	-
Bond-related expenses	131,775	-	-	-	-	-	131,775	-
Working cash note	56,147	56,147	-	-	-	-	112,294	-
Pension and other employee benefits	-	53,596	-	-	-	-	53,596	-
Interest expense	-	-	-	-	-	-	-	-
Interest on sales taxes to Service Boards	472	-	-	-	-	472	-	-
Subtotal	1,321,906	783,918	241,903	42,879	-	1,120,674	1,269,932	-
Operating expenses		1,251,197	576,899	289,110	-	359	2,116,847	2,024,676
Pension and other employee benefits	-		-	-	-	-	-	-
Administrative expenses	12,014	-	-	-	-	1,137	10,877	8,034
Regional expenses	19,793	-	-	-	-	-	19,793	22,093
Technology program	1,416	-	-	-	-	-	1,416	1,720
Add (Subtract):	-	-	-	-	-	-	-	-
In-kind services	-	22,000	-	7,436	-	-	29,436	29,436
Security costs	-	(32,300)	(16,269)	-	-	-	(48,569)	(48,569)
Pension Obligation Bond Debt Service	-	(43,990)	-	-	-	-	(43,990)	(43,990)
Lease of transportation facilities	-	-	(16,104)	-	-	-	(16,104)	(16,104)
Capital (depreciation, disposals/additions)	(510)	-	(2,745)	-	-	-	(3,255)	(3,255)
Subtotal	32,713	1,196,907	541,781	296,546	-	1,496	2,066,451	1,974,041
Total expenditures	1,354,619	1,980,825	783,684	339,425	-	1,122,170	3,336,383	1,974,041
NET REVENUES (EXPENDITURES)	$ 102,749	$ (114,109)	$ (23,728)	$ 120,687	$ 1,122,183	$ 1,122,170	$ 85,586	$ 615,338

Table 1

RTA REVENUE BY SOURCE

2000-2009



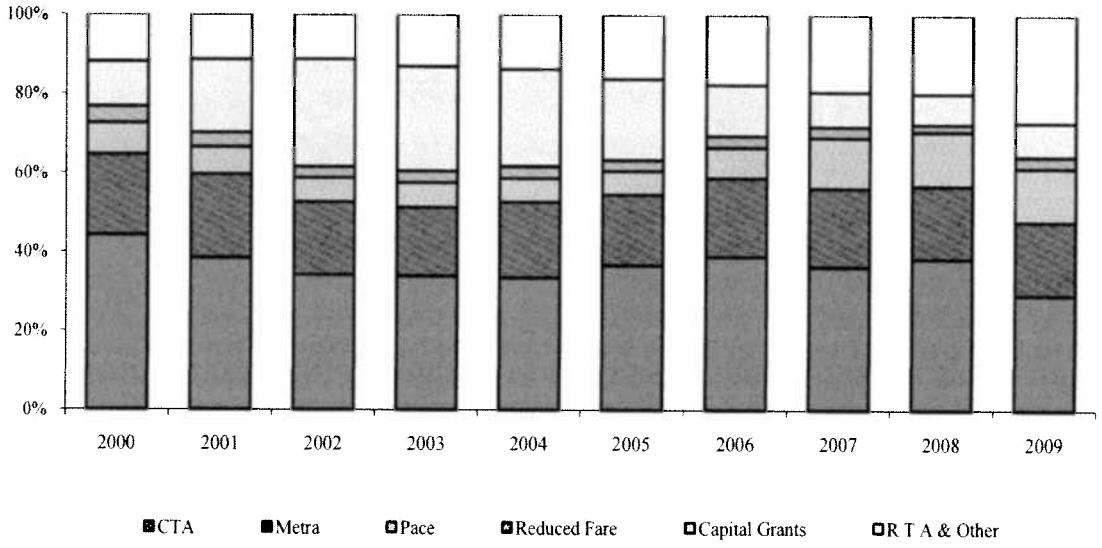
Last Ten Years *(In Thousands)*

	Sales Tax	Public Transportation Fund	Reduced Fare	Other	Total
12 Months Ended 12/31/00	$ 650,284	$ 162,247	$ 38,759	$ 71,947	$ 923,237
Percentage of Total	70.44%	17.57%	4.20%	7.79%	100%
12 Months Ended 12/31/01	653,522	164,987	39,531	71,742	929,782
Percentage of Total	70.29%	17.74%	4.25%	7.72%	100%
12 Months Ended 12/31/02	647,685	165,665	36,260	95,167	944,777
Percentage of Total	68.55%	17.53%	3.84%	10.07%	100%
12 Months Ended 12/31/03	654,988	164,739	39,662	122,517	981,906
Percentage of Total	66.70%	16.78%	4.04%	12.48%	100%
12 Months Ended 12/31/04	675,628	170,397	40,153	132,664	1,018,842
Percentage of Total	66.31%	16.72%	3.94%	13.02%	100%
12 Months Ended 12/31/05	700,395	175,668	37,127	204,904	1,118,094
Percentage of Total	62.64%	15.71%	3.32%	18.33%	100%
12 Months Ended 12/31/06	746,829	186,136	37,327	232,193	1,202,485
Percentage of Total	62.11%	15.48%	3.10%	19.31%	100%
12 Months Ended 12/31/07	752,922	188,931	36,678	241,262	1,219,794
Percentage of Total	61.73%	15.49%	3.01%	19.78%	100%
12 Months Ended 12/31/08	949,617	227,201	28,919	129,784	1,335,521
Percentage of Total	71.10%	17.01%	2.17%	9.72%	100%
12 Months Ended 12/31/09	894,238	282,541	41,970	271,199	1,480,847
Percentage of Total	59.77%	19.08%	2.83%	18.31%	100%

Table 2

DISTRIBUTION OF EXPENDITURES

2000-2009



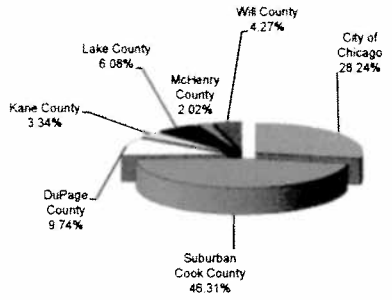
Last Ten Years *(In Thousands)*

	Financial Assistance				Reduced	Capital	R T A	
	CTA	Metra	Pace	Total	Fare	Grants	and Other	Total
12 Months Ended 12/31/00	$ 402,126	$ 184,559	$ 71,772	$ 658,457	$ 38,759	$ 102,806	$ 108,546	$ 908,568
Percentage of Total	44.26%	20.31%	7.90%	72.47%	4.27%	11.32%	11.94%	100%
12 Months Ended 12/31/01	419,005	230,343	75,002	724,350	39,531	201,548	124,952	1,090,381
Percentage of Total	38.43%	21.13%	6.88%	66.44%	3.63%	18.48%	11.45%	100%
12 Months Ended 12/31/02	441,632	238,955	79,052	759,639	36,260	351,041	147,086	1,294,026
Percentage of Total	34.13%	18.47%	6.11%	58.71%	2.80%	27.13%	11.37%	100%
12 Months Ended 12/31/03	453,488	233,632	82,747	769,867	39,662	354,083	175,838	1,339,450
Percentage of Total	33.86%	17.44%	6.18%	57.48%	2.96%	26.43%	13.13%	100%
12 Months Ended 12/31/04	441,630	252,493	79,051	773,174	40,153	323,869	182,417	1,319,613
Percentage of Total	33.47%	19.13%	5.99%	58.59%	3.04%	24.54%	13.82%	100%
12 Months Ended 12/31/05	495,885	241,728	80,052	817,665	37,127	277,130	220,202	1,352,124
Percentage of Total	36.67%	17.88%	5.92%	60.47%	2.75%	20.50%	16.29%	100%
12 Months Ended 12/31/06	496,690	256,301	98,500	851,490	37,327	165,436	227,481	1,281,735
Percentage of Total	38.75%	20.00%	7.68%	66.43%	2.91%	12.91%	17.75%	100%
12 Months Ended 12/31/07	468,349	257,374	164,202	889,925	36,678	113,328	252,301	1,292,232
Percentage of Total	36.24%	19.92%	12.71%	68.87%	2.84%	8.77%	19.52%	100%
12 Months Ended 12/31/08	591,760	287,181	211,620	1,090,561	28,919	119,374	308,308	1,547,161
Percentage of Total	38.25%	18.56%	13.68%	70.49%	1.87%	7.72%	19.93%	100%
12 Months Ended 12/31/09	417,288	267,576	194,698	879,562	41,970	123,069	389,857	1,434,457
Percentage of Total	29.09%	18.65%	13.57%	61.32%	2.93%	8.58%	27.18%	100%

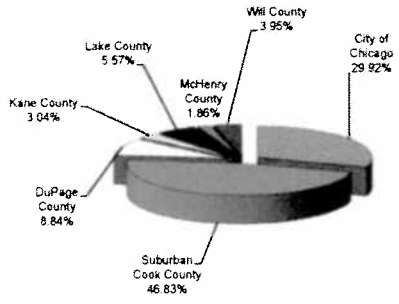
Table 3

SALES TAX REVENUE SOURCE BY COUNTY/CITY OF CHICAGO

2008



2009



Last Ten Years *(In Thousands)*

	City of Chicago	Suburban Cook County	DuPage County	Kane County	Lake County	McHenry County	Will County	Total
12 Months Ended 12/31/00	$199,056	$354,307	$42,741	$11,589	$23,985	$6,942	$11,664	$650,284
Percentage of Total	30.62%	54.48%	6.57%	1.78%	3.69%	1.07%	1.79%	100%
12 Months Ended 12/31/01	197,370	357,522	42,498	11,796	25,017	7,122	12,197	653,522
Percentage of Total	30.20%	54.71%	6.50%	1.80%	3.83%	1.09%	1.87%	100%
12 Months Ended 12/31/02	195,417	353,999	40,961	12,256	24,913	7,373	12,766	647,685
Percentage of Total	30.17%	54.66%	6.32%	1.89%	3.85%	1.14%	1.97%	100%
12 Months Ended 12/31/03	198,383	356,386	40,916	12,828	24,968	7,599	13,905	654,985
Percentage of Total	30.29%	54.41%	6.25%	1.96%	3.81%	1.16%	2.12%	100%
12 Months Ended 12/31/04	205,355	363,792	42,785	13,954	26,150	8,160	15,432	675,628
Percentage of Total	30.39%	53.85%	6.33%	2.07%	3.87%	1.21%	2.28%	100%
12 Months Ended 12/31/05	214,134	373,317	44,495	15,328	27,348	8,635	17,138	700,395
Percentage of Total	30.57%	53.30%	6.35%	2.19%	3.90%	1.23%	2.45%	100%
12 Months Ended 12/31/06	231,273	395,727	46,867	16,008	28,743	9,194	19,016	746,828
Percentage of Total	30.97%	52.99%	6.28%	2.14%	3.85%	1.23%	2.55%	100%
12 Months Ended 12/31/07	236,783	395,163	46,592	16,015	29,058	9,494	19,817	752,922
Percentage of Total	31.45%	52.48%	6.19%	2.13%	3.86%	1.26%	2.63%	100%
12 Months Ended 12/31/08	219,093	533,095	75,587	25,908	47,143	15,700	33,091	949,617
Percentage of Total	28.24%	46.31%	9.74%	3.34%	6.08%	2.02%	4.27%	100%
12 Months Ended 12/31/09	267,553	418,793	79,060	27,144	49,782	16,627	35,279	894,238
Percentage of Total	29.92%	46.83%	8.84%	3.04%	5.57%	1.86%	3.95%	100%

LEGAL DEBT CAPACITY

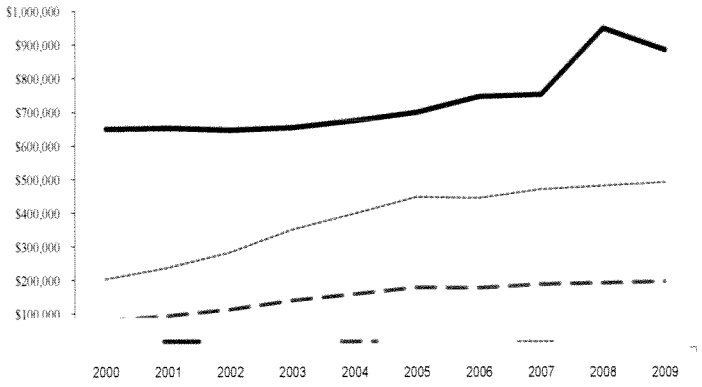
2009

Legal Debt Margin:	Balance Outstanding at December 31, 2009	Issued	
Debt Limitation per Act for General Obligations			$2,600,000,000
Debt applicable to limitation :			
Non-SCIP Bonds:			
1990A General Obligation Bonds	$60,795,000		
1991A General Obligation Bonds	55,745,000		
1992B General Obligation Bonds	3,560,000		
1994B General Obligation Bonds	7,095,000		
1994D General Obligation Bonds	29,225,000		
1997 General Obligation Refunding Bonds	60,800,000		
2002B General Obligation Bonds	133,635,000		
2003B General Obligation Bonds	137,180,000		
2005B General Obligation Refunding Bonds	132,770,000		
Total RTA Bonds Applicable to Limitation	$620,805,000		(620,805,000)
SCIP Bonds:			
1992A General Obligation Bonds	$22,305,000	$188,000,000	
1993A General Obligation Bonds		55,000,000	
1994A General Obligation Bonds	17,300,000	195,000,000	
1994C General Obligation Bonds	27,060,000	62,000,000	
1999 General Obligation Refunding Bonds	266,775,000		
2000 General Obligation Bonds	224,790,000	260,000,000	
2001A General Obligation Bonds	86,650,000	100,000,000	
2001B General Obligation Refunding Bonds	29,800,000		
2002A General Obligation Bonds	141,940,000	160,000,000	
2003A General Obligation Bonds	237,630,000	260,000,000	
2004A General Obligation Bonds	241,775,000	260,000,000	
2006A General Obligation Bonds	242,290,000	250,350,000	
Total SCIP Bonds Applicable to Limitation		$1,790,350,000	(1,790,350,000)
Total SCIP Bonds Outstanding	$1,538,315,000		
Total Bonds Outstanding	$2,159,120,000		
Debt Margin for General Obligations			$188,845,000
Debt Limitation per Act for Working Cash Notes			$400,000,000
Total RTA Working Cash Notes Applicable to Limitation	$260,000,000	$260,000,000	(260,000,000)
Debt Margin for Working Cash Notes			$140,000,000
Total Legal Debt Margin			$328,845,000

Table 5

COMPARISON OF SALES TAX REVENUE TO DEBT SERVICE REQUIREMENT

2000 - 2009
(In Thousands)



As defined in the Bond and Note General Ordinance, ordinance 85-39, Section 909 (3), revenue test required that all RTA revenues "shall equal or exceed two and one-half (2.5) times the maximum annual debt service requirements." In the graph presented above, the RTA compares 2.5 times debt service requirement to sales tax revenues, a major RTA revenue. In effect, the RTA significantly exceeds the revenue test defined in the ordinance.

Last Ten Years *(In Thousands)*

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Sales Tax Revenue	$ 650,284	$ 653,522	$ 647,685	$ 654,985	$ 675,628	$ 700,395	$ 746,828	$ 752,922	$ 949,617	$ 894,238
Debt Service Requirement	$ 81,676	$ 95,187	$ 113,526	$ 140,607	$ 159,702	$ 179,536	$ 178,086	$ 188,551	$ 192,555	$ 196,845
2.5 Times Debt Service Requirement	$204,190	$237,968	$283,815	$351,518	$399,255	$448,840	$445,215	$471,378	$481,388	$492,112

Differences, if any, between debt service amounts presented above and amounts presented in the accompanying financial statements represent timing differences between payments made to trustees and payments made to bondholders. Also, investment income earned in the debt service accounts may lower actual cash transfers from the General Fund.

Table 6

RATIO OF ANNUAL DEBT SERVICE REQUIREMENTS FOR GENERAL OBLIGATION BONDS TO TOTAL EXPENDITURES

Last Ten Years *(In Thousands)*

	Debt Service Requirements			Total	Ratio of Debt Service to Total
Year	Principal	Interest	Total	Expenditures	Expenditures
2000	$ 22,949	$ 58,727	$ 81,676	$ 908,568	8.99%
2001	19,805	75,382	95,187	1,090,381	8.73%
2002	27,262	86,264	113,526	1,294,026	8.77%
2003	37,940	102,667	140,607	1,339,450	10.50%
2004	40,430	119,272	159,702	1,319,613	12.10%
2005	49,570	129,966	179,536	1,352,124	13.28%
2006	55,110	122,976	178,086	1,281,765	13.89%
2007	59,135	129,416	188,551	1,292,232	14.59%
2008	64,685	127,870	192,555	1,547,161	12.45%
2009	68,455	128,390	196,845	1,434,457	13.72%

Table 7

FEDERAL ALLOCATION OF CAPITAL FUNDS TO NORTHEASTERN ILLINOIS

Last Ten Calendar Years

Sections 5309, 5307, and Title 1 including CMAQ and STP (Formerly Section 3, 9, & 23, respectively) *(In Millions)*

Federal Fiscal Year	Total Awarded	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division
2000	$ 336.65	$ 177.17	$ 132.89	$ 26.59
2001	355.47	184.46	145.75	25.26
2002	430.08	225.42	174.29	30.37
2003	463.90	256.70	173.50	33.70
2004	493.16	291.76	168.05	33.35
2005	536.83	330.08	174.80	31.95
2006	496.62	280.03	168.69	47.90
2007	449.49	288.61	128.45	32.43
2008	489.91	279.38	169.55	40.98
2009	917.78	535.32	297.57	84.89
Total	$ 4,969.89	$ 2,848.93	$ 1,733.54	$ 387.42

Source of data: Information obtained from the Service Boards' records.

Table 8

RTA & SERVICE BOARDS OPERATING CHARACTERISTICS

2009

Chicago Transit Authority

Rapid Transit

- 8 rail routes
- 143 stations served
- 1,190 rapid transit cars
- 202.6 million riders per year
- 1,158 STO* positions

Motor Bus

- 150 bus routes
- 2,077 buses
- 318.7 million riders per year
- 4,341 STO* positions

Other

- 1.2 billion passenger rail miles per year
- 12.4 million rail miles per year
- 739.3 million passenger miles per year
- 69.4 million vehicle miles per year
- 5,001 without STO* Postions

*STO is Scheduled transit operators. This classification includes bus operators, motormen, conductors, and customer assistants.

*Metra Commuter Rail Division

- 487.7 route miles
- 1,155 miles of track
- 240 stations
- 146 locomotives
- 841 passenger cars
- 171 electric cars
- 702 weekly trains operated
- 95.7% on-time performance
- 82.3 million riders per year
- 4,429 full-time employees

Other

- 1.7 billion passenger miles per year
- 45.1 million vehicle miles per year

**All data excludes NICTD South Shore*

Pace Suburban Bus Division

Fixed Route

- 149 regular routes
- 46 feeder routes
- 17 shuttle routes
- 629 vehicles in use during peak periods
- 34.6 million riders per year
- 6 seasonal routes
- 712 Pace-owed busses
- 1,584 full-time employees

Paratransit**

- 173 Pace owned lift-equipped buses in service
- 2.8 millions of riders per year
- 29 full-time employees

Dial-A-Ride**

- 61 local services
- 203 Pace owned lift-equipped buses in service
- 222 communities served
- 1.2 millions of riders per year
- 7.8 million passenger miles per year
- 5.8 million vehicle miles per year

Other

- 643 vanpools in operation
- 1.8 million riders for the year
- 21.7 million passenger miles per year
- 31.1 million vehicle miles per year

**Prior to 2008 ADA Paratransit and Dial-A-Ride were combined.

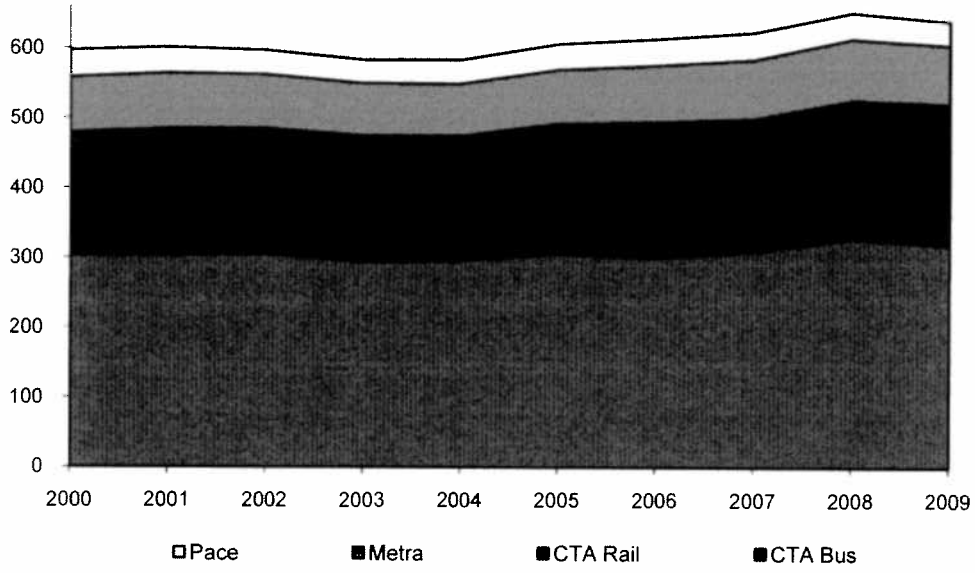
Source of data: Information obtained from the Service Boards' and RTA records.

Table 9

2000-2009

(In Millions)

SYSTEM RIDERSHIP
UNLINKED PASSENGER TRIPS



Last Ten Years *(In Millions)*

Service Consumed:	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
CTA - Bus	303.3	303.1	304.8	293.6	296.0	305.5	299.6	309.3	328.2	318.7
CTA - Rail	176.3	181.7	180.4	181.1	178.7	186.8	195.2	190.3	198.1	202.6
Total CTA*	479.6	484.8	485.2	474.7	474.7	492.3	494.8	499.6	526.3	521.2
Metra	78.8	79.2	76.8	74.8	74.4	77.0	80.8	84.4	87.7	83.7
Pace**	38.6	37.0	34.8	33.7	34.1	36.9	38.0	39.0	37.8	34.2
System Total	597.0	601.0	596.8	583.2	583.2	606.2	613.6	623.0	651.8	639.1
Percent Change	2.31%	0.68%	-0.70%	-2.28%	0.00%	3.93%	1.23%	1.53%	4.62%	-1.95%

CTA Stat amounts include rail-to-rail transfers.

****PACE 2007 Stat amount includes ADA Paratransit rides.***

Source of data: Information obtained from the National Transit Database.

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, had a purchase of service agreement with a Service Board or received financial grants or financial assistance from a Service Board during 2009.

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Metra					
Union Pacific	$ 80,010	$ 179,631	$ (99,621)	$ 99,621	$ -
Burlington Northern/Santa Fe	47,800	63,329	(15,530)	15,530	-
Northern Indiana Commuter Transportation District (NICTD)	4,191	8,561	(4,369)	4,369	-
Total Metra	$ 132,001	$ 251,521	$ (119,520)	$ 119,520	$ -
Pace					
Summary of Services					
Fixed Route - Public Funded Carriers	$ 1,849	$ 3,466	$ (1,618)	$ 3,747	$ 1,899
Fixed Route - Private Contract Carriers	2,808	9,873	(7,065)	7,065	-
Total Fixed Route Service	4,656	13,339	(8,683)	10,812	1,899
Private Contract Carriers					
DAR Services	1,193	11,291	(10,098)	6,437	3,660
DAR and Stable Services	8,362	102,821	(94,459)	94,459	-
Total Private Contract Carriers	9,555	114,112	(104,557)	100,897	3,660
Paratransit - Municipal Carriers	445	5,354	(4,909)	1,086	3,823
Total Pace	$ 14,656	$ 132,805	$ (118,149)	$ 112,795	$ 9,382

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services					
Fixed Route - Public Funded Carriers					
City of Highland Park	$ 481	$ 1,207	$ (726)	$ 1,327	$ 847
Village of Niles	566	1,412	(846)	1,571	1,005
Village of Downers Grove	412	458	(46)	458	46
Village of Schaumburg	390	390	-	392	2
Total	$ 1,849	$ 3,466	$ (1,618)	$ 3,747	$ 1,899
Private Contract Carriers - Fixed Route					
Academy Coach Lines	$ 716	$ 3,165	$ (2,449)	$ 2,449	$ -
Colonial Coach Lines	74	597	(523)	523	-
First Student	1,691	4,030	(2,339)	2,339	-
First Transit	27	491	(463)	463	-
Keeshin - Coach USA	79	223	(145)	145	
M V Transportation	195	1,313	(1,119)	1,119	
Village of Schaumburg	26	53	(27)	27	-
Total	$ 2,808	$ 9,873	$ (7,065)	$ 7,065	$ -
Private Contract Carriers - Dial-a-Ride Services					
Addison	$ 2	$ 56	$ (54)	$ 8	$ 46
Barrington	2	74	(71)	34	37
Bloomingdale Township	29	414	(385)	285	100
Central Lake	8	127	(119)	87	32
Central Will	81	659	(578)	450	127
Community Service Transit	114	81	33	(33)	-
Downers Grove	17	143	(126)	93	33
Dupage County	5	57	(52)	52	-
Dupage Township	9	140	(132)	96	35
Elk Grove	27	336	(309)	74	236
Freemont Township	0	7	(7)	5	2
Hampshire Township	1	15	(14)	10	3
Hanover Township	0	59	(59)	59	-
Hometown	1	26	(25)	2	23
Joliet Call in and Ride	11	155	(144)	144	-
Lake -Call in and Ride	0	16	(16)	16	
Leyden Township	19	179	(160)	33	127
Marengo	3	67	(64)	64	-
McHenry Township	62	1,144	(1,082)	556	527
Milton Township	20	143	(123)	109	14
N. Suburban Cook	1	71	(69)	69	-
Naperville/Lisle	150	905	(755)	491	264
Northeast Lake-Warren	20	407	(387)	364	22
Northeast Lake-Zion	2	42	(41)	30	11
Northwest Lake	19	281	(262)	262	-
Pioneer Center	33	286	(252)	252	-
Northwest Suburban Cook	18	168	(151)	151	-
Ride DuPage	201	1,664	(1,462)	471	991
Ride In Kane	291	2,874	(2,584)	1,904	680
South Cook	0	0	(0)	0	-

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services, continued					
Private Contract Carries - Dial - a- Ride Services, continued					
Southwest Lake-Cuba	$ 1	$ 6	$ (5)	$ 4	$ 1
Southwest Lake-Wauconda	4	30	(26)	20	7
Southwest Will	1	18	(17)	13	5
Village of Bloomingdale	2	24	(22)	5	17
Village of Skokie/West Cook	-	208	(208)	23	186
Wayne Township	5	95	(90)	67	23
Woodstock	35	312	(277)	167	110
Total	$ 1,193	$ 11,291	$ (10,098)	$ 6,437	$ 3,660
Private Contract Carriers - Dial-a-Ride and Stable Services (ADA Services)					
DuPage County	$ 87	$ 1,151	$ (1,064)	$ 1,064	$ -
Kane County	50	576	(526)	526	-
North Suburban Cook	522	5,732	(5,210)	5,210	-
Northeastern/Central Lake	127	1,198	(1,070)	1,070	-
South Cook	561	6,436	(5,875)	5,875	-
Chicago ADA	6,759	85,255	(78,497)	78,497	-
Southwest/Central Will	43	597	(554)	554	-
West Cook	213	1,876	(1,663)	1,663	-
Total	$ 8,362	$ 102,821	$ (94,459)	$ 94,459	$ -
Paratransit - Municipal Carriers					
Bensenville	$ 21	$ 249	$ (228)	$ 41	$ 187
Bloom	23	332	(310)	65	244
Crestwood	7	92	(85)	19	66
Ela	11	148	(137)	29	108
Forest Park	17	162	(144)	40	104
Fox Lake/Grant	2	6	(4)	2	2
Frankfort	26	168	(142)	31	111
Harvard	4	26	(22)	9	13
Lemont	7	71	(64)	16	48
Lyons	15	302	(287)	41	246
Norridge	12	84	(72)	35	37
Oak Park	37	355	(318)	96	222

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services, continued					
Paratransit - Municipal Carriers, continued					
Orland Park	$ 21	$ 406	$ (384)	$ 56	$ 328
Palatine	15	229	(214)	30	183
Palos Hills	10	79	(69)	19	51
Park Forest	22	115	(93)	57	36
Peotone	29	291	(263)	75	188
Rich Township	45	520	(475)	80	395
Schaumburg	78	1,032	(954)	216	738
Stickney	22	304	(283)	61	222
Tinley Park	10	79	(69)	27	42
Vernon Township	5	120	(115)	13	103
Worth	8	183	(175)	25	149
Total	$ 445	$ 5,354	$ (4,909)	$ 1,086	$ 3,823

Regional Transportation Authority

The six-county public transportation system serving northeastern Illinois

RTA Main Office
175 W. Jackson Blvd, Ste. 1550
Chicago, Illinois 60604
312-913-3200
www.RTAchicago.com

RTA Customer Service
165 N. Jefferson St.
Chicago, Illinois 60661
312-913-3110

Community Outreach
312-913-3237

RTA ADA Certification Helpline
Voice 312-663- 4357
TTY 312-913-3122

Travel Information Center and RTA Reduced Fare Card
Call 836-7000 from any area code in the six-county region
TTY 312-836-4949
www.RTAchicago.com

RTA Transit Benefit Program
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Chicago Transit Authority
567 W. Lake St.
Chicago, Illinois 60661
1-888-968-7282
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Metra
547 W. Jackson Blvd.
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312-322-6777
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Arlington Heights, Illinois 60005
847-364-7223
www.pacebus.com

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Regional Transportation Authority and Service Boards

Special-Purpose Combining Financial Statements for the Year Ended December 31, 2010 and Independent Accountants' Compilation Report

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Regional Transportation Authority

Regional Transportation Authority and Service Boards

Special-Purpose Combining Financial Statements for the Year Ended December 31, 2010 and Independent Accountant's Compilation Report

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

(See Independent Accountant's Compilation Report)

Prepared by:

Department of Finance and Performance Management

Grace Gallucci, CFO
Senior Deputy Executive Director

and

Controller Division

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

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Regional
Transportation
Authority

175 W. Jackson Blvd.
Suite 1650
Chicago, IL 60604
(312) 913-3200
www.rtachicago.com

June 29, 2011

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, 2010. 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, but not subjected them to audit. However, financial statements of each individual organization have been audited separately and 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,

Grace Gallucci
Chief Financial Officer and
Senior Deputy Executive Director,
Finance and Performance Management
Regional Transportation Authority

McGladrey

Independent Accountant's Compilation Report

To the Board of Directors
Regional Transportation Authority
Chicago, Illinois

We have compiled the accompanying special-purpose combining statements of net assets of the Regional Transportation Authority and Service Boards as of December 31, 2010, and the related special-purpose combining statements of revenues and expenses and changes in net assets, and special-purpose combining statements of cash flows for the year then ended and supplementary information and statistical information. We have not audited or reviewed the accompanying financial statements, supplementary information and statistical information and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the requirements of the Regional Transportation Authority Act (Act) as described in Note 1.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Act and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

McGladrey & Pullen, LLP

Schaumburg, Illinois
June 29, 2011

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Member of RSM International network, a network of independent accounting, tax and consulting firms.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF NET ASSETS
DECEMBER 31, 2010
(In Thousands)

ASSETS:	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
CURRENT ASSETS:							
Cash and investments:							
Restricted - cash and cash equivalents	$ -	$ 102,361	$ -	$ 26,572	$ -	$ -	$ 128,933
Unrestricted - cash and cash equivalents	10,460	111,579	44,437	20,293	-	-	186,769
Restricted - investments	428,401	-	-	-	-	-	428,401
Unrestricted - investments	330,671	26,999	-	-	-	-	357,670
Unamortized bond issue costs	1,387	-	-	-	-	-	1,387
Receivables:							
Intergovernmental receivables	240,944	-	-	-	-	66,861	174,083
Grant projects	-	39	61,050	181	-	9,561	51,709
RTA financial assistance	-	196,141	78,409	44,657	-	65,970	253,237
Other carriers	-	-	1,066	-	-	-	1,066
Other receivables	-	89,692	18,599	8,582	-	286	116,587
Interest on investments	221	-	-	-	-	-	221
Loan to S.B. note and interest	4,547	-	-	-	-	-	4,547
Materials and supplies	-	63,522	16,065	4,858	-	-	84,445
Prepaid expenses and other assets	59,191	5,883	2,320	1,331	-	-	68,725
Derivative instrument	-	2,158	-	-	-	-	2,158
Total current assets	1,075,822	598,374	221,946	106,474		142,678	1,859,938
Capital assets:							
Plant, property and equipment	19,289	8,374,566	5,631,568	486,691	-	-	14,512,114
Capital projects in progress	-	535,062	55,124	3,326	-	-	593,512
Less accumulated depreciation	(4,024)	(4,989,800)	(3,098,140)	(297,705)	-	-	(8,389,669)
Total capital assets	15,265	3,919,828	2,588,552	192,312	-	-	6,715,957
Other assets:							
Unamortized bond issue costs	12,365	28,295	-	-	-	-	40,660
Note receivable	6,167	-	-	-	-	-	6,167
Derivative instrument	34,970	-	-	-	-	-	34,970
Deferred outflows of resources	25,981	-	-	-	-	-	25,981
Investment relating to employee pension benefits plans	-	57,916	-	-	-	-	57,916
Restricted assets	-	674,100	-	-	-	-	674,100
Amount due under sale/leaseback	-	1,604,335	175,715	95,513	-	-	1,875,563
Total other assets	79,483	2,364,646	175,715	95,513	-	-	2,715,357
TOTAL ASSETS	$ 1,170,570	$ 6,882,848	$ 2,986,213	$ 394,299	$ -	$142,678	$11,291,252

(Continued)

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF NET ASSETS (Continued)
DECEMBER 31, 2010
(In Thousands)

LIABILITIES	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
CURRENT LIABILITIES:							
Vouchers payable	$ 7	$ 98,463	$ 83,863	$ 2,490	$ -	$ -	$ 184,823
Accrued interest payable	-	19,460	-	22	-	-	19,482
Intergovernmental payables	75,531	-	-	978	75,531	-	978
Due to other funds	1,276	-	-	-	-	-	1,276
Current portion of general obligation bond plus unamortized bond premium	345,124	-	-	-	-	-	345,124
Other current liabilities:							
Accrued other expenses	1,894	111,475	33,134	25,644	56,433	-	115,714
Deferred revenue, assistance and other	1,701	79,787	17,836	988	-	-	100,312
Capital lease obligation	-	99,035	14,660	-	-	-	113,695
Certificate of participation	-	5,372	-	-	-	-	5,372
Claims liability	-	86,826	9,318	17,233	10,714	-	102,663
Total current liabilities	425,533	500,418	158,811	47,355	142,678	-	989,439
LONG-TERM LIABILITIES:							
Long-term portion of general obligation bond plus unamortized bond premium	2,435,370	3,392,161	-	-	-	-	5,827,531
Claims liability	-	135,401	9,105	14,808	-	-	159,314
Accrued interest payable	39,196	-	-	-	-	-	39,196
Capital lease obligation	-	1,681,715	161,054	95,513	-	-	1,938,282
Deferred revenue	45,346	-	-	-	-	-	45,346
Derivative instrument	32,677	-	-	-	-	-	32,677
Deferred outflows of resources	34,970	-	-	-	-	-	34,970
Accrued pension cost	-	19,143	-	3,352	-	-	22,495
Certificate of participation	-	61,515	-	-	-	-	61,515
Deferred rent	2,163	-	-	-	-	-	2,163
Intergovernmental payables	-	-	-	1,189	-	-	1,189
Other long-term liabilities	-	68,859	-	10,335	-	-	79,194
Total long-term liabilities	2,589,722	5,358,794	170,159	125,197	-	-	8,243,872
Total liabilities	3,015,255	5,859,212	328,970	172,552	142,678	-	9,233,311
NET ASSETS (DEFICIT):							
Invested in capital assets, net	15,265	2,800,054	2,588,551	192,312	-	-	5,596,182
Net assets restricted for: Payment on obligations and others	83,277	97,677	-	-	-	-	180,954
Accumulated unrestricted (deficit)	(1,943,227)	(1,874,095)	68,692	29,435	1,178,968	1,178,968	(3,719,195)
TOTAL NET ASSETS (DEFICIT)	$ (1,844,685)	$ 1,023,636	$ 2,657,243	$ 221,747	$1,178,968	$1,178,968	$ 2,057,941

See notes to special-purpose combining financial statements and independent accountant's compilation report.

(Concluded)

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2010
(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	$ -	$ 548,311	$ 296,399	$ 62,008	$ 303	$ -	$ 906,415
Sales taxes	103,168	-	-	-	-	935,021	1,038,189
Interest on sales taxes	137	-	-	-	-	-	137
Public Transportation Fund	242,318	-	-	-	-	-	242,318
Operating assistance - CTA and Pace	9,480	-	-	-	-	-	9,480
State assistance	130,116	-	-	-	-	-	130,116
Investment income	8,770	-	-	-	-	-	8,770
Program revenues and others	2,898	-	-	-	-	-	2,898
Total revenues	496,887	548,311	296,399	62,008	303	935,021	2,338,323
EXPENSES:							
Operating expenses	-	1,165,499	615,791	291,290	-	303	2,072,277
Depreciation	-	429,827	213,755	41,712	-	-	685,294
Financial assistance to Service Boards	97,648	-	-	-	-	97,648	-
Operating grant - CTA and Pace	27,230	-	-	-	-	27,230	-
Capital grants—discretionary	15,310	-	-	-	-	15,310	-
Capital grants—bonds	103,456	-	-	-	-	103,456	-
Insurance (JSIF)	4,740	-	-	-	-	-	4,740
Administrative expenses	8,551	-	-	-	-	-	8,551
Regional expenses	21,576	-	-	-	-	-	21,576
Technology program	1,979	-	-	-	-	-	1,979
Bond-related expenses	135,530	-	-	-	-	-	135,530
Total expenses	416,020	1,595,326	829,546	333,002	-	243,947	2,929,947
OPERATING INCOME (LOSS)	80,867	(1,047,015)	(533,147)	(270,994)	303	1,178,968	(591,624)
NONOPERATING REVENUE (EXPENSE):							
RTA financial assistance	-	701,615	390,567	232,593	1,120,779	-	203,996
Leasehold revenue	-	4,262	-	-	-	-	4,262
Interest revenue from leasing transactions	-	113,539	11,149	5,780	-	-	130,468
Interest expense on leasing transactions	-	(118,780)	(11,149)	(5,780)	-	-	(135,709)
Interest expense on bond transactions	-	(191,568)	-	-	-	-	(191,568)
Innovation Coordination & Enhancement (ICE)	-	-	-	1,432	-	-	1,432
Other public funding	-	42,575	173,157	5,038	-	-	220,770
Capital grants	-	164,432	27,207	44,642	57,886	-	178,395
Investment income	-	4,619	-	90	-	-	4,709
Gain on sale of assets	-	2,544	-	-	-	-	2,544
Total nonoperating revenue (expense)	-	723,238	590,931	283,795	1,178,665	-	419,299
CHANGES IN NET ASSETS	80,867	(323,777)	57,784	12,801	1,178,968	1,178,968	(172,325)
NET ASSETS (DEFICIT):							
Beginning of year, as restated	(1,925,552)	1,347,413	2,599,459	208,946	-	-	2,230,266
End of year	$ (1,844,685)	$ 1,023,636	$ 2,657,243	$ 221,747	$ 1,178,968	$ 1,178,968	$ 2,057,941

See notes to special-purpose combining financial statements and independent accountant's compilation report.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2010
(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	$ -	$ 513,863	$ 239,449	$ 62,301	$ 815,613
Payments to employees	-	(823,106)	(262,440)	(108,135)	(1,193,681)
Payments to vendors	(5,448)	(300,593)	(314,297)	(182,150)	(802,488)
Other receipts and payments	-	35,803	42,422	6,525	84,750
Net cash from operating activities	(5,448)	(574,033)	(294,866)	(221,459)	(1,095,806)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Financial assistance—operating	8,000	753,920	351,983	236,882	1,350,785
Net cash from noncapital financing activities	8,000	753,920	351,983	236,882	1,350,785
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Interest income from assets restricted for payment of leasehold obligations	-	113,539	-	-	113,539
Repayment of lease\leaseback obligations	-	(117,383)	-	-	(117,383)
Increase/decrease in assets restricted for payment of leasehold obligations	-	(15,513)	-	-	(15,513)
Financial assistance—grant projects	-	183,576	229,457	45,004	458,037
Proceeds from the sale of property and equipment	-	2,544	-	-	2,544
Interest expense on bonds	-	(184,407)	-	-	(184,407)
Proceeds from issuance of bonds (net)	-	545,424	-	-	545,424
Proceeds from other long-term liabilities	-	8,525	-	-	8,525
Repayment of bonds payable	-	(5,384)	-	-	(5,384)
Payments for capital acquisition	-	(196,348)	(289,775)	(46,223)	(532,346)
Net cash from capital and related financing activities	-	334,573	(60,318)	(1,219)	273,036
CASH FLOWS FROM INVESTING ACTIVITIES:					
Note interest received	1,000	-	-	-	1,000
Payments to indemnify	(8,500)	-	-	-	(8,500)
Investment income	346	4,619	199	111	5,275
Sales and purchases of investments, net	2,200	(449,771)	-	-	(447,571)
Net cash from investing activities	(4,954)	(445,152)	199	111	(449,796)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,402)	69,308	(3,001)	14,315	78,220
CASH AND CASH EQUIVALENTS—Beginning of year	12,862	144,632	47,438	32,549	237,481
CASH AND CASH EQUIVALENTS—End of year	$ 10,460	$ 213,940	$ 44,437	$ 46,864	$ 315,701
RECONCILIATION OF OPERATING ACTIVITIES:					
Net loss from operations	$ (4,693)	$ (1,047,015)	$ (533,148)	$ (270,994)	$ (1,855,850)
Adjustments to reconcile operating loss to net cash from operating activities:					
Depreciation	-	429,827	213,755	41,712	685,294
Claims provision and settlement	-	-	932	-	932
State reduced fare assistance	-	-	(3,400)	-	(3,400)
Interest and dividends received	(47)	-	(199)	-	(246)
Changes in current assets and liabilities	(708)	43,155	27,194	7,823	77,464
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (5,448)	$ (574,033)	$ (294,866)	$ (221,459)	$ (1,095,806)

See notes to special-purpose combining financial statements and independent accountant's compilation report.

NOTE 1. BASIS OF ACCOUNTING

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. The special purpose combining financial statements are not in accordance with accounting principles generally accepted in the United States of America primarily due to the RTA and Service Boards using a different basis of accounting 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 describe the basis of accounting for each entity and contain the omitted disclosures.

Intergovernmental receivables, payables, revenues, expenses, and expenditures have 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 assets.

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 RTA 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.

CTA

The 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 Chicago City Council has granted the CTA the exclusive right to operate a passenger transportation system 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 RTA Act, as amended effective November 9, 1983, established the Suburban Bus Division (Pace) to operate suburban bus service within suburban Cook County and the five collar counties of DuPage, Kane, Lake, McHenry, and Will. The independent operations of Pace commenced on July 1, 1984.

Pace determines the level, nature, and kind of public transportation services that should be provided in the suburban region. Pace operates suburban bus services using stock, structures, and equipment purchased through capital grants funded by federal and state agencies and the RTA.

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, 2010 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 Statement No. 14 (Statement No. 14), *The Financial Reporting Entity.*

In the judgment of the management of each of the entities and their analysis and application of Statement No. 14 criteria, while the RTA does exercise some fiscal oversight, the Service Boards are not part of the RTA reporting entity for the purpose of preparing a comprehensive annual financial report in accordance with governmental accounting and financial reporting standards in the United States.

In arriving at this conclusion, the following factors were considered:

- The Service Boards maintain separate management, exercise control over all operations (including the passenger fare structure), and are accountable for fiscal matters, including ownership of assets, relations with federal and state transportation funding agencies that provide financial assistance in the acquisition of these assets, and the preparation of operating budgets. The Service Boards are also responsible for the purchase of services and approval of contracts relating to their operations.

- The RTA Board has control neither in the selection nor the appointment of any Service Board Director nor of any of its management. Further, directors of the Service Boards are excluded from serving on more than one entity's board of directors, including that of the RTA, except for the Chairman of the CTA Board of Directors who is also an RTA Board member.

- The Illinois statutes required the RTA Board to approve the budgets of the Service Boards, if such budgets meet specified system-generated 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.

Accordingly, financial statements for the Service Boards are not included or combined with the RTA's financial statements under Statement No. 14. 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 accounting policies of the Combined Entities conform to accounting principles generally accepted in the United States as applicable to governments. The following is a summary of the significant policies:

Fund Accounting—The RTA maintains records using a fund accounting model consisting of a General Fund, Debt Service Fund, Capital Projects Fund, Proprietary Fund, (Business-Type Activities), Agency Fund, and Pension Trust Fund. All Governmental Funds and the Agency Fund are accounted for using the modified accrual method of accounting (i.e., revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred). The Proprietary Fund and the Pension Trust Fund are accounted for using the accrual method of accounting. For the purpose of these combining financial statements, all RTA funds have been combined.

The Service Boards are accounted for on a Proprietary Fund basis. Accordingly, the accrual method of accounting is utilized by the Service Boards. For purposes of these combining financial statements, the individual Service Board financial statements are combined with those of the RTA.

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 that reasonably approximates fair market value.

For the purposes of the combining statements 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 statements of net assets.

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.

Materials and Supplies—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 and other financial sources: (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.

Revenue/Sales Taxes

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 incident to a sale of a service (a Service Occupation Tax).

The taxes described in (i) and (ii) above are also imposed on persons engaged in making sales of services pursuant to which tangible personal property or real estate (as incident to a sale of a service) is transferred (with respect to the taxes in (i) and (ii), a Service Occupation Tax).

The RTA Sales Tax is collected by the Illinois Department of Revenue (the "Department of Revenue"), and paid to the Treasurer of the State to be held in trust for the RTA outside the State Treasury. Proceeds from the RTA Sales Tax are payable monthly directly to the RTA, without appropriation, by the State Treasurer on the order of the State Comptroller.

Also, proceeds from certain sales taxes imposed by the State are allocated to the RTA as part of the restructuring of the State and local sales taxes in Illinois. Until January 1, 1990, the State General Sales Tax, State Use Tax, and State Service Occupation Tax portions of the RTA Sales Tax were imposed at a rate of 1% in Cook County. Effective January 1, 1990, as a result of legislation (the Sales Tax Reform Act) aimed at simplifying the base and rate structure of taxes imposed by the State and its local governments, including the RTA, the State General Sales Tax, State Use Tax, State Service Occupation Tax, and State Service Use Tax were increased from 5% to 6.25% and any corresponding portions of the RTA Sales Tax in Cook County were reduced from 1% to 0.75%. In order to avoid a revenue loss to the RTA because of the reduction in this portion of the RTA Sales Tax, the Sales Tax Reform Act directed that portions of the receipts from the State General Sales Tax, State Use Tax, State Service Occupation Tax, and State Service Use Tax be paid to the RTA annually.

Specifically, 4% of the net monthly revenue from the 6.25% State General Sales Tax and State Service Occupation Tax and 4% of the net monthly revenue from the State Use Tax on personal property purchased at retail outside the State, but registered or titled with a State agency within the State (i.e., 0.25% of total) is transferred into the County and Mass Transit District Fund in the State Treasury (the "CMTD Fund"). The amount in the CMTD Fund attributable to taxable sales occurring in Cook County or to property registered or titled in Cook County is then transferred into the RTA Occupation and Use Tax Replacement Fund in the State Treasury (the "Replacement Fund"). In addition, (i) the net monthly revenue from the State Use Tax and State Service Use Tax portions of the 1% State Food and Drug Tax, and (ii) 20% of the net monthly revenue of the 6.25% State Use Tax and State Service Use Tax (i.e., 1.25% of total), other than revenues of such taxes attributable to personal property purchased at retail outside the State but registered or titled with a State agency within the State, are deposited in the State and Local Sales Tax Reform Fund (the "Reform Fund"). Of the money paid into the Reform Fund, 10% is transferred into the Replacement Fund.

The Act provides that the RTA withhold 15% of 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 real estate transfer tax (RETT) in the City of Chicago was increased 0.3% (i.e. for every $500 in sales price $1.50 in tax is collected).

Public Transportation Fund—In accordance with the Act, the State Treasurer is authorized and required to transfer from the State's General Revenue Fund to a special fund in the State Treasury designated the "Public Transportation Fund," an amount equal to 30% of net revenues realized from sales taxes (or, as the case may be, gasoline or parking taxes) and RETT. These amounts may be paid to the RTA only upon State appropriation. The State has approved an appropriation from the PTF through its 2011 fiscal year which will end June 30, 2012.

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.

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 discretion 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, an 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 2011, which ends June 30, 2011, the Illinois General Assembly appropriated funds for a program under which the Illinois Department of Transportation ("IDOT") is authorized to provide to the RTA a reduced fare reimbursement grant for the purpose of reimbursing the Service Boards for a portion of actual revenue losses attributable to reduced fares for students, people with disabilities, and the elderly. For the State fiscal years ended June 30, 2010 and June 30, 2011, the grants were in the amount of $42 million and $33.6 million, respectively.

Additional State Assistance/Additional Financial Assistance—The State has authorized Additional State Assistance ("ASA") which is supplemental financing for the RTA's Strategic Capital Improvement Program ("SCIP") bonds. The ASA available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP bonds plus any debt service savings from the issuance of refunding or advance refunding SCIP bonds, less interest earned on the unspent bond proceeds, or (ii) $55 million per year. The RTA recognized $39.7 million of ASA in 2010.

Beginning with the State's fiscal year 2001, the State has also authorized Additional Financial Assistance ("AFA") to pay for debt service requirements for SCIP bonds authorized under the Illinois First Program. The amount available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP bonds less interest earned on those bond proceeds, or (ii) $100 million in the State's fiscal years 2010 and 2011, per year. The RTA recognized $90.4 million of AFA in 2010.

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.

Administration consists of those costs of the RTA incurred to carry out its administrative activities. These costs were limited by statute to $16,931,639 for the year ended December 31, 2010.

Non-administration, listed as regional and technology program expenses in the statement of activities, consists of those costs of the RTA which are exempt from the statutory limit defined in the RTA Act. These costs include the operation of the Travel Information Center, Transit Check Program, Americans with Disabilities Act ("ADA"), reduced fare registration, capital development and other program costs incurred on behalf of the Service Boards and not for the benefit of RTA itself.

Service Board's expenses are recognized using the accrual basis of accounting. Expenses are recognized in the period incurred.

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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting Pronouncements—In September 1993, the GASB released Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting.* The statement provides that proprietary funds may apply all GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board ("FASB"), Accounting Principles Board ("APB") Opinions and Accounting Research Bulletins ("ARBs") of the Committee on Accounting Procedure. The RTA has elected to apply only FASB, APB and ARB statements and interpretations issued on or before November 30, 1989.

New Accounting Pronouncements— Statement No. 53, *Accounting and Financial Reporting for Derivatives,* addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. This Statement was effective for the current fiscal year.

Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* was issued to enhance the usefulness of fund balance information by providing clearer fund balance classifications and by clarifying the existing fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. The Authority is required to implement this Statement for the fiscal year ending December 31, 2011.

Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, was issued to update standards related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. This Statement amends Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, to permit an agent employer that has an individual-employer OPEB plan with fewer than 100 total plan members to use the alternative measurement method, at its option, regardless of the number of total plan members in the agent multiple-employer OPEB plan in which it participates. The Authority is required to implement this Statement for the year ending December 31, 2012.

Statement No. 59, *Financial Instruments Omnibus*, was issued to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The requirements of this Statement will improve financial reporting by providing more complex information by improving consistency of measurements and by providing clarifications of existing standards. The Authority is required to implement this Statement for the fiscal year ending December 31, 2011.

Statement No. 61, *The Financial Reporting Omnibus, An Amendment of GASB Statements No. 14 and No. 34*, was issued to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity* and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination. The Authority is required to implement this Statement for the year ending December 31, 2013.

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance contained in pre-November 1989 FASB and AICPA Pronouncements*, was established to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in certain FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The Authority is required to implement this Statement for the year ending December 31, 2013.

Management has not currently determined what impact, if any, these Statements may have on its financial statements.

***Subsequent Events*:** The Authority has evaluated subsequent events for potential recognition and/or disclosure through June 29, 2011, the date the financial statements were available to be issued.

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 general fund and sales tax agency fund.

The annual budget and related appropriations are prepared using the modified accrual basis of accounting in conformity with accounting principles generally accepted in the United States except for RTA capital expenditures and capital grants to 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 is generally the policy of the RTA (ordinance 91-9) to fund the budgets of the Service Boards up to the amount appropriated in the annual Budget Ordinance. However, unfavorable economic conditions created the need to waive this policy for purposes of the adoption of the 2010 budget and 2011-2012 financial plan and the 2011 budget and 2012-2013 financial plan. Also waived for the purpose of the adoption of the 2010 budget and 2011-2012 financial plan was the provision of the RTA funding policy adopted by Ordinance 98-15 that requires that the RTA annual budget and two-year financial plan show a year-end unreserved and undesignated fund balance equal to 5% of the RTA general fund by no later than the end of the three-year planning period.

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 sale tax receipts and other discretionary funds of the RTA shall be made under the terms and conditions of grant agreements governing such expenditures.

NOTE 6. LEASES

The RTA and CTA hold operating leases which are primarily for rent expense on the facilities they occupy. Metra has several operating leases, primarily for the use of passenger terminals. Pace has multi-year leases for vehicles and bus tires.

CTA

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 at an estimated aggregate cost of $120.5 million. The terms of the 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, beginning on December 1, 2008. The present value of the future payments to be made by the CTA under the lease of approximately $103.4 million is reflected in the accompanying December 31, 2010 statement of net assets as a capital lease obligation.

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.

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 $388,000, 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 $1.7 million is recorded as a component of long-term debt in the accompanying statement of net assets.

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. Bond issue costs and premium related to this transaction are presented as such on the statement of net assets. The present value of the future payments to be made by the CTA under the lease of approximately $83.3 million is reflected in the accompanying December 31, 2010 statement of net assets as a capital lease obligation.

In 2003, CTA entered into a lease and leaseback agreement with a third party pertaining to certain buses, with a book value of $11.2 million at December 31, 2010. Under the bus lease agreement, which provides certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $16.7 million is reflected in the accompanying December 31, 2010 statement of net assets as a capital lease obligation.

During 2002, CTA entered into two lease and leaseback agreements with a third party pertaining to certain buses (lots 1 and 2), with a book value of $16.4 million at December 31, 2010. Under the bus lease agreements, which provide certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased

the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $121.6 million is reflected in the accompanying December 31, 2010 statement of net assets as a capital lease obligation.

During 2002, CTA entered into a lease and leaseback agreement with a third party pertaining to certain qualified technological equipment (QTE), with a book value of $7.1million at December 31, 2010. Under the QTE lease agreement, which provides certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $91.4 million is reflected in the accompanying December 31, 2010 statement of net assets as a capital lease obligation.

During 1998, the CTA entered into a lease and leaseback agreement (the 1998 Agreement) with a third party pertaining to a rail line (green line), with a book value of $223.7 million at December 31, 2010. The 1998 Agreement, which provides certain cash and tax benefits to the third party, also provides for a trust established by the CTA to lease the rail line to an equity investor trust (the 1998 Equity Trust), which would then lease the facilities back to another trust established by the CTA under a separate lease (the 1998 Lease). The present value of the future payments to be made by the CTA under the lease of approximately $182.2 million is reflected in the accompanying December 31, 2010 statement of net assets as a capital lease obligation.

During 1997, the CTA entered into four lease and leaseback agreements (the 1997 Agreements) with a third party pertaining to certain of its facilities having a book value of $45.9 million at December 31, 2010. The 1997 Agreements, which provide certain cash and tax benefits to the third party, also provide for a trust established by the CTA to lease the facilities to an equity investor trust (the Equity Trust), which would then lease the facilities back to another trust established by the CTA under separate leases (the Leases). The CTA received certain funds as prepayment by the Equity Trust. The funds have been deposited in designated investment accounts sufficient to meet the payments required under the Leases and are recorded as assets restricted for repayment of leasing commitments. The Equity Trust has a security interest in the deposits to guarantee the payments due by the CTA and may take possession of the facilities upon a default by the CTA under the Lease. No other lease payments are required until the end of each lease. The present value of the future payments to be made by the CTA under the leases (net of the payment due from the Equity Trust in 2023 and 2024) of approximately $40.4 million is reflected in the accompanying December 31, 2010 statement of net assets as a capital lease obligation.

In connection with the 1997 Agreements, the CTA also received proceeds of $11.9 million. The FTA has approved the CTA's right to the benefit received from these transactions. The CTA has elected to defer recognition of the proceeds over the remaining lease term.

During 1996, the CTA entered into similar lease and leaseback agreements (the 1996 Agreements) with a third party pertaining to certain of its facilities, with a book value of $47.8 million at December 31, 2010. The 1996 Agreements, which provide certain cash and tax benefits to the third party, also provide for a trust established by the CTA to lease the facilities to an equity investor trust (the 1996 Equity Trust), which would then lease the facilities back to another trust established by the CTA under a separate lease (the 1996 Lease). The present value of the future payments to be made by the CTA under the leases (net of the payment due from the 1996 Equity Trust in 2024) of approximately $40.3 million is reflected in the accompanying December 31, 2010 statement of net assets as a capital lease obligation.

In connection with the 1996 Agreements, the CTA also received proceeds of $10.9 million and agreed to make approximately $80 million of improvements to one of the facilities. The FTA has approved the CTA's right to the benefit received from these transactions. The CTA has elected to defer recognition of the proceeds over the remaining lease term.

During 1995, the CTA entered into sale/leaseback agreements (the 1995 Agreements) with third parties. The 1995 Agreements provided for the CTA to sell and lease back certain rail equipment totaling $487.1 million at cost for a period of nineteen years beginning on the date of the respective transaction. At December 31, 2010, the total payments due under the 1995 Agreements are recorded as capital lease obligations totaling $1.1 million. The CTA has deposited funds into designated cash and investment accounts sufficient to meet all of its payment obligations throughout the terms of the leases, and recorded such amounts as assets restricted for repayment of leasing commitments.

Change in Capital Lease Obligations: Changes in capital leases for the year ended December 31, 2010 are as follows (in thousands of dollars):

2010	Beginning balance	Additions*	Principal paid	Ending balance	Interest paid	Due in one year
2003 (Buses)	$ 16,112	$ 574	$ -	$ 16,686	$ 574	$ 1,255
2002 (Buses)	117,236	5,909	(1,514)	121,631	5,909	767
2002 (QTE)	85,922	5,455	-	91,377	5,455	-
1998 (Green)	201,316	13,712	(32,813)	182,215	13,712	22,304
1997 (Garages)	37,531	2,823	-	40,354	2,823	-
1996 (Skokie/Racine)	37,581	2,762	-	40,343	2,762	-
1995 (Pickle)	1,057,205	78,735	(63,698)	1,072,242	78,735	63,698
Total lease/leasebacks	1,552,903	109,970	(98,025)	1,564,848	109,970	88,024
2005 PBC Lease	85,295	-	(1,955)	83,340	4,233	2,035
2008 Bus Lease	111,964	-	(8,593)	103,371	4,844	8,976
Total capital lease obligation	$ 1,750,162	$ 109,970	$ (108,573)	$ 1,751,559	$ 119,047	$ 99,035

* Additions include accretion of interest.

The following table sets forth the aggregate amounts due under the sublease agreements:

Future Minimum Lease Payments: As of December 31, 2010, future minimum lease payments for capital leases, in the aggregate, are as follows (in thousands of dollars):

2011	$ 107,650
2012	106,444
2013	186,066
2014	177,709
2015	100,156
2016 - 2020	1,623,350
2021 - 2025	241,684
2026 - 2030	30,939
2031 - 2035	18,564
Total future minimum payments	2,592,562
Less interest	841,003
Present value of minimum lease payments	$ 1,751,559

The present value of all future payments to be made by the CTA under all its leases of approximately $1.8 billion is reflected in the accompanying December 31, 2010 statement of net assets as capital lease obligations.

Metra

On September 18, 1998, Metra entered into transactions to lease 174 railcars to three equity investors (the headlease) and simultaneously subleased the railcars back (the sublease). Under these agreements, Metra maintains the right to use the railcars and is also responsible for their continued maintenance and insurance. Metro's sublease arrangements have been recorded as long-term obligations for accounting purposes.

At closing, the railcars had a fair market value of approximately $296.9 million and a book value of $262.9 million. As part of the headlease agreements, Metra received prepayments equivalent to the net present value of the headlease obligations totaling approximately $274 million.

Metra transferred approximately $177.4 million and $52.9 million of the prepayment proceeds to third parties in accordance with the terms of debt and equity payment undertaking agreements, respectively. These agreements constituted commitments by the debt and equity payment undertakers to pay Metra's sublease and buy-out options, under the terms of the subleases. The debt payment undertaker and equity payment undertaker are finance companies.

In connection with the transaction, Metra recognized $43.7 million as leasehold revenue in 1998.

In 2008, American International Group, Inc. (AIG) incurred a ratings downgrade. AIG acted as the Debt Payment Undertaker (DPU), Equity Payment Undertaker (EPU), and Standby Letter of Credit Provider (SLOCP) for these transactions. Once AIG's ratings fell below levels specified per the terms of the agreements, AIG was required to provide additional collateral to securitize the transactions. Later in 2008, AIG's credit ratings were further downgraded which triggered an event of default. No notices of default were or have been received; however, the investors can demand to have AIG replaced or that some other suitable arrangement be made.

On December 18, 2008, one of the investors terminated their transaction. A second investor has advised Metra that they are satisfied with AIG in its capacities. The remaining investor has sent notices demanding that AIG be replaced. Subsequently, the investor has been allowing Metra to pursue potential options that could be mutually acceptable to both the investor and Metra. Metra does not anticipate a material adverse financial impact as a result.

The net present value of the future payments due under the subleases has been recorded as a liability on the accompanying balance sheet. Since the debt and equity payment undertaking agreements have been structured to meet all future obligations under the subleases, the related asset balances have been recorded to equal the sublease liabilities on the accompanying balance sheet. The following table sets forth the aggregate amounts due under the sublease agreements:

Future Minimum Lease Payments: As of December 31, 2010, future minimum lease payments for capital leases, in the aggregate, are as follows:

2011	$ 14,660,341
2012	14,660,341
2013	14,660,341
2014	14,660,341
2015	14,660,341
2016 - 2020	160,087,299
2021	52,871,018
Total future minimum payments	286,260,022
Less imputed interest	(110,544,871)
Present value of minimum lease payments	$ 175,715,151

The present value of minimum lease payments of the Metra lease is $175.7 million which is reflected in the accompanying December 31, 2010 statement of net assets as capital lease obligations.

Pace

In 2003, Pace entered into two lease and leaseback agreements and realized a gain of $2.4 million from the proceeds. The transactions allowed Pace to earn an up-front economic cash benefit for transferring ownership (not legal title) of a group of assets to a taxpayer that could take advantage of the benefits of tax ownership.

The first lease and leaseback agreement with a third party pertained to certain buses (lot 1, 2, and 3), with a book value of $14.2 million at December 31, 2010. Under the bus lease agreements, Pace entered into a long term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to Pace under a sublease. The present value of the future payments to be made by Pace under the lease is approximately $67.9 million and is reflected in the accompanying December 31, 2010 statement of net assets as the total of the current and long-term portions of the Capital Lease Obligation.

The second lease and leaseback agreement with a third party pertained to certain buses (lot 4), with a book value of $9.8 million at December 31, 2010. Under the bus lease agreements, Pace entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to Pace under a sublease. The present value of the future payments to be made by Pace under the lease is approximately $27.6 million and is reflected in the accompanying December 31, 2010 statement of net assets as the total of the current and long-term portions of the capital lease obligation.

2010	Beginning balance	Additions	Reductions	Ending balance	Interest expense	Due in one year
2003 (Buses)	$ 64,635,598	$ 4,026,546	$ 738,777	$ 67,923,367	$ 4,026,546	$ -
2003 (Buses)	26,535,850	1,753,836	699,761	27,589,925	1,753,836	-
Total	$ 91,171,448	$ 5,780,382	$ 1,438,538	$ 95,513,292	$ 5,780,382	$ -

As described above, Pace entered into two lease financing agreements with a third party in 2003.

The following table sets forth the aggregate amounts due under the sublease agreements:

2011	$ -
2012	-
2013	-
2014	-
2015-2016	124,399,915
Total future minimum payments	124,399,915
Less interest	28,886,623
Present value of minimum lease payments	$ 95,513,292
A reconciliation of the Statement of Net Assets to amount presented above:	
Capital lease obligation less current portion	$ 95,513,292
Less: Capital lease obligation current portion	-
Capital lease obligation - long-term portion	$ 95,513,292

The present value of the future payments including the purchase option to be made by Pace under these leases are approximately $95.5 million and is reflected in the accompanying December 31, 2010 statement of net assets as the total of the current and long-term portions of the capital lease obligation.

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 position.

Defeased Debt: On October 26, 2006, the PBC issued Building Refunding Revenue Bonds for the benefit of the CTA in the amount of $91,340,000. 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 was $92,750,000 as of December 31, 2010.

Operating Leases: As of December 31, 2010, future minimum lease payments for operating leases, in the aggregate, are as follows (in thousands of dollars):

2011	$ 353
2012	242
Total minimum lease payments	$ 595

Lease Transactions: During 1998, the CTA entered into a lease and leaseback agreement with three investors pertaining to a property, railway tracks and train stations on the Green Line. The CTA's payments associated with this agreement were guaranteed by American International Group Inc. (AIG).

During 2008, AIG's credit rating was cut amid the U.S. mortgage meltdown and global economic crisis. The rating cut provided the third party investors with the option to require CTA to replace the Payment Undertaker Guarantor. One of the three investors chose to unwind the transaction. One investor entered into a forbearance agreement that allowed CTA to continue to use AIG as long as the rating does not fall below BB by Standard & Poor's and B1 by Moody's. CTA is still in negotiations with one of the investors regarding the replacement of AIG.

In 2002 and 2003, CTA entered into a lease and leaseback agreement with third party investors for buses. CTA entered into an agreement with Financial Security Assurance, Inc. (FSA) to act as the debt payment and strip surety guarantor. FSA's credit rating was downgraded during the 2008 financial crisis. This downgrading allows the private investors the option to require CTA to replace the guarantor. CTA has negotiated with the private investors and they have agreed to forbear from enforcing the provision of the agreements that require replacement of the guarantor.

Metra

Metra has entered into several non-cancelable operating leases, primarily for the use of passenger terminals, which expire on various dates through 2045. Future minimum rental payments under all non-cancelable operating leases having initial or remaining terms in excess of one year as of December 31, 2010 were:

2011	$ 10,867,294
2012	10,880,617
2013	10,542,251
2014	10,545,651
2015	10,549,080
2016 - 2020	38,653,268
2021 - 2025	10,455,292
2026 - 2029	5,046,040
Thereafter	18,994,944
Total	$ 126,534,437

Total rent expense aggregated $15.9 million for the year ended December 31, 2010.

At December 31, 2010, Metra had $972.7 million in unexpended obligations related to federal and state (including local) capital grant contracts.

Pace

Agreements with Pace's paratransit public funded carriers generally provide that Pace will reimburse the lesser of the approved budget, $3.00 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 OMB Circular A-133 for which a separate report is issued.

RTA

The RTA has an operating lease agreement for its office facilities. In 2010, the total rent paid by the RTA was $1,504,505. Minimum required annual rental payments by the RTA are as follows:

2011	$ 1,979,670
2012	1,982,815
2013	1,972,587
2014	1,818,595
2015	1,857,549
2016-2020	9,569,953
2021-2024	6,598,424
Total	$ 25,779,593

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, 2010, $1,102 million of cash and investments. Of this amount, $557 million is restricted for self-insurance and other damage reserve liabilities, debt service, health insurance claims, and capital projects.

NOTE 9. GENERAL OBLIGATION BONDS PAYABLE

Changes during the year in bonds payable were as follows:

	January 1, 2010	New Issues	Current Retirements	December 31, 2010	Due Within One Year
1990A	$ 60,795,000	$ -	$ 3,810,000	$ 56,985,000	$ 4,085,000
1991A	55,745,000	-	-	55,745,000	-
1992A* & 1992B	25,865,000	-	8,075,000	17,790,000	8,610,000
1994A* & 1994B	24,395,000	-	-	24,395,000	-
1994C* & 1994D	56,285,000	-	1,620,000	54,665,000	1,750,000
1997 Refunding	60,800,000	-	5,445,000	55,355,000	5,750,000
1999* Refunding	266,775,000	-	8,065,000	258,710,000	8,525,000
2000A*	224,790,000	-	5,575,000	219,215,000	5,900,000
2001A*	86,650,000	-	2,090,000	84,560,000	2,200,000
2001B* Refunding	29,800,000	-	-	29,800,000	-
2002A*	141,940,000	-	3,150,000	138,790,000	3,315,000
2002B	133,635,000	-	10,870,000	122,765,000	11,325,000
2003A*	237,630,000	-	5,045,000	232,585,000	5,310,000
2003B	137,180,000	-	2,955,000	134,225,000	3,105,000
2004A*	241,775,000	-	4,870,000	236,905,000	5,120,000
2005B Refunding	132,770,000	-	6,850,000	125,920,000	7,210,000
2006A*	242,290,000	-	3,780,000	238,510,000	3,955,000
2009B Cash Notes	260,000,000	-	-	260,000,000	260,000,000
2010A	-	62,175,000	1,860,000	60,315,000	2,950,000
2010B	-	112,925,000	-	112,925,000	-
2010C Cash Notes	-	140,000,000	-	140,000,000	-
Total	$ 2,419,120,000	$ 315,100,000	$ 74,060,000	$ 2,660,160,000	$339,110,000

* Strategic Capital Improvement Program (SCIP) Bonds

At December 31, 2010, the total general obligation bonds payable of $2,660,160,000 are classified as current and long-term in the Statement of Net Assets in the amounts of $339,110,000 and $2,321,050,000, 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.

1990 General Obligation Bonds—In May 1990, the RTA issued $100 million in General Obligation Bonds, Series 1990A, to establish a Capital Projects Fund to provide the source of paying costs of the Capital Program for the Service Boards.

Debt service requirements on the Series 1990A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2011	$ 4,085,000	$ 4,102,920	$ 8,187,920
2012	4,380,000	3,808,800	8,188,800
2013	4,695,000	3,493,440	8,188,440
2014	5,035,000	3,155,400	8,190,400
2015	5,395,000	2,792,880	8,187,880
2016-2020	33,395,000	7,547,040	40,942,040
Total	$ 56,985,000	$ 24,900,480	$ 81,885,480

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:

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2011	$ -	$ 3,734,914	$ 3,734,914
2012	4,090,000	3,734,915	7,824,915
2013	4,365,000	3,460,885	7,825,885
2014	4,660,000	3,168,430	7,828,430
2015	4,970,000	2,856,210	7,826,210
2016-2020	30,325,000	8,815,525	39,140,525
2021	7,335,000	491,445	7,826,445
Total	$ 55,745,000	$ 26,262,324	$ 82,007,324

1992 General Obligation Bonds—In June 1992, the RTA issued $188 million in General Obligation Bonds, Series 1992A, to pay the cost of purchasing and reconstructing railcars for Metra. The RTA also issued $30 million in General Obligation Bonds, Series 1992B, to pay the costs of reconstruction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 1992A and 1992B Bonds mature on June 1, over a thirty-year period and interest is payable at rates ranging from 5.30% to 9.00% on December 1, 1992 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1992A and 1992B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2011	$ 8,610,000	$ 863,040	$ 9,473,040
2012	9,180,000	293,760	9,473,760
Total	$ 17,790,000	$ 1,156,800	$ 18,946,800

1994 General Obligation Bonds—In May 1994, the RTA issued $195 million in General Obligation Bonds, Series 1994A, to pay the costs of purchasing and reconstructing railcars for Metra. Proceeds of Series 1994A Bonds may also be used to purchase new paratransit vehicles for Pace and for rehabilitation of railcars for the CTA. The RTA also issued $80 million in General Obligation Bonds, Series 1994B, to pay the costs of reconstruction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 1994A and 1994B Bonds mature on June 1, over a thirty-year period and interest is payable at rates ranging from 3.75% to 8.00% on December 1, 1994 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1994A and 1994B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2011	$ -	$ 1,951,601	$ 1,951,601
2012	-	1,951,600	1,951,600
2013	-	1,951,600	1,951,600
2014	-	1,951,600	1,951,600
2015	-	1,951,600	1,951,600
2016-2024	24,395,000	1,989,399	26,384,399
Total	$ 24,395,000	$ 11,747,400	$ 36,142,400

In December 1994, the RTA issued $62 million in General Obligation Bonds, Series 1994C, to pay for capital projects of the Service Boards required by the ADA for vehicle rehabilitation and the construction or renewal of support facilities. The RTA also issued $130 million in General Obligation Bonds, Series 1994D, to pay for portions of the CTA's rehabilitation of the Green Line elevated structure, track replacement and repair or replacement of bus supporting services, and for Pace's construction of bus garages and purchase of new buses and paratransit vehicles.

The 1994C and 1994D Bonds mature on June 1 over a thirty-year period and interest is payable at rates ranging from 5.30% to 7.75% on June 1, 1995 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1994C and 1994D Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2011	$ 1,750,000	$ 4,168,725	$ 5,918,725
2012	1,890,000	4,027,675	5,917,675
2013	2,045,000	3,875,194	5,920,194
2014	2,210,000	3,710,313	5,920,313
2015	7,360,000	3,339,475	10,699,475
2016-2025	39,410,000	7,059,863	46,469,863
Total	$ 54,665,000	$ 26,181,245	$ 80,846,245

1997 General Obligation Refunding Bonds—In September 1997, the RTA issued $98 million in General Obligation Bonds, Series 1997, to provide funds to refund in advance of maturity the RTA's outstanding Series 1990A Bonds, maturing November 1 in the years 2001-2002, in the aggregate amount of $4 million, Series 1991A Bonds, maturing November 1 in the years 2002-2006, 2008 and 2011, in the aggregate amount of $29 million, Series 1992B Bonds, maturing June 1 in the years 2015 and 2022, in the aggregate amount of $18 million and Series 1993B Bonds, maturing June 1 in the years 2004-2009, 2013 and 2023, in the aggregate amount of $47 million.

The Series 1997 Refunding Bonds mature on June 1 over a twenty-six year period and interest is payable at rates ranging from 4.00% to 6.00% on December 1, 1997 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1997 Refunding bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2011	$ 5,750,000	$ 3,125,100	$ 8,875,100
2012	1,865,000	2,915,688	4,780,688
2013	3,320,000	2,764,800	6,084,800
2014	3,530,000	2,559,300	6,089,300
2015	3,750,000	2,340,900	6,090,900
2016-2020	22,515,000	7,925,850	30,440,850
2021-2023	14,625,000	1,206,750	15,831,750
Total	$ 55,355,000	$ 22,838,388	$ 78,193,388

1999 General Obligation Refunding Bonds—In August 1999, the RTA issued $299 million in General Obligation Bonds, Series 1999, to provide funds to refund in advance of maturity the RTA's outstanding

Series 1992A Bonds, maturing June 1 in the years 2015 and 2022, in the aggregate amount of $114 million, Series 1993A Bonds, maturing June 1 in the years 2009 and 2013, in the aggregate amount of $10 million, Series 1994A Bonds, maturing June 1 in the years 2006-2009, 2012, 2015 and 2024, in the aggregate amount of $143 million and Series 1994C Bonds, maturing June 1 in the year 2025, in the aggregate amount of $22 million.

The Series 1999 Refunding Bonds mature on June 1 over a twenty-five year period and interest is payable at rates ranging from 5.00% to 6.00% on December 1, 1999 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1999 Refunding Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2011	$ 8,525,000	$ 14,686,182	$ 23,211,182
2012	9,025,000	14,181,619	23,206,619
2013	17,990,000	13,404,938	31,394,938
2014	16,735,000	12,406,594	29,141,594
2015	17,720,000	11,416,012	29,136,012
2016-2020	89,500,000	43,893,301	133,393,301
2021-2025	99,215,000	10,854,056	110,059,056
Total	$ 258,710,000	$ 120,842,702	$ 379,552,702

2000 General Obligation Bonds—In June 2000, the RTA issued $260 million in General Obligation Bonds, Series 2000A, to pay the costs of construction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

Debt service requirements on the Series 2000A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2011	$ 5,900,000	$ 13,955,475	$ 19,855,475
2012	6,245,000	13,601,475	19,846,475
2013	6,610,000	13,211,163	19,821,163
2014	7,005,000	12,798,038	19,803,038
2015	7,425,000	12,360,225	19,785,225
2016-2020	44,465,000	54,253,314	98,718,314
2021-2025	60,095,000	38,497,126	98,592,126
2026-2030	81,470,000	16,531,775	98,001,775
Total	$ 219,215,000	$ 175,208,591	$ 394,423,591

2001 General Obligation Bonds—In April 2001, the RTA issued $100 million in General Obligation Bonds, Series 2001A, to pay the costs of construction, acquisition, repair, and replacement of certain public transportation facilities for the Service Boards.

The Series 2001A Bonds mature on July 1 over a thirty-year period and interest is payable at rates ranging from 5.0% to 6.0% in January 2001 and semiannually thereafter on July 1 and January 1 in each remaining year.

Debt service requirements on the Series 2001A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2011	$ 2,200,000	$ 5,017,563	$ 7,217,563
2012	2,325,000	4,896,563	7,221,563
2013	2,455,000	4,751,250	7,206,250
2014	2,595,000	4,597,813	7,192,813
2015	2,740,000	4,435,625	7,175,625
2016-2020	16,210,000	19,533,150	35,743,150
2021-2025	21,335,000	14,372,250	35,707,250
2026-2030	28,095,000	7,224,000	35,319,000
2031	6,605,000	396,300	7,001,300
Total	$ 84,560,000	$ 65,224,514	$ 149,784,514

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2011	$ -	$ 1,639,000	$ 1,639,000
2012	-	1,639,000	1,639,000
2013	-	1,639,000	1,639,000
2014	2,295,000	1,575,888	3,870,888
2015	2,425,000	1,446,088	3,871,088
2016-2020	14,355,000	5,010,364	19,365,364
2021-2023	10,725,000	906,538	11,631,538
Total	$ 29,800,000	$ 13,855,878	$ 43,655,878

2002 General Obligation Bonds—In March 2002, the RTA issued $160 million in General Obligation Bonds, Series 2002A, to pay the costs of construction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 2002A Bonds mature on July 1 over a thirty-year period and interest is payable at rates ranging from 5.0% to 6.0% on July 1, 2002 and semiannually thereafter on January 1 and July 1 in each remaining year.

Debt service requirements on the Series 2002A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2011	$ 3,315,000	$ 8,250,438	$ 11,565,438
2012	3,495,000	8,068,113	11,563,113
2013	3,690,000	7,867,150	11,557,150
2014	3,900,000	7,654,975	11,554,975
2015	4,120,000	7,430,725	11,550,725
2016-2020	24,390,000	33,283,525	57,673,525
2021-2025	32,300,000	25,105,800	57,405,800
2026-2030	42,795,000	14,227,200	57,022,200
2031-2032	20,785,000	1,888,200	22,673,200
Total	$ 138,790,000	$ 113,776,126	$ 252,566,126

In June 2002, the RTA issued $200 million in General Obligation Bonds, Series 2002B, to provide interim funding, as needed for a portion of the costs in connection with the reconstruction and expansion of rapid transit facilities operated by the CTA and to fund other public transportation projects.

The Series 2002B Bonds mature on June 1 over a seventeen year period and interest is payable at rates ranging from 3.00% to 5.50% on December 1, 2002, and semi-annually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2002B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2011	$ 11,325,000	$ 6,331,525	$ 17,656,525
2012	11,815,000	5,695,175	17,510,175
2013	12,335,000	5,031,050	17,366,050
2014	12,900,000	4,345,150	17,245,150
2015	13,500,000	3,635,650	17,135,650
2016-2019	60,890,000	6,744,013	67,634,013
Total	$ 122,765,000	$ 31,782,563	$ 154,547,563

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2011	$ 5,310,000	$ 13,276,325	$ 18,586,325
2012	5,600,000	13,010,825	18,610,825
2013	5,910,000	12,730,825	18,640,825
2014	6,235,000	12,435,325	18,670,325
2015	6,575,000	12,092,400	18,667,400
2016-2020	38,720,000	54,622,100	93,342,100
2021-2025	50,585,000	42,736,050	93,321,050
2026-2030	65,505,000	26,636,400	92,141,400
2031-2033	48,145,000	5,875,800	54,020,800
Total	$ 232,585,000	$ 193,416,050	$ 426,001,050

In January 2003, the RTA issued $150 million in General Obligation Bonds, Series 2003B, to pay the costs of construction, acquisition, repair, and replacement of certain public transportation facilities for the Service Boards.

The Series 2003B Bonds mature on June 1 over a thirty-year period and interest is payable at rates ranging from 4.0% to 5.5% on June 1, 2003 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2003B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2011	$ 3,105,000	$ 7,402,200	$ 10,507,200
2012	3,265,000	7,242,950	10,507,950
2013	3,435,000	7,066,863	10,501,863
2014	3,610,000	6,873,125	10,483,125
2015	3,805,000	6,669,213	10,474,213
2016-2020	22,330,000	29,881,202	52,211,202
2021-2025	29,030,000	22,857,426	51,887,426
2026-2030	37,750,000	13,638,233	51,388,233
2031-2033	27,895,000	2,462,007	30,357,007
Total	$ 134,225,000	$ 104,093,219	$ 238,318,219

2004 General Obligation Bonds—In October 2004, the RTA issued $260 million in General Obligation Bonds, Series 2004A, to pay the costs of construction, acquisition, repair, and replacement of certain public transportation facilities for the Service Boards.

The Series 2004A Bonds mature on June 1 over a thirty-year period and interest is payable at rates ranging from 5.0% to 5.75% on June 1, 2005 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2004A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2011	$ 5,120,000	$ 13,037,788	$ 18,157,788
2012	5,385,000	12,775,163	18,160,163
2013	5,660,000	12,499,038	18,159,038
2014	5,950,000	12,208,788	18,158,788
2015	6,255,000	11,880,206	18,135,206
2016-2020	36,575,000	53,502,526	90,077,526
2021-2025	47,555,000	42,029,169	89,584,169
2026-2030	61,820,000	27,194,951	89,014,951
2031-2034	62,585,000	7,433,456	70,018,456
Total	$ 236,905,000	$ 192,561,085	$ 429,466,085

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:

Year Ending December 31	Debt Service Requirements Principal	Interest*	Total
2011	$ 7,210,000	$ 4,036,395	$ 11,246,395
2012	7,590,000	3,792,195	11,382,195
2013	7,960,000	3,535,620	11,495,620
2014	8,425,000	3,265,268	11,690,268
2015	3,910,000	3,061,740	6,971,740
2016-2020	23,650,000	13,958,177	37,608,177
2021-2025	67,175,000	5,387,664	72,562,664
Total	$ 125,920,000	$ 37,037,059	$ 162,957,059

** Interest was calculated using a rate of 3.3%.*

2006 General Obligation Bonds—In October 2006, the RTA issued $250 million in General Obligation Bonds, Series 2006A, to finance a portion of the costs incurred in connection with the construction, acquisition, repair and replacement of certain public transportation facilities.

The Series 2006A Bonds mature on July 1, over a thirty year period and interest is payable at rates ranging from 4.25% to 5.00% on January 1, 2007 and semiannually thereafter on January 1 and July 1 in each remaining year.

Debt service requirements on the Series 2006A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2011	$ 3,955,000	$ 11,671,031	$ 15,626,031
2012	4,150,000	11,473,281	15,623,281
2013	4,390,000	11,265,781	15,655,781
2014	4,630,000	11,046,281	15,676,281
2015	4,970,000	10,814,781	15,784,781
2016-2020	29,815,000	50,020,406	79,835,406
2021-2025	68,285,000	39,851,406	108,136,406
2026-2030	74,105,000	18,460,313	92,565,313
2031-2035	44,210,000	7,568,863	51,778,863
Total	$ 238,510,000	$ 172,172,144	$ 410,682,144

2009 Working Cash Notes—In June 2009, the RTA issued $260 million in General Obligation Working Cash Notes, Series 2009B, to provide funds to be used to manage the cash flow needs of the RTA and the Service Boards, including if necessary, the refinancing of any existing Authority obligations for such purpose and pay the costs of issuance.

The Series 2009B Working Cash Notes mature on April 1, 2011 and June 1, 2011 and interest is payable at 2.879% and 2.979%, respectively.

Debt service requirements on the Series 2009B Working Cash Notes to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2011	$ 260,000,000	$ 3,183,917	$ 263,183,917

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2011	$ 2,950,000	$ 2,945,500	$ 5,895,500
2012	4,075,000	2,827,500	6,902,500
2013	4,235,000	2,664,500	6,899,500
2014	4,450,000	2,452,750	6,902,750
2015	4,670,000	2,230,250	6,900,250
2016-2020	27,100,000	7,405,750	34,505,750
2021-2022	12,835,000	970,500	13,805,500
Total	$ 60,315,000	$ 21,496,750	$ 81,811,750

General Obligation Bonds—In January 2010, the RTA issued $112.9 million in General Obligation Bonds, Series 2010B, to finance a portion of the costs incurred in connection with the construction, acquisition, repair and replacement of certain public transportation facilities.

The Series 2010B Bonds mature on July 1, over a twenty-five year period and interest is payable at rates ranging from 5.40% to 5.90% on July 1, 2010 and annually thereafter on July 1 in each remaining year.

Debt service requirements on the Series 2010B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2011	$ -	$ 6,621,635	$ 6,621,635
2012	-	6,621,635	6,621,635
2013	-	6,621,635	6,621,635
2014	-	6,621,635	6,621,635
2015	-	6,621,635	6,621,635
2016-2020	-	33,108,175	33,108,175
2021-2025	21,425,000	31,971,895	53,396,895
2026-2030	41,435,000	22,584,055	64,019,055
2031-2035	50,065,000	9,242,100	59,307,100
Total	$ 112,925,000	$ 130,014,400	$ 242,939,400

2010 Working Cash Notes—In July 2009, the RTA issued $140 million in General Obligation Working Cash Notes, Series 2010C, to provide funds to be used to manage the cash flow needs of the RTA and the Service Boards, including if necessary, the refinancing of any existing Authority obligations for such purpose and pay the costs of issuance.

The Series 2010C Working Cash Notes mature on July 1, 2012 and interest is payable at 2.843%.

Debt service requirements on the Series 2010C Working Cash Notes to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2011	$ -	$ 3,980,200	$ 3,980,200
2012	140,000,000	1,990,100	141,990,100
Total	$ 140,000,000	$ 5,970,300	$ 145,970,300

All the bonds are recorded as current and long-term liabilities, as applicable, of the governmental activities in the government-wide statement of net assets, and are general obligations of the RTA to which the full faith and credit of the RTA are pledged. The bonds are payable from all revenues and all other funds received or held by the RTA (except amounts in the Joint Self-Insurance Fund and amounts required to be held or used with respect to separate ordinance obligations) that lawfully may be used for retiring the debt.

The bonds are secured by an assignment of a lien on the sales taxes imposed by the RTA. All sales tax receipts are to be paid directly to the trustee by officials of the State. If, for any reason, the required monthly debt service payment has not been made by the RTA, the trustee is to deduct it from the sales tax receipts. If all payments have been made, the funds are made available to the RTA for regular use.

Under the RTA Act, the Service Boards' farebox receipts and funds on hand are not available for payment of debt service.

In the Debt Service Fund, $162,822,114 in investments are available to service principal and interest payments of the RTA's long-term debt as of December 31, 2010.

NOTE 10. OTHER LONG-TERM LIABILITIES

Pace receives a one month advance from the Illinois Department of Revenue to compensate for the delay in the processing of sales tax payments. The advance is forwarded to the Regional Transportation Authority and is then allocated among the three Service Boards. Pace reported a liability of $8.5 million for the advance for the year ended December 31, 2010.

NOTE 11. PENSION PLANS

CTA

Plan Descriptions-Employees' Plan: The CTA maintains a trusted, single-employer, defined benefit pension plan covering substantially all full-time permanent union and nonunion employees. The Employees' Retirement Plan (the Employees' Plan) is governed by Illinois state statute (40 ILCS 5/22-101).

Substantially all nontemporary, full-time employees who have completed one year of continuous service are covered by the Employees' Plan. Employees hired prior to September 5, 2001, who retire at or after age 65 (or after completion of 25 years of continuous service with full benefits or at age 55 with reduced benefits) are entitled to an annual retirement benefit payable monthly for life, in an amount based upon compensation and credited service. For those hired after September 5, 2001, but prior to January 18, 2008, benefits will be reduced if they retire before age 65 or with less than a combination of age 55 and 25 years of service. Employees hired after January 18, 2008, are eligible for unreduced pension benefits after attaining age 64 with at least 25 years of service, and reduced pension benefits after attaining age 55 with at least 10 years of service. The minimum age and service requirements do not apply to members on a disability allowance. The covered payroll for the Employees' Plan for the fiscal year ended December 31, 2010 was $567,173,000. The Employees' Plan issues a separate stand-alone financial report and which is available at http://www.ctaretirement.org/index.asp.

Supplemental Plans: 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) board member plan (2) closed supplemental plan for members that retired or terminated employment before March 2005, including early retirement incentive, and (3) open supplemental plan for active employees and members retiring after March 2005. CTA received qualification under Section 401(a) of the Internal Revenue Code for the supplemental plan and established a qualified trust during 2005 for members retiring after March 2005 (Open Supplemental Retirement Plan). The Open Supplemental Retirement Plan is reported in a fiduciary fund, whereas the activities for the closed and board plans are included in the financial statements of the CTA's business-type activities.

Employees of the applicable employment classifications are eligible for retirement benefits based on age and service credit as follows: at age 65; or age 55 with at least 3 years of service credit; or at any age with 25 or more years of service credit. The minimum monthly benefit is equal to one-sixth of one percent of the employee's average annual compensation multiplied by the years of continuous service. Employees are eligible for disability benefits after completion of 10 years of creditable continuous service or 5 years if the disability results from an on the job injury. Death benefits are payable to a designated beneficiary upon death of the retiree. Qualified dependents of the employee are eligible for monthly survivor benefits if the option was selected by the retiree. Any purchased service credit will be included in the determination of retirement benefits.

The RTA, Metra and Pace

Plan Descriptions- The Plan, which became effective July 1, 1976, is a multiple-employer, defined benefit pension plan. The Plan covers substantially all employees of the RTA and its Commuter Rail and Suburban Bus Divisions (Metra and Pace, respectively), collectively referred to hereinafter as the Employer, who are not otherwise covered by a union pension plan. The responsibilities for administering the Plan are divided among a Board of Trustees, a Retirement Committee, a Plan Administrator, and the RTA Board of Directors ("RTA Board").

The Plan is a pension trust fund of the RTA and has no component units.

The Plan is classified as a "governmental plan" and is, therefore, exempt from the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Pension Benefits— Participants are entitled to annual pension benefits upon normal retirement at age 65, generally a percentage of the average annual compensation in the highest three years of service, whether consecutive or not, multiplied by the number of years of credited service.

The Plan provides that, upon retirement, benefits will be reduced by a defined percentage for participants who received credit for prior service with an eligible employer.

The Plan permits early retirement with reduced benefits at age 55 after completing ten years of credited service. As a result of the August 1, 1999 amendment to the Plan, participants may receive their full vested benefits if they are at least 55 years of age and their combined age at retirement and credited years of service equals eighty-five or higher (known as "Rule of Eighty Five Early Retirement").

The Plan provides for benefit payments to beneficiaries equal to or reduced from the participant's monthly benefit payment subject to the election of the participant.

Disability Benefits—An employee is eligible for a disability pension if he or she becomes disabled after the completion of ten years of credited service, and is no longer receiving long-term disability benefits under a separate RTA benefit plan, or after reaching age 65, whichever is later.

Contributions and Vesting—The Plan is funded solely by employer contributions, which are actuarially determined under the projected unit credit method. During 2010, the RTA Board approved a resolution that a contribution of $11,288,000 be made to the Plan. The contribution is allocated as follows: Metra - $5,802,000; Pace - $4,210,000; RTA - $1,276,000. As of December 31, 2010, $11,288,000 had not been funded and was reported as contribution receivable in the Statements of Plan Net Assets. The 2010 contribution levels were within the actuarially determined ranges for the respective years.

Significant actuarial assumptions used to compute contribution requirements are the same as those used to determine the actuarial accrued liability presented in the note to the Required Supplementary Information.

Participating employees do not contribute to the Plan. If participants terminate continuous service before rendering five years (ten years prior to January 1, 1987) of credited service, they forfeit the right to receive the portion of their accumulated benefits attributable to employer contributions. All forfeitures are applied to reduce the amount of contributions otherwise payable by the employer.

The complete Plan financial report, including all required disclosures can be obtained from the Plan Administrators at the following address:

Regional Transportation Authority Pension Plan
175 West Jackson Boulevard, Suite 1650
Chicago, IL 60604

Funding Policy—Prior to July 1, 1979, contributions were made on the basis of non-actuarial estimates. The Plan's initial actuarial study found that those estimates were in excess of actuarial requirements. As a result, pension expense is being reduced by amortization of the excess over 30 years.

The RTA, Metra, and Pace are required to contribute the amounts necessary to fund the benefits of their respective employees in the Plan using the projected unit credit actuarial method. Employer contribution and the income it earns through investments are used to operate the Plan and to pay benefits. Assets are valued recognizing a portion of both realized and unrealized gains and losses in order to avoid wide swings in actuarially determined funding requirements from year to year.

Related-Party Transactions—There were no securities of the RTA, Metra, Pace or related parties included in the Plan's assets.

Annual Pension Cost and Net Pension Obligation—For 2008, 2009 and 2010, the RTA's annual pension costs equal the required contributions which were, $9,195,000, $10,827,000 and $11,288,000, respectively. The required contributions were determined as part of the January 1, 2008, 2009 and 2010 actuarial valuations.

In accordance with the GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, the RTA determined its net pension obligation at transition (January 1, 1997). There was no net pension obligation for the Plan at transition or at year-end.

Significant Actuarial Assumptions—The information presented in the notes and the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest valuation follows:

	January 1, 2010	January 1, 2009	January 1, 2008
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Straight-line, open	Straight-line, open	Straight-line, open
Remaining amortization period	30 years	30 years	30 years
Asset valuation method	Smoothed market value	Smoothed market value	Smoothed market value
Actuarial assumptions:			
Investment rate of return	8.50%	8.50%	8.50%
Projected salary increases:			
Age graded scale	Range of 3.5% to 7.5% based on attained age. RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.	Range of 3.5% to 7.5% based on attained age. RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.	Range of 3.5% to 7.5% based on attained age. RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.
Mortality			
Withdrawals from service	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47 % at age 20 to 0.39% at age 60 for males.	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47 % at age 20 to 0.39% at age 60 for males.	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47% at age 20 to 0.39% at age 60 for males.

Funded Status and Funding Progress – As of December 31, 2010, the most recent actuarial valuation date, the plan was 71.28 percent funded. The actuarial accrued liability for benefits was $166,663,123 and the actuarial value of assets was $118,805,281, resulting in an underfunded actuarial accrued liability (UAAL) of $(47,857,842). The covered payroll (annual payroll of active employees covered by the Plan) was $68,389,409 and the ratio of the UAAL to the covered payroll was 69.9 percent.

NOTE 11. 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 expenditures and the combining region-wide statement of revenues and expenditures—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 expenditures 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, 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 2010, the region-wide system-generated revenues recovery ratio is calculated from the Combining Region-Wide Schedules of Revenues and Expenditures—(Budget and Actual Budget Basis) as follows:

System-generated Revenues Recovery Ratio (in thousands)	**Revenues**	**Expenditures**
CTA[(a)]	$ 620,319	$ 1,119,352
Metra[(b)]	296,399	579,990
Pace[(c)]	60,129	182,499
RTA[(d)]	19,260	31,279
Total[(e)]	$ 996,107	$ 1,913,120

The region-wide system-generated revenues recovery ratio for 2010 equals 55.60%.

a) The system-generated revenues recovery ratio for the CTA included leasehold revenues of $4.3 million and Senior Free Rides revenue of $23.8 million, but excluded CTA expenditures for security costs of $33.3 million and Pension Obligation Bond debt Service for $108.4 million. It also included in-kind services of $22 million, both as revenues and expenditures.

b) Metra's system-generated revenues recovery ratio included Senior Free Rides revenue of $8.8 million, but excluded $16.6 million security costs, $16.3 million costs for lease of transportation facilities and $2.9 million for funded depreciation to carriers were deducted from expenditures.

c) Pace's system-generated revenues recovery ratio included Senior Free Rides revenue of $2.7 million, $2.3 million for the Capital cost of contracting for Paratransit service under contract (5307 Fund), and an in-kind credit of $6.3 million both as revenues and expenditures.

d) The RTA excluded all capital related depreciation expenses of $954 thousand.

e) The RTA Act, beginning in 2008, provided a regional expense exclusion of $200 million that decreases annually by $40 million over five years ($120 million in 2010) giving the service boards time to constrain costs and increase revenues in order to maintain a regional recovery ratio that meets the minimum statutory requirement of 50%.

These are allowable adjustments for the revenues recovery ratio computation per the Act. These adjustments are reflected in the region-wide information.

Also, in the 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 2010. Pace ended the year with a 10.0% recovery ratio for Regional ADA Paratransit Services. The 2010 budget for ADA paratransit service adopted by the RTA meets the 10% recovery ratio requirement.

NOTE 12. RECONCILIATION OF GOVENRMENT-WIDE TO REGION-WIDE REVENUES AND EXPENDITURES

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 11, in-kind services are added in the system-generated revenues and expenditures.

The following data (in thousands) reconciles the combining government-wide to region-wide schedules of revenues and expenditures:

	RTA	CTA	Metra	Pace
Government-wide revenues (page 39)	$ 496,887	$ 1,581,897	$ 898,478	$ 351,583
Sales tax agency fund	968,803	-	-	-
Pension trust fund	23,651	1,534	-	-
Senior free rides	-	23,794	8,888	2,673
In-kind services	-	22,000	-	6,250
Others (5307 fund)	-	-	-	2,300
ADA Regional Paratransit funding	-	-	-	115,062
Region-wide revenues (page 40)	1,489,341	1,629,225	907,366	477,868
Government-wide expenditures (page 39)	416,020	1,905,674	840,695	338,782
Sales tax agency fund	968,803	-	-	-
Pension trust fund	8,474	-	-	-
In-kind services	-	22,000	-	6,250
Lease of transportation facilities	-	-	(16,251)	-
Pension and other employee benefits	-	(28,460)	-	-
Capital (depreciation, disposals/additions)	(954)	-	(2,945)	-
Region-wide expenditures (page 40)	1,392,343	1,866,914	804,894	345,032
Net revenues (expenditures)	$ 96,998	$ (237,689)	$ 102,472	$ 132,836

NOTE 13. RTA RESTATEMENT

In order to comply with the provisions of Governmental Accounting Standards Board Statement (GASB) 53, *Accounting and Financial Reporting for Derivative Instruments,* the December 31, 2009 Net Assets for Governmental Activities and Fund Balance for the General Fund have been restated as follows.

	General Fund Increase (Decrease) Fund Balance/ (Deficit)	Statement of Net Assets Increase (Decrease) Net Assets
December 31, 2009 balance/(deficit) as previously reported	$ 127,658	$ (1,951,448)
Restatement to reflect GASB 53 valuations of derivative instruments	(4,666)	(3,171)
December 31, 2009 balance/(deficit) as restated	$ 122,992	$ (1,954,619)

NOTE 14. SUBSEQUENT EVENTS

CTA

Senior Free Ride Legislation

In February 2011, Illinois Governor Pat Quinn signed legislation to amend the Seniors Ride Free Program which would subject the participants of the program to a means test. Currently, the program allows all seniors living in the region to ride free on CTA, Metra, and Pace regardless of income. Under the new program, seniors who do not qualify to ride free will pay a reduced fare. The RTA has up to 180 days to implement the means tested program.

RTA

Beginning in January 2011, the RTA began drawing on a newly authorized commercial paper facility that authorizes the RTA to borrow up to $260 million. Note holders are fully secured by a letter of credit and a subordinate lien on sales taxes levied by the RTA.

In July 2011, the RTA anticipates issuing advance refunding bonds to pre-refund $99.6 million of RTA bonds scheduled to mature between 2013 and 2019. The refunding action will not significantly change the RTA's outstanding debt but will reduce interest expense over the refunding period.

* * * * * *

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING GOVERNMENT-WIDE SCHEDULES OF REVENUES AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2010
(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	$ -	$ 509,179	$ 296,399	$ 62,008	$ 303	$ -	$ 867,283
RTA financial assistance	-	701,615	390,567	232,593	1,120,779	-	203,996
Other public funding	-	88,513	173,157	6,470	-	-	268,140
Capital grants	-	164,432	27,207	44,642	57,886	-	178,395
Sales taxes	103,168	-	-	-	-	935,021	1,038,189
Interest on sales taxes	137	-	-	-	-	-	137
Public Transportation Fund	242,318	-	-	-	-	-	242,318
Operating assistance	9,480	-	-	-	-	-	9,480
State assistance	130,116	-	-	-	-	-	130,116
Investment income	8,770	4,619	-	90	-	-	13,479
Program revenues and other	2,898	-	-	-	-	-	2,898
Interest revenue from leasing transactions	-	113,539	11,149	5,780	-	-	130,468
Total revenues	496,887	1,581,897	898,479	351,583	1,178,968	935,021	3,084,899
EXPENDITURES:							
Operating	-	1,165,499	615,791	291,290	-	303	2,072,277
Depreciation	-	429,827	213,755	41,712	-	-	685,294
Financial Assistance to Service Boards	97,648	-	-	-	-	97,648	-
Operating Assistance - CTA & Pace	27,230	-	-	-	-	27,230	-
Capital grants—discretionary	15,310	-	-	-	-	15,310	-
Capital grants—bonds	103,456	-	-	-	-	103,456	-
Insurance (JSIF)	4,740	-	-	-	-	-	4,740
Administrative expenses	8,551	-	-	-	-	-	8,551
Regional expenses	21,576	-	-	-	-	-	21,576
Technology program	1,979	-	-	-	-	-	1,979
Bond-related expenses	135,530	191,568	-	-	-	-	327,098
Interest expense from leasing transactions	-	118,780	11,149	5,780	-	-	135,709
Total expenditures	416,020	1,905,674	840,695	338,782	-	243,947	3,257,224
NET REVENUES (EXPENDITURES)	$ 80,867	$ (323,777)	$ 57,784	$ 12,801	$ 1,178,968	$ 1,178,968	$ (172,325)

Note 1—Changes in net assets shown on page 4 and net revenues and expenditures shown on this page are similar.
Note 2—Government-wide to Region-wide revenues and expenditures shown on this page are reconciled in Note 12.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

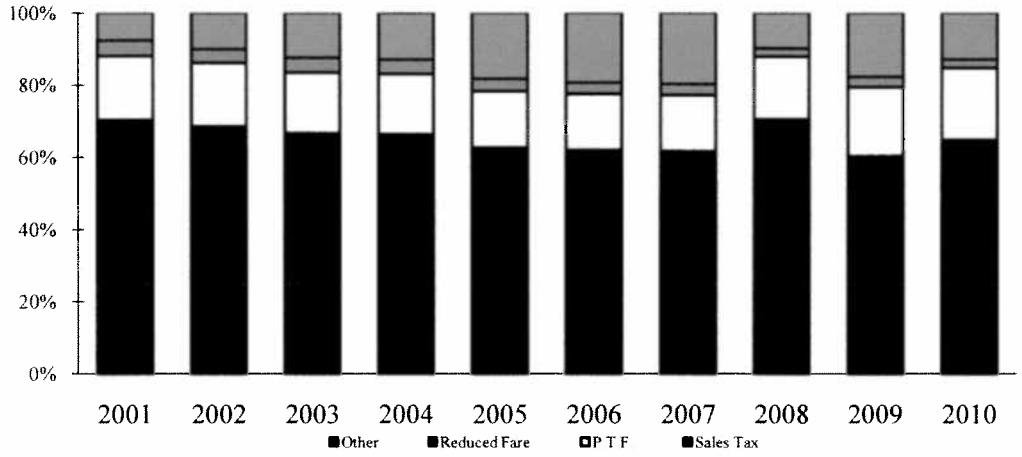
SPECIAL-PURPOSE COMBINING REGION-WIDE SCHEDULES OF REVENUES AND EXPENDITURES—BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2010
(In Thousands)

	RTA Government-Wide and Fiduciary Funds	Service Boards: Chicago Transit Authority	Service Boards: Commuter Rail Division	Service Boards: Suburban Bus Division	Combining Adjustments: Debit	Combining Adjustments: Credit	Total Combined	Total Region-Wide Budget
REVENUES:								
RTA financial assistance	$ -	$ 701,615	$ 390,567	$ 232,593	1,120,779	$ -	$ 203,996	$ -
Other public funding	-	-	173,157	6,470	-	-	179,627	-
Capital grants	-	164,432	27,206	44,642	57,886	-	178,394	-
Interest revenue from leasing transactions	-	117,801	11,149	5,780	-	-	134,730	-
Sales taxes	921,956	-	-	-	-	-	921,956	1,015,718
Public Transportation Fund	287,404	-	-	-	-	-	287,404	162,400
ADA	6,000	-	-	115,062	-	-	121,062	-
State Assistance Inc. (ICE)	204,745	-	-	-	-	-	204,745	122,000
State reduced fare reimbursement	33,570	-	-	-	33,570	-	-	36,800
Pension contribution	11,288	-	-	-	1,276	-	10,012	-
Pension and other employee benefits	-	1,534	-	-	-	-	1,534	-
Investment income / Others	13,099	3,992	-	10,519	-	-	27,610	-
Interest on sales taxes to Service Boards	210	-	-	-	210	-	-	-
Subtotal	1,478,272	989,374	602,079	415,066	1,213,721	-	2,271,070	1,336,918
Investment income	8,081	-	-	-	-	-	8,081	14,600
Other revenues	2,851	-	-	-	-	-	2,851	1,000
Interest on sales taxes	137	-	-	-	-	-	137	2,000
Service Boards revenues	-	594,057	296,399	51,579	305	-	941,730	957,054
Add (Subtract):								
Senior Free Ride	-	23,794	8,888	2,673	-	-	35,355	35,355
In-kind services	-	22,000	-	6,250	-	-	28,250	28,250
Leasehold revenue	-	-	-	2,300	-	-	2,300	2,300
Subtotal	11,069	639,851	305,287	62,802	305	-	1,018,704	1,040,559
Total revenues	1,489,341	1,629,225	907,366	477,868	1,214,026	-	3,289,774	2,377,477
EXPENDITURES:								
Depreciation	-	429,827	213,755	41,712	-	-	685,294	-
Interest expenses from leasing transactions	-	118,780	11,149	5,780	-	-	135,709	-
Interest expenses from bond transactions	-	191,568	-	-	-	-	191,568	-
Prior year positive balance - lease proceeds	-	-	-	-	-	-	-	-
Operating grants to Service Boards	907,727	-	-	-	-	907,727	-	-
CTA & PACE (PTF) expenditures	152,174	-	-	-	-	152,174	-	-
Capital grants—discretionary	15,310	-	-	-	-	15,310	-	-
Capital grants—bonds	103,456	-	-	-	-	103,456	-	-
State reduced fare reimbursement	33,570	-	-	-	-	33,570	-	-
Regional expenses and other	13,214	-	-	115,041	-	-	128,255	-
Bond-related expenses	135,530	-	-	-	-	-	135,530	-
Pension and other employee benefits	-	7,387	-	-	-	-	7,387	-
Interest on sales taxes to Service Boards	210	-	-	-	-	210	-	-
Subtotal	1,361,191	747,562	224,904	162,533	-	1,212,447	1,283,743	-
Operating expenses		1,239,049	615,791	176,249	-	303	2,030,786	2,068,476
Administrative expenses	8,551	-	-	-	-	1,276	7,275	8,127
Regional expenses	21,576	-	-	-	-	-	21,576	23,319
Technology program	1,979	-	-	-	-	-	1,979	1,166
Add (Subtract):								
In-kind services	-	22,000	-	6,250	-	-	28,250	28,250
Security costs	-	(33,319)	(16,605)	-	-	-	(49,924)	(49,924)
Pension Obligation Bond Debt Service	-	(108,378)	-	-	-	-	(108,378)	(108,378)
Lease of transportation facilities	-	-	(16,251)	-	-	-	(16,251)	(16,251)
Capital (depreciation, disposals/additions)	(954)	-	(2,945)	-	-	-	(3,899)	(3,899)
Subtotal	31,152	1,119,352	579,990	182,499	-	1,579	1,911,414	1,950,886
Total expenditures	1,392,343	1,866,914	804,894	345,032	-	1,214,026	3,195,157	1,950,886
NET REVENUES (EXPENDITURES)	$ 96,998	$ (237,689)	$ 102,472	$ 132,836	$ 1,214,026	$ 1,214,026	$ 94,617	$ 426,591

Table 1

RTA REVENUE BY SOURCE

2001-2010



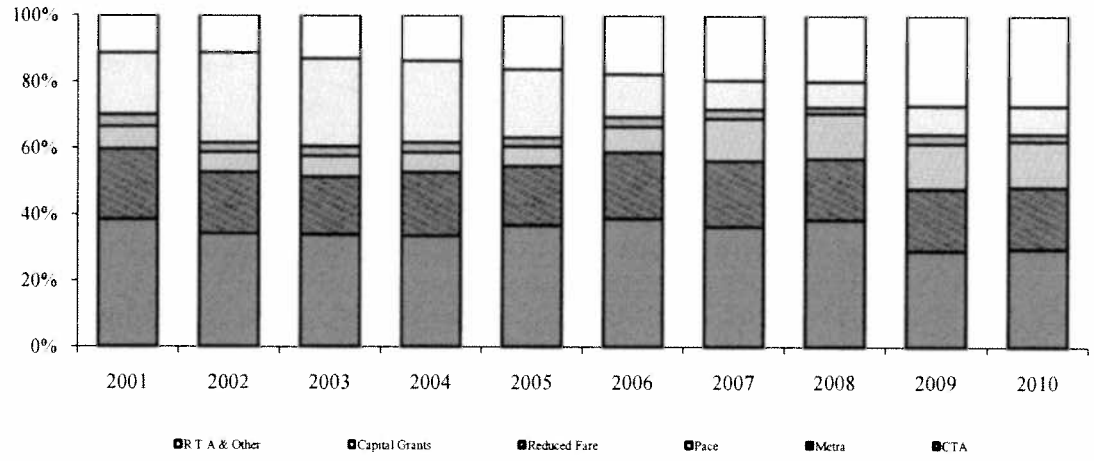
Last Ten Years *(In Thousands)*

	Sales Tax	Public Transportation Fund	Reduced Fare	Other	Total
12 Months Ended 12/31/01	$ 653,522	$ 164,987	$ 39,531	$71,742	$ 929,782
Percentage of Total	70.29%	17.74%	4.25%	7.72%	100%
12 Months Ended 12/31/02	647,685	165,665	36,260	95,167	944,777
Percentage of Total	68.55%	17.53%	3.84%	10.07%	100%
12 Months Ended 12/31/03	654,988	164,739	39,662	122,517	981,906
Percentage of Total	66.70%	16.78%	4.04%	12.48%	100%
12 Months Ended 12/31/04	675,628	170,397	40,153	132,664	1,018,842
Percentage of Total	66.31%	16.72%	3.94%	13.02%	100%
12 Months Ended 12/31/05	700,395	175,668	37,127	204,904	1,118,094
Percentage of Total	62.64%	15.71%	3.32%	18.33%	100%
12 Months Ended 12/31/06	746,829	186,136	37,327	232,193	1,202,485
Percentage of Total	62.11%	15.48%	3.10%	19.31%	100%
12 Months Ended 12/31/07	752,922	188,931	36,678	241,262	1,219,794
Percentage of Total	61.73%	15.49%	3.01%	19.78%	100%
12 Months Ended 12/31/08	949,617	227,201	28,919	129,784	1,335,521
Percentage of Total	71.10%	17.01%	2.17%	9.72%	100%
12 Months Ended 12/31/09	894,238	282,541	41,970	262,098	1,480,847
Percentage of Total	60.39%	19.08%	2.83%	17.70%	100%
12 Months Ended 12/31/10	931,435	287,404	33,570	220,737	1,473,146
Percentage of Total	63.23%	19.51%	2.28%	14.98%	100%

Table 2

DISTRIBUTION OF EXPENDITURES

2001-2010



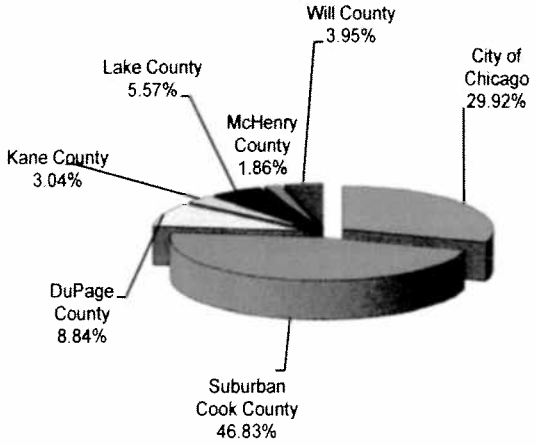
Last Ten Years *(In Thousands)*

	Financial Assistance				Reduced	Capital	RTA	
	CTA	Metra	Pace	Total	Fare	Grants	and Other	Total
12 Months Ended 12/31/01	$419,005	$230,343	$75,002	$ 724,350	$39,531	$ 201,548	$124,952	$ 1,090,381
Percentage of Total	38.43%	21.13%	6.88%	66.44%	3.63%	18.48%	11.45%	100%
12 Months Ended 12/31/02	441,632	238,955	79,052	759,639	36,260	351,041	147,086	1,294,026
Percentage of Total	34.13%	18.47%	6.11%	58.71%	2.80%	27.13%	11.37%	100%
12 Months Ended 12/31/03	453,488	233,632	82,747	769,867	39,662	354,083	175,838	1,339,450
Percentage of Total	33.86%	17.44%	6.18%	57.48%	2.96%	26.43%	13.13%	100%
12 Months Ended 12/31/04	441,630	252,493	79,051	773,174	40,153	323,869	182,417	1,319,613
Percentage of Total	33.47%	19.13%	5.99%	58.59%	3.04%	24.54%	13.82%	100%
12 Months Ended 12/31/05	495,885	241,728	80,052	817,665	37,127	277,130	220,202	1,352,124
Percentage of Total	36.67%	17.88%	5.92%	60.47%	2.75%	20.50%	16.29%	100%
12 Months Ended 12/31/06	496,690	256,301	98,500	851,490	37,327	165,436	227,481	1,281,735
Percentage of Total	38.75%	20.00%	7.68%	66.43%	2.91%	12.91%	17.75%	100%
12 Months Ended 12/31/07	468,349	257,374	164,202	889,925	36,678	113,328	252,301	1,292,232
Percentage of Total	36.24%	19.92%	12.71%	68.87%	2.84%	8.77%	19.52%	100%
12 Months Ended 12/31/08	591,760	287,181	211,620	1,090,561	28,919	119,374	308,308	1,547,161
Percentage of Total	38.25%	18.56%	13.68%	70.49%	1.87%	7.72%	19.93%	100%
12 Months Ended 12/31/09	417,288	267,576	194,698	879,562	41,970	123,069	389,857	1,434,457
Percentage of Total	29.09%	18.65%	13.57%	61.32%	2.93%	8.58%	27.18%	100%
12 Months Ended 12/31/10	436,467	277,506	202,463	916,436	33,570	122,998	402,956	1,475,959
Percentage of Total	29.57%	18.80%	13.72%	62.09%	2.27%	8.33%	27.30%	100%

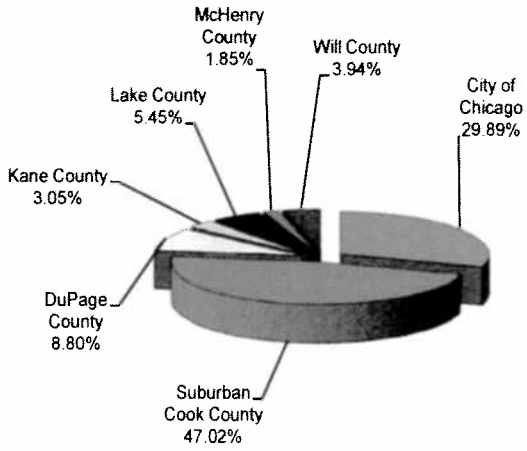
Table 3

SALES TAX REVENUE SOURCE BY COUNTY/CITY OF CHICAGO

2009



2010



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 12/31/01	$197,370	$357,522	$42,498	$11,796	$25,017	$7,122	$12,197	$653,522
Percentage of Total	30.20%	54.71%	6.50%	1.80%	3.83%	1.09%	1.87%	100%
12 Months Ended 12/31/02	195,417	353,999	40,961	12,256	24,913	7,373	12,766	647,685
Percentage of Total	30.17%	54.66%	6.32%	1.89%	3.85%	1.14%	1.97%	100%
12 Months Ended 12/31/03	198,383	356,386	40,916	12,828	24,968	7,599	13,905	654,985
Percentage of Total	30.29%	54.41%	6.25%	1.96%	3.81%	1.16%	2.12%	100%
12 Months Ended 12/31/04	205,355	363,792	42,785	13,954	26,150	8,160	15,432	675,628
Percentage of Total	30.39%	53.85%	6.33%	2.07%	3.87%	1.21%	2.28%	100%
12 Months Ended 12/31/05	214,134	373,317	44,495	15,328	27,348	8,635	17,138	700,395
Percentage of Total	30.57%	53.30%	6.35%	2.19%	3.90%	1.23%	2.45%	100%
12 Months Ended 12/31/06	231,273	395,727	46,867	16,008	28,743	9,194	19,016	746,828
Percentage of Total	30.97%	52.99%	6.28%	2.14%	3.85%	1.23%	2.55%	100%
12 Months Ended 12/31/07	236,783	395,163	46,592	16,015	29,058	9,494	19,817	752,922
Percentage of Total	31.45%	52.48%	6.19%	2.13%	3.86%	1.26%	2.63%	100%
12 Months Ended 12/31/08	219,093	533,095	75,587	25,908	47,143	15,700	33,091	949,617
Percentage of Total	23.07%	56.14%	7.96%	2.73%	4.96%	1.65%	3.48%	100%
12 Months Ended 12/31/09	267,553	418,793	79,060	27,144	49,782	16,627	35,279	894,238
Percentage of Total	29.92%	46.83%	8.84%	3.04%	5.57%	1.86%	3.95%	100%
12 Months Ended 12/31/10	278,394	438,000	81,996	28,368	50,789	17,193	36,695	931,435
Percentage of Total	29.89%	47.02%	8.80%	3.05%	5.45%	1.85%	3.94%	100%

LEGAL DEBT CAPACITY

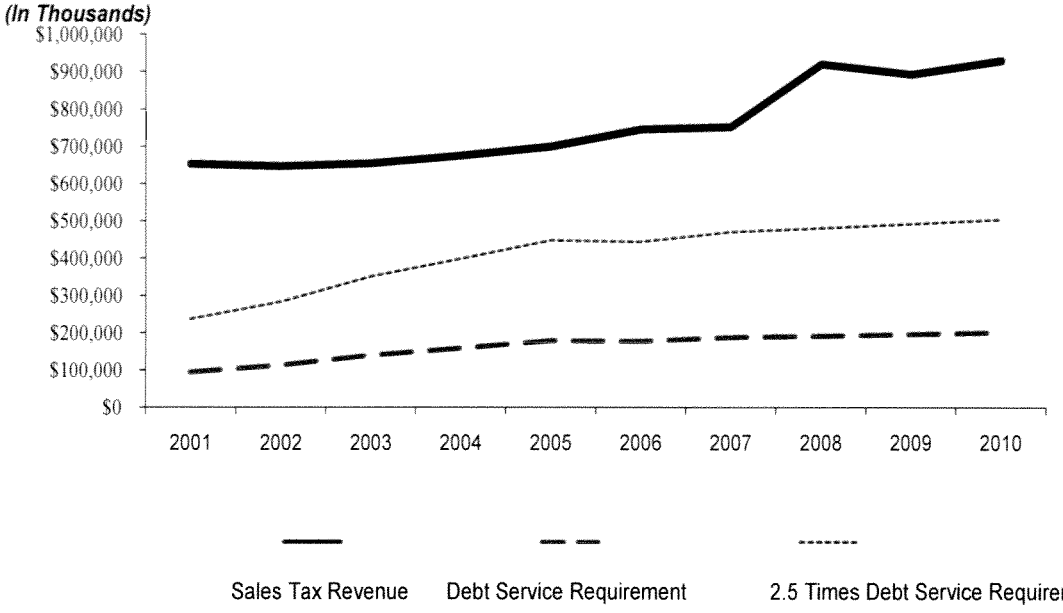
2010

Legal Debt Margin:	Balance Outstanding at December 31, 2010	Issued	
Debt Limitation per Act for General Obligations			$2,600,000,000
Debt applicable to limitation :			
Non-SCIP Bonds:			
1990A General Obligation Bonds	$56,985,000		
1991A General Obligation Bonds	55,745,000		
1992B General Obligation Bonds	2,450,000		
1994B General Obligation Bonds	7,095,000		
1994D General Obligation Bonds	29,225,000		
1997 General Obligation Refunding Bonds	55,355,000		
2002B General Obligation Bonds	122,765,000		
2003B General Obligation Bonds	134,225,000		
2005B General Obligation Refunding Bonds	125,920,000		
2010A General Obligation Bonds	60,315,000		
2010B General Obligation Bonds	112,925,000		
Total RTA Bonds Applicable to Limitation	763,005,000		(763,005,000)
SCIP Bonds:			
1992A General Obligation Bonds	15,340,000	$188,000,000	
1993A General Obligation Bonds		$55,000,000	
1994A General Obligation Bonds	17,300,000	195,000,000	
1994C General Obligation Bonds	25,440,000	62,000,000	
1999 General Obligation Refunding Bonds	258,710,000		
2000A General Obligation Bonds	219,215,000	260,000,000	
2001A General Obligation Bonds	84,560,000	100,000,000	
2001B General Obligation Refunding Bonds	29,800,000		
2002A General Obligation Bonds	138,790,000	160,000,000	
2003A General Obligation Bonds	232,585,000	260,000,000	
2004A General Obligation Bonds	236,905,000	260,000,000	
2006A General Obligation Bonds	238,510,000	250,350,000	
Total SCIP Bonds Applicable to Limitation		1,790,350,000	(1,790,350,000)
Total SCIP Bonds Outstanding	1,497,155,000		
Total Bonds Outstanding	$2,260,160,000		
Debt Margin for General Obligations			46,645,000
Debt Limitation per Act for Working Cash Notes			400,000,000
Total RTA Working Cash Notes Applicable to Limitation	$400,000,000	$400,000,000	(400,000,000)
Debt Margin for Working Cash Notes			-
Total Legal Debt Margin			$46,645,000

Table 5

COMPARISON OF SALES TAX REVENUE
TO DEBT SERVICE REQUIREMENT

2001 - 2010
(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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Sales Tax Revenue	$653,522	$647,685	$654,985	$675,628	$700,395	$746,829	$752,922	$949,617	$894,238	$931,435
Debt Service Requirement	$ 95,187	$113,526	$140,607	$159,702	$179,536	$178,086	$188,551	$192,555	$197,529	$201,994
2.5 Times Debt Service Requirement	$237,968	$283,815	$351,518	$399,255	$448,840	$445,215	$471,378	$481,388	$493,823	$504,985

Table 6

RATIO OF ANNUAL DEBT SERVICE REQUIREMENTS FOR GENERAL OBLIGATION BONDS TO TOTAL EXPENDITURES

Last Ten Years *(In Thousands)*

	Debt Service Requirements			Total	Ratio of Debt Service to Total
Year	Principal	Interest	Total	Expenditures	Expenditures
2001	$19,805	$75,382	$ 95,187	$ 1,090,381	8.73%
2002	27,262	86,264	113,526	1,294,026	8.77%
2003	37,940	102,667	140,607	1,339,450	10.50%
2004	40,430	119,272	159,702	1,319,613	12.10%
2005	49,570	129,966	179,536	1,352,124	13.28%
2006	55,110	122,976	178,086	1,281,765	13.89%
2007	59,135	129,416	188,551	1,292,232	14.59%
2008	64,685	127,870	192,555	1,547,161	12.45%
2009	68,455	129,074	197,529	1,434,457	13.77%
2010	74,060	127,934	201,994	1,475,959	13.69%

Table 7

FEDERAL ALLOCATION OF CAPITAL FUNDS TO NORTHEASTERN ILLINOIS

Last Ten Calendar Years

Sections 5309, 5307, and Title 1 including CMAQ and STP (Formerly Section 3, 9, & 23, respectively) *(In Millions)*

Federal Fiscal Year	Total Awarded	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division
2001	$ 355.47	$ 184.46	$ 145.75	$ 25.26
2002	430.08	225.42	174.29	30.37
2003	463.90	256.70	173.50	33.70
2004	493.16	291.76	168.05	33.35
2005	536.83	330.08	174.80	31.95
2006	496.62	280.03	168.69	47.90
2007	449.49	288.61	128.45	32.43
2008	489.91	279.38	169.55	40.98
2009	917.78	535.32	297.57	84.89
2010	459.25	266.23	154.97	38.05
Total	$ 5,092.49	$ 2,937.99	$ 1,755.62	$ 398.88

Source of data: Information obtained from the Service Boards' records.

Table 8

RTA AND SERVICE BOARDS OPERATING CHARACTERISTICS

2010

Chicago Transit Authority

Rapid Transit

- 8 rail routes
- 143 stations served
- 1,190 rapid transit cars
- 198.1 million riders per year
- 1,158 STO* positions

Motor Bus

- 153 bus routes
- 2,150 buses
- 328.2 million riders per year
- 4,341 STO* positions

Other

- 1.2 billion passenger rail miles per year
- 12.3 million rail miles per year
- 779.8 million passenger miles per year
- 70.8 million vehicle miles per year
- 5,001 without STO* Postions

*STO is Scheduled transit operators. This classification includes bus operators, motormen, conductors, and customer assistants.

*Metra Commuter Rail Division

- 487.7 route miles
- 1,155 miles of track
- 241 stations
- 146 locomotives
- 839 passenger cars
- 171 electric cars
- 702 weekly trains operated
- 96.0% on-time performance
- 81.4 million riders per year
- 4,429 full-time employees

Other

- 1.8 billion passenger miles per year
- 43.1 million vehicle miles per year

*All data excludes NICTD South Shore

Pace Suburban Bus Division

Fixed Route

- 135 regular routes
- 38 feeder routes
- 16 shuttle routes
- 579 vehicles in use during peak periods
- 29.3 million riders per year
- 3 seasonal routes
- 713 Pace-owed busses
- 1,422 full-time employees

Paratransit

- 210 Pace owned lift-equipped buses in service
- 2.8 millions of riders per year
- 30 full-time employees

Dial-A-Ride

- 66 local services
- 157 Pace owned lift-equipped buses in service
- 210 communities served
- 1.3 millions of riders per year
- 7.5 million passenger miles per year
- 5.7 million vehicle miles per year

Other

- 667 vanpools in operation
- 1.8 million riders for the year
- 37.5 million passenger miles per year
- 9.3 million vehicle miles per year

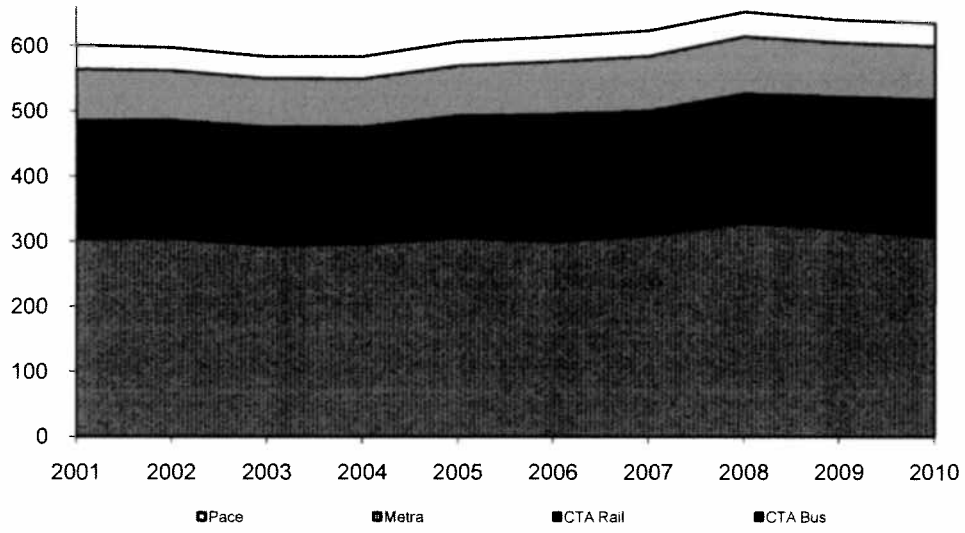
Source of data: Information obtained from the Service Boards' and RTA records.

Table 9

SYSTEM RIDERSHIP-UNLINKED PASSENGER TRIPS

2001-2010

(In Millions)



Last Ten Years *(In Millions)*

Service Consumed:	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
CTA - Bus	303.1	304.8	293.6	296.0	305.5	299.6	309.3	328.2	318.7	306.0
CTA - Rail	181.7	180.4	181.1	178.7	186.8	195.2	190.3	198.1	202.6	210.8
Total CTA*	484.8	485.2	474.7	474.7	492.3	494.8	499.6	526.3	521.2	516.8
Metra	79.2	76.8	74.8	74.4	77.0	80.8	84.4	87.7	83.1	82.2
Pace**	37.0	34.8	33.7	34.1	36.9	38.0	39.0	40.5	35.1	35.1
System Total	601.0	596.8	583.2	583.2	606.2	613.6	623.0	654.5	639.4	634.1
Percent Change	0.68%	-0.70%	-2.28%	0.00%	3.93%	1.23%	1.53%	5.06%	-2.31%	-0.83%

CTA Stat amounts include rail-to-rail transfers.

****PACE -Beginning in 2007 the Stat amount includes ADA Paratransit rides.***

Source of data: Information obtained from the National Transit Database.

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 2010.

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Metra					
Union Pacific	$82,838	$194,552	($111,714)	$111,714	$ -
Burlington Northern/Santa Fe	49,141	74,245	(25,104)	$25,104	-
Northern Indiana Commuter Transportation District (NICTD)	4,142	9,322	(5,180)	$5,180	-
Total Metra	$136,121	$278,119	($141,998)	$141,998	$ -
Pace					
Summary of Services					
Fixed Route - Public Funded Carriers	$1,639	$3,236	($1,597)	$3,505	$1,866
Fixed Route - Private Contract Carriers	2,428	8,403	(5,975)	5,975	-
Total Fixed Route Service	4,067	11,639	(7,572)	9,480	1,866
Private Contract Carriers					
DAR Services	1,229	12,101	(10,872)	6,833	4,039
DAR and Stable Services	8,498	104,174	(95,677)	95,677	-
Total Private Contract Carriers	9,726	116,275	(106,549)	102,509	4,039
Paratransit - Municipal Carriers	438	5,236	(4,797)	1,022	3,775
Total Pace	$14,232	$133,150	($118,918)	$113,012	$9,680

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services					
Fixed Route - Public Funded Carriers					
City of Highland Park	$494	$1,162	($668)	$1,295	$801
Village of Downers Grove	242	269	(27)	269	27
Village of Niles	608	1,457	(849)	1,591	983
Village of Schaumburg	295	348	(53)	350	55
Total	$1,639	$3,236	($1,597)	$3,505	$1,866
Private Contract Carriers - Fixed Route					
Academy Coach Lines	$513	$1,928	($1,415)	$1,415	$ -
Colonial Coach Lines	-	-	-	-	-
First Student	1,575	3,799	(2,224)	2,224	-
First Transit	28	522	(494)	494	-
Keeshin - Coach USA	153	899	(746)	746	
M V Transportation	159	1,255	(1,096)	1,096	
Total	$2,428	$8,403	($5,975)	$5,975	$ -
Private Contract Carriers - Dial-a-Ride Services					
Addison	$0	$5	($5)	$1	$4
Barrington	0	79	(79)	38	40
Bloomingdale Township	27	395	(368)	272	96
Central Lake	7	113	(106)	77	29
Central Will	72	753	(681)	487	194
Community Service Transit	107	66	41	(41)	-
Downers Grove	20	113	(93)	69	24
Dupage County	6	48	(42)	42	-
Dupage Township	10	188	(178)	128	50
Elk Grove	25	327	(302)	61	241
Freemont Township	1	10	(9)	7	2
Hampshire Township	1	20	(19)	14	5
Hanover Township	1	29	(28)	10	18
Hometown	1	25	(24)	2	22
Joliet Call in and Ride	11	159	(148)	148	-
Northwest Suburban Cook	24	217	(193)	193	-
Lake -Call in and Ride	7	155	(148)	148	-
Leyden Township	18	178	(160)	27	133
Marengo	3	80	(77)	77	-
McHenry Township	57	1,181	(1,123)	544	579
Milton Township	22	133	(111)	109	2
N. Suburban Cook	148	77	71	(71)	-
Naperville/Lisle	1	993	(992)	661	331
Northeast Lake-Warren	20	408	(388)	367	21
Northeast Lake-Zion	2	42	(40)	30	10
Northwest Lake	22	329	(307)	307	-
Northwest Lake Demo	8	156	(148)	25	123
Pioneer Center	32	304	(272)	272	-

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services, continued					
Private Contract Carries - Dial - a- Ride Services, continued					
Ride DuPage	186	1,560	(1,373)	593	780
Ride In Kane	334	2,991	(2,657)	1,865	792
Ride In McHenry	23	354	(332)	94	237
South Cook	0	0	(0)	0	-
Southwest Lake-Cuba	1	5	(4)	3	1
Southwest Lake-Wauconda	3	30	(27)	20	7
Southwest Will	1	19	(19)	14	5
Village of Bloomingdale	2	20	(18)	2	16
Village of Skokie/West Cook	-	209	(209)	17	192
Wayne Township	4	87	(83)	61	21
Woodstock	24	243	(219)	158	62
Total	$1,229	$12,101	($10,872)	$6,833	$4,039
Private Contract Carriers - Dial-a-Ride and Stable Services (ADA Services)					
South Cook	605	7,320	(6,715)	6,715	-
North Suburban Cook	588	6,274	(5,686)	5,686	-
West Cook	225	2,032	(1,807)	1,807	-
North Lake	224	1,116	(892)	892	-
Kane County	49	487	(438)	438	-
Southwest/Central Will	51	490	(440)	440	-
DuPage County	103	1,262	(1,160)	1,160	-
Chicago ADA	6,654	85,193	(78,539)	78,539	-
Total	$ 8,498	$ 104,174	$ (95,677)	$ 95,677	$ -
Paratransit - Municipal Carriers					
Bensenville	14	261	(247)	38	209
Bloom	21	331	(310)	57	253
Crestwood	6	80	(74)	18	56
Ela	11	147	(136)	30	107
Forest Park	19	131	(112)	40	71
Fox Lake/Grant	2	5	(4)	2	1
Frankfort	22	135	(114)	31	83
Harvard	3	22	(19)	8	11
Lemont	5	71	(66)	16	50
Lyons	14	306	(292)	40	252
Norridge	12	87	(76)	31	45
Oak Park	42	366	(325)	96	229

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services, continued					
Paratransit - Municipal Carriers, continued					
Orland Park	$ 27	$ 254	$ (227)	$ 40	$ 187
Palatine	18	226	(209)	27	182
Palos Hills	9	77	(67)	18	50
Park Forest	23	122	(98)	60	38
Peotone	32	274	(241)	71	171
Rich Township	31	542	(511)	72	439
Schaumburg	86	1,066	(980)	216	765
Stickney	19	341	(322)	54	268
Tinley Park	9	73	(64)	26	38
Vernon Township	5	135	(130)	12	118
Worth	8	183	(176)	23	152
Total	$ 438	$ 5,236	$ (4,797)	$ 1,022	$ 3,775

Regional Transportation Authority

The six-county public transportation system serving northeastern Illinois

RTA Main Office
175 W. Jackson Blvd, Ste. 1650
Chicago, Illinois 60604
312-913-3200
www.RTAchicago.com

RTA Customer Service
165 N. Jefferson St.
Chicago, Illinois 60661
312-913-3110

Community Outreach
312-913-3237

RTA ADA Certification Helpline
Voice 312-663-4357
TTY 312-913-3122

Travel Information Center and RTA Reduced Fare Card
Voice 312-836-7000
TTY 312-836-4949
www.RTAchicago.com

RTA Transit Benefit Program
800-531-2828
www.LessTaxingCommute.com

Chicago Transit Authority
567 W. Lake St.
Chicago, Illinois 60661
1-888-968-7282
www.transitchicago.com

Metra
547 W. Jackson Blvd.
Chicago, Illinois 60661
312-322-6777
www.metrarail.com

Pace
550 W. Algonquin Rd.
Arlington Heights, Illinois 60005
847-364-7223
www.pacebus.com

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Regional Transportation Authority and Service Boards

Special-Purpose Combining Financial Statements for the Year Ended December 31, 2011 and Independent Accountants' Compilation Report

2011

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Metra

pace

Regional Transportation Authority

Regional Transportation Authority and Service Boards

Special-Purpose Combining Financial Statements for the Year Ended December 31, 2011 and Independent Accountant's Compilation Report

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

(See Independent Accountant's Compilation Report)

Prepared by:

Department of Finance and Performance Management

Grace Gallucci, CFO
Senior Deputy Executive Director

and

Controller Division

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

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Regional Transportation Authority

175 W. Jackson Blvd.
Suite 1650
Chicago, IL 60604
(312) 913-3200
www.rtachicago.com

July 24, 2012

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, 2011. 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,

Joseph G. Costello
Executive Director
Regional Transportation Authority

McGladrey

Independent Accountant's Compilation Report

To the Board of Directors
Regional Transportation Authority
Chicago, Illinois

We have compiled the accompanying special-purpose combining statements of net assets of the Regional Transportation Authority and Service Boards as of December 31, 2011, and the related special-purpose combining statements of revenues and expenses and changes in net assets, and special-purpose combining statements of cash flows for the year then ended and supplementary information and statistical information (included in the accompanying prescribed form). We have not audited or reviewed the accompanying financial statements, supplementary information and statistical information (included in the accompanying prescribed form) and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the requirements of the Regional Transportation Authority Act (Act) as described in Note 1.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Act and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The financial statements included in the accompanying prescribed form are presented in accordance with the Regional Transportation Act and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

McGladrey LLP

Schaumburg, Illinois
July 24, 2012

Member of the RSM International network of independent accounting, tax and consulting firms.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2011
(In Thousands)

ASSETS:	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
CURRENT ASSETS:							
Cash and investments:							
Restricted - cash and cash equivalents	$ -	$ 107,920	$ -	$ 27,968	$ -	$ -	$ 135,888
Unrestricted - cash and cash equivalents	11,081	119,467	66,955	41,501	-	-	239,004
Restricted - investments	323,666	-	-	-	-	-	323,666
Unrestricted - investments	322,423	3,020	-	-	-	-	325,443
Unamortized bond issue costs	1,532	-	-	-	-	-	1,532
Receivables:							
Intergovernmental receivables	263,501	-	-	-	-	62,433	201,068
Grant projects	-	5,098	50,431	308	-	13,316	42,521
RTA financial assistance	-	228,966	77,859	47,154	-	78,242	275,737
Other carriers	-	-	370	-	-	-	370
Other receivables	-	92,119	9,231	7,890	-	961	108,279
Interest on investments	225	-	-	-	-	-	225
Loan to S.B. note and interest	4,536	-	-	-	-	-	4,536
Materials and supplies inventory	-	58,501	18,656	4,699	-	-	81,856
Prepaid expenses and other assets	60,811	5,502	1,244	1,644	-	-	69,201
Deferred outflow - derivative	-	1,384	-	-	-	-	1,384
Total current assets	987,775	621,977	224,746	131,164		154,952	1,810,710
Capital assets:							
Plant, property and equipment	7,587	8,656,955	5,828,812	484,879	-	-	14,978,233
Capital projects in progress	11,797	438,858	225,759	2,921	-	-	679,335
Less accumulated depreciation	(4,893)	(5,335,768)	(3,313,668)	(316,510)	-	-	(8,970,839)
Total capital assets	14,491	3,760,045	2,740,903	171,290	-	-	6,686,729
Other assets:							
Unamortized bond issue costs	11,988	34,632	-	-	-	-	46,620
Note receivable	1,714	-	-	-	-	-	1,714
Derivative instrument	48,341	-	-	-	-	-	48,341
Deferred outflows of resources	33,425	-	-	-	-	-	33,425
Net pension asset	-	41,572	-	-	-	-	41,572
Restricted cash and investments with Trustee	-	1,073,392	-	-	-	-	1,073,392
Restricted assets under sale/leaseback	-	1,630,380	110,392	101,564	-	-	1,842,336
Total other assets	95,468	2,779,976	110,392	101,564	-	-	3,087,400
TOTAL ASSETS	$ 1,097,734	$ 7,161,998	$ 3,076,041	$ 404,018	$ -	$ 154,952	$ 11,584,839

(Continued)

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENT OF NET ASSETS (Continued)
DECEMBER 31, 2011
(In Thousands)

LIABILITIES	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
CURRENT LIABILITIES:							
Vouchers payable	$ -	$ 90,746	$ 77,608	$ 900	$ -	$ -	$ 169,254
Accrued interest payable	37,970	21,451	-	7	-	-	59,428
Intergovernmental payables	117,794	-	-	993	91,362	-	27,425
Due to other funds	1,480	-	-	-	-	-	1,480
Current portion of general obligation bond payable, net	356,675	62,094	-	-	-	-	418,769
Other current liabilities:							
Accrued other expenses	6,983	107,881	32,125	36,643	57,144	-	126,488
Deferred revenue, assistance and other	1,999	84,598	10,753	1,207	-	-	98,557
Derivative instrument	-	1,384	-	-	-	-	1,384
Capital lease obligation	-	98,312	9,142	-	-	-	107,454
Claims liability	-	103,308	9,479	16,372	6,250	-	122,909
Total current liabilities	522,901	569,774	139,107	56,122	154,756	-	1,133,148
LONG-TERM LIABILITIES:							
Long-term portion of general obligation bond, net	2,209,908	3,828,532	-	-	-	-	6,038,440
Post Retiree health benefits	-	-	4,703	-	-	-	4,703
Claims liability	-	149,693	12,359	16,900	-	-	178,952
Capital lease obligation	-	1,689,727	101,249	101,564	-	-	1,892,540
Deferred revenue	38,387	-	-	-	-	-	38,387
Derivative instrument	39,872	-	-	-	-	-	39,872
Deferred inflows of resources	48,341	-	-	-	-	-	48,341
Accrued pension cost	-	19,444	-	4,221	-	-	23,665
Certificate of participation	-	55,885	-	-	-	-	55,885
Deferred rent	2,110	-	-	-	-	-	2,110
Intergovernmental payables	-	-	-	196	196	-	-
Other long-term liabilities	-	65,180	-	10,568	-	-	75,748
Total long-term liabilities	2,338,618	5,808,461	118,311	133,449	196	-	8,398,643
Total liabilities	2,861,519	6,378,235	257,418	189,571	154,952	-	9,531,791
NET ASSETS (DEFICIT):							
Invested in capital assets, net of related debt	14,491	2,631,353	2,740,903	171,290	-	-	5,558,037
Net assets restricted for:							
Payment on obligations and others	326,598	114,749	-	-	-	-	441,347
Unrestricted (deficit)	(2,104,874)	(1,962,339)	77,720	43,157	1,369,786	1,369,786	(3,946,336)
TOTAL NET ASSETS (DEFICIT)	$ (1,763,785)	$ 783,763	$ 2,818,623	$ 214,447	$1,369,786	$1,369,786	$ 2,053,048

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 ASSETS
YEAR ENDED DECEMBER 31, 2011
(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	$ -	$ 570,891	$ 303,311	$ 68,854	$ 659	$ -	$ 942,397
Sales taxes	107,977	-	-	-	-	975,595	1,083,572
Interest on sales taxes	167	-	-	-	-	-	167
Public Transportation Fund	375,500	-	-	-	-	-	375,500
Operating assistance - CTA and Pace	9,930	-	-	-	-	-	9,930
State assistance	130,088	-	-	-	-	-	130,088
Investment income	19,445	-	-	-	-	-	19,445
Program revenues and others	7,868	-	-	-	-	-	7,868
Total revenues	650,975	570,891	303,311	68,854	659	975,595	2,568,967
EXPENSES:							
Operating expenses	-	1,215,871	644,348	307,791	-	659	2,167,351
Depreciation	-	404,193	215,528	44,357	-	-	664,078
Financial assistance to Service Boards	128,786	-	-	-	-	128,786	-
Operating grant - CTA and Pace	21,680	-	-	-	-	21,680	-
Capital grants—discretionary	7,039	-	-	-	-	7,039	-
Capital grants—bonds	229,890	-	-	-	-	229,890	-
Insurance (JSIF)	6,137	-	-	-	-	6,137	-
Administrative expenses	8,918	-	-	-	-	-	8,918
Regional expenses	25,558	-	-	-	-	-	25,558
Technology program	2,356	-	-	-	-	-	2,356
Bond interest	139,314	-	-	-	-	-	139,314
Miscellaneous	397	-	-	-	-	-	397
Total expenses	570,075	1,620,064	859,876	352,148	-	394,191	3,007,972
OPERATING INCOME (LOSS)	80,900	(1,049,173)	(556,565)	(283,294)	659	1,369,786	(439,005)
NONOPERATING REVENUE (EXPENSE):							
RTA financial assistance	-	701,920	502,444	243,226	1,314,219	-	133,371
Leasehold revenue	-	4,262	-	-	-	-	4,262
Interest revenue from leasing transactions	-	114,068	7,013	6,051	-	-	127,132
Interest expense on leasing transactions	-	(117,014)	(7,013)	(6,051)	-	-	(130,078)
Interest expense on bond transactions	-	(175,309)	-	-	-	-	(175,309)
Innovation Coordination & Enhancement (ICE)	-	-	-	6,587	-	-	6,587
Other public funding	-	40,849	201,435	3,597	-	-	245,881
Capital grants	-	238,355	14,066	22,461	54,908	-	219,974
Investment income	-	2,169	-	123	-	-	2,292
Total nonoperating revenue (expense)	-	809,300	717,945	275,994	1,369,127	-	434,112
CHANGE IN NET ASSETS	80,900	(239,873)	161,380	(7,300)	1,369,786	1,369,786	(4,893)
NET ASSETS (DEFICIT):							
Beginning of year	(1,844,685)	1,023,636	2,657,243	221,747	-	-	2,057,941
End of year	$ (1,763,785)	$ 783,763	$ 2,818,623	$ 214,447	$ 1,369,786	$ 1,369,786	$ 2,053,048

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2011
(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	$ -	$ 533,799	$ 245,487	$ 59,096	$ 838,382
Payments to employees	-	(882,931)	(262,056)	(110,155)	(1,255,142)
Payments to vendors	(5,602)	(295,476)	(386,137)	(184,877)	(872,092)
Other receipts and payments	-	40,489	60,441	10,297	111,227
Net cash flows from operating activities	(5,602)	(604,119)	(342,265)	(225,639)	(1,177,625)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Financial assistance—operating	5,380	710,289	394,103	250,138	1,359,910
Net cash flows from noncapital financing activities	5,380	710,289	394,103	250,138	1,359,910
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Interest income from assets restricted for payment of leasehold obligations	-	114,068	-	-	114,068
Repayment of lease/leaseback obligations	-	(105,463)	-	-	(105,463)
Increase/decrease in assets restricted for payment of leasehold obligations	-	(26,045)	-	-	(26,045)
Financial assistance—grant projects	-	233,977	330,842	22,589	587,408
Interest expense on bonds	-	(164,967)	-	-	(164,967)
Proceeds from issuance of bonds (net)	-	521,720	-	-	521,720
Repayment of bonds payable	-	(48,945)	-	-	(48,945)
Repayment of long-term liabilities	-	(3,679)	-	-	(3,679)
Payments for capital acquisition	-	(240,149)	(360,310)	(24,613)	(625,072)
Net cash flows from capital and related financing activities	-	280,517	(29,468)	(2,024)	249,025
CASH FLOWS FROM INVESTING ACTIVITIES:					
Note principal and interest	4,500	-	-	-	4,500
Investment income	123	2,169	148	130	2,570
Sales and purchases of investments, net	(3,780)	(375,410)	-	-	(379,190)
Net cash flows from investing activities	843	(373,241)	148	130	(372,120)
NET INCREASE IN CASH AND CASH EQUIVALENTS	621	13,447	22,518	22,605	59,191
CASH AND CASH EQUIVALENTS—Beginning of year	10,460	213,940	44,437	46,864	315,701
CASH AND CASH EQUIVALENTS—End of year	$ 11,081	$ 227,387	$ 66,955	$ 69,469	$ 374,892
RECONCILIATION OF OPERATING ACTIVITIES:					
Net loss from operations	$ (6,101)	$ (1,049,173)	$ (556,565)	$ (283,294)	$ (2,944,306)
Adjustments to reconcile operating loss to net cash flows from operating activities:					
Depreciation	-	404,193	215,528	44,357	664,078
Claims provision and settlement	-	-	3,417	-	3,417
State reduced fare assistance	-	-	(3,400)	-	(3,400)
Miscellaneous revenue - insurance refund	366	-	-	-	366
Interest and dividends received	(36)	-	(149)	-	(185)
Changes in current assets and liabilities	169	40,861	(1,096)	13,298	53,232
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (5,602)	$ (604,119)	$ (342,265)	$ (225,639)	$ (1,177,625)

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 assets, 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 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 assets.

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 RTA 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.

CTA

The 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 Chicago City Council has granted the CTA the exclusive right to operate a passenger transportation system 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 RTA Act, as amended effective November 9, 1983, established the Suburban Bus Division (Pace) to operate suburban bus service within suburban Cook County and the five collar counties of DuPage, Kane, Lake, McHenry, and Will. The independent operations of Pace commenced on July 1, 1984.

Pace determines the level, nature, and kind of public transportation services that should be provided in the suburban region. Pace operates suburban bus services using stock, structures, and equipment purchased through capital grants funded by federal and state agencies and the RTA.

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, 2011 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 Statement No. 14 (Statement No. 14), *The Financial Reporting Entity.*

In the judgment of the management of each of the entities and their analysis and application of Statement No. 14 criteria, while the RTA does exercise some fiscal oversight, the Service Boards are not part of the RTA reporting entity for the purpose of preparing a comprehensive annual financial report in accordance with governmental accounting and financial reporting standards in the United States.

In arriving at this conclusion, the following factors were considered:

- The Service Boards maintain separate management, exercise control over all operations (including the passenger fare structure), and are accountable for fiscal matters, including ownership of assets, relations with federal and state transportation funding agencies that provide financial assistance in the acquisition of these assets, and the preparation of operating budgets. The Service Boards are also responsible for the purchase of services and approval of contracts relating to their operations.

- The RTA Board has control neither in the selection nor the appointment of any Service Board Director nor of any of its management. Further, directors of the Service Boards are excluded from serving on more than one entity's board of directors, including that of the RTA, except for the Chairman of the CTA Board of Directors who is also an RTA Board member.

- The Illinois statutes require the RTA Board to approve the budgets of the Service Boards, 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.

Accordingly, financial statements for the Service Boards are not included or combined with the RTA's financial statements under Statement No. 14. 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 assets.

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.

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.

Revenue/Sales Taxes

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 incident to a sale of a service (a Service Occupation Tax).

The taxes described in (i) and (ii) above are also imposed on persons engaged in making sales of services pursuant to which tangible personal property or real estate (as incident to a sale of a service) is transferred (with respect to the taxes in (i) and (ii), a Service Occupation Tax).

The RTA Sales Tax is collected by the Illinois Department of Revenue (the "Department of Revenue"), and paid to the Treasurer of the State to be held in trust for the RTA outside the State Treasury. Proceeds from the RTA Sales Tax are payable monthly directly to the RTA, without appropriation, by the State Treasurer on the order of the State Comptroller.

Also, proceeds from certain sales taxes imposed by the State are allocated to the RTA as part of the restructuring of the State and local sales taxes in Illinois. Until January 1, 1990, the State General Sales Tax, State Use Tax, and State Service Occupation Tax portions of the RTA Sales Tax were imposed at a rate of 1% in Cook County. Effective January 1, 1990, as a result of legislation (the Sales Tax Reform Act) aimed at simplifying the base and rate structure of taxes imposed by the State and its local governments, including the RTA, the State General Sales Tax, State Use Tax, State Service Occupation Tax, and State Service Use Tax were increased from 5% to 6.25% and any corresponding portions of the RTA Sales Tax in Cook County were reduced from 1% to 0.75%. In order to avoid a revenue loss to the RTA because of the reduction in this portion of the RTA Sales Tax, the Sales Tax Reform Act directed that portions of the receipts from the State General Sales Tax, State Use Tax, State Service Occupation Tax, and State Service Use Tax be paid to the RTA annually.

Specifically, 4% of the net monthly revenue from the 6.25% State General Sales Tax and State Service Occupation Tax and 4% of the net monthly revenue from the State Use Tax on personal property purchased at retail outside the State, but registered or titled with a State agency within the State (i.e., 0.25% of total) is transferred into the County and Mass Transit District Fund in the State Treasury (the "CMTD Fund"). The amount in the CMTD Fund attributable to taxable sales occurring in Cook County or to property registered or titled in Cook County is then transferred into the RTA Occupation and Use Tax Replacement Fund in the State Treasury (the "Replacement Fund"). In addition, (i) the net monthly revenue from the State Use Tax and State Service Use Tax portions of the 1% State Food and Drug Tax, and (ii) 20% of the net monthly revenue of the 6.25% State Use Tax and State Service Use Tax (i.e., 1.25% of total), other than revenues of such taxes attributable to personal property purchased at retail outside the State but registered or titled with a State agency within the State, are deposited in the State and Local Sales Tax Reform Fund (the "Reform Fund"). Of the money paid into the Reform Fund, 10% is transferred into the Replacement Fund.

The Act provides that the RTA withhold 15% of 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.

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 real estate transfer tax (RETT) in the City of Chicago was increased 0.3% (i.e. for every $500 in sales price $1.50 in tax is collected).

Public Transportation Fund—In accordance with the Act, the State Treasurer is authorized and required to transfer from the State's General Revenue Fund to a special fund in the State Treasury designated the "Public Transportation Fund," an amount equal to 30% of net revenues realized from sales taxes (or, as the case may be, gasoline or parking taxes) and RETT. These amounts may be paid to the RTA only upon State appropriation. The State has approved an appropriation from the PTF through its 2011 fiscal year which will end June 30, 2012.

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.

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 discretion 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 ending June 30, 2012, the Illinois General Assembly appropriated funds for a program under which the Illinois Department of Transportation ("IDOT") is authorized to provide to the RTA a reduced fare reimbursement grant for the purpose of reimbursing the Service Boards for a portion of actual revenue losses attributable to reduced fares for students, people with disabilities, and the elderly. For the State fiscal years ended June 30, 2011 and June 30, 2012, the grants were in the amount of $33.6 million and $34.1 million, respectively.

Additional State Assistance/Additional Financial Assistance—The State has authorized Additional State Assistance ("ASA") which is supplemental financing for the RTA's Strategic Capital Improvement Program ("SCIP") bonds. The ASA available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP bonds plus any debt service savings from the issuance of refunding or advance refunding SCIP bonds, less interest earned on the unspent bond proceeds, or (ii) $55 million per year. The RTA recognized $39.7 million of ASA in 2011.

Beginning with the State's fiscal year 2001, the State has also authorized Additional Financial Assistance ("AFA") to pay for debt service requirements for SCIP bonds authorized under the Illinois First Program. The amount available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP bonds less interest earned on those bond proceeds, or (ii) $100 million in the State's fiscal years 2011 and 2012, per year. The RTA recognized $90.4 million of AFA in 2011.

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.

Administration consists of those costs of the RTA incurred to carry out its administrative activities. These costs were limited by statute to $17,778,221 for the year ended December 31, 2011.

Non-administration, listed as regional and technology program expenses in the statement of activities, consists of those costs of the RTA which are exempt from the statutory limit defined in the RTA Act. These costs include the operation of the Travel Information Center, Transit Check Program, Americans with Disabilities Act ("ADA"), reduced fare registration, capital development and other program costs incurred on behalf of the Service Boards and not for the benefit of RTA itself.

Expenses are recognized using the accrual basis of accounting. Expenses are recognized in the period incurred.

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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting Pronouncements—In September 1993, the GASB released Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting.* The statement provides that proprietary funds may apply all GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board ("FASB"), Accounting Principles Board ("APB") Opinions and Accounting Research Bulletins ("ARBs") of the Committee on Accounting Procedure. The RTA has elected to apply only FASB, APB and ARB statements and interpretations issued on or before November 30, 1989.

New Accounting Pronouncements—Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, was issued to update standards related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit ("OPEB") plans. This Statement amends Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, to permit an agent employer that has an individual-employer OPEB plan with fewer than 100 total plan members to use the alternative measurement method, at its option, regardless of the number of total plan members in the agent multiple-employer OPEB plan in which it participates. The Authority and Service Boards are required to implement this Statement for the year ending December 31, 2012.

Statement No. 61, *The Financial Reporting Omnibus, An Amendment of GASB Statements No. 14 and No. 34*, was issued to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity* and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination. The Authority and Service Boards required to implement this Statement for the year ending December 31, 2013.

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance contained in pre-November 1989 FASB and AICPA Pronouncements*, was established to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in certain FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The Authority and Service Boards are required to implement this Statement for the year ending December 31, 2013.

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, was established to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. The Authority and Service Boards are required to implement this Statement for the year ending December 31, 2012.

Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – An Amendment to GASB Statement No. 53*, was established to enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap

counterparty, or a swap counterparty's credit support provider, is replaced. The Authority and Service Boards are required to implement this Statement for the year ending December 31, 2012.

Statement No. 65, *Items Previously Reported as Assets and Liabilities,* was established to reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Authority and Service Boards are required to implement this statement for the year ending December 31, 2013.

Statement No. 66, *Technical Corrections – 2012,* was established to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two earlier pronouncements, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* This Statement also amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and to an internal service fund type. Governments are allowed to base their decision about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.* Finally, this Statement also amends Statement 62 by modifying the specific guidance on accounting for operating lease payments that vary from a straight-line basis; the difference between the initial investment and principal amount of a purchased loan or group of loans; and servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current servicing fee rate. These changes clarify how to apply Statement 13, *Accounting for Operating Leases with Scheduled Rent Increases* and result in guidance that is consistent with the requirements of Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues.* The Authority and Service Boards are required to implement this statement for the year ending December 31, 2013.

Management has not currently determined what impact, if any, these Statements may have on the 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 sales tax agency fund.

The annual budget and related appropriations are prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States except for RTA capital expenses and capital grants to the Service Boards. The RTA capital expenses 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 expenses 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 expenses. 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 expenses in excess of appropriated amounts require RTA Board approval) is restricted to total appropriations/expenses and total administration appropriations/expenses. Management has the authority to exceed any line item appropriation without Board approval, provided it does not exceed the total appropriations/expenses and the total administration appropriations/expenses. It is generally the policy of the RTA (ordinance 91-9) to fund the budgets of the Service Boards up to the amount appropriated in the annual Budget Ordinance. However, unfavorable economic conditions created the need to waive this policy for purposes of the adoption of the 2011 budget and 2012-2013 financial plan and the 2012 budget and 2013-2014 financial plan. Also waived for the purpose of the adoption of the 2012 budget and 2013-2014 financial plan was the provision of the RTA funding policy adopted by Ordinance 98-15 that requires that the RTA annual budget and two-year financial

plan show a year-end unreserved and undesignated fund balance equal to 5% of the RTA general fund by no later than the end of the three-year planning period.

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 expenses and the payment of PTF funds, unallocated RTA sale 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. LEASES

The RTA and CTA hold operating leases which are primarily for rent expense on the facilities they occupy. Metra has several operating leases, primarily for the use of passenger terminals. Pace has multi-year leases for vehicles and bus tires.

CTA

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 at an estimated aggregate cost of $120.5 million. The terms of the 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, beginning on December 1, 2008. The present value of the future payments to be made by the CTA under the lease of approximately $94.4 million is reflected in the accompanying December 31, 2011 statement of net assets as a capital lease obligation.

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.

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 and 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 $388,000, 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 $1.5 million is recorded as a component of long-term debt in the accompanying statement of net assets.

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. Bond issue costs and premium related to this transaction are presented as such on the statement of net assets. The present value of the future payments to be made by the CTA under the lease of approximately $81.3 million is reflected in the accompanying December 31, 2011 statement of net assets as a capital lease obligation.

In 2003, the CTA entered into a lease and leaseback agreement with a third party pertaining to certain buses, with a book value of $7.5 million and $11.2 million at December 31, 2011 and 2010, respectively. Under the bus lease agreement, which provides certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $16.0 million is reflected in the accompanying December 31, 2011 statement of net assets as a capital lease obligation.

During 2002, the CTA entered into two lease and leaseback agreements with a third party pertaining to certain buses (lots 1 and 2), with a book value of $10.1 million and $16.4 million at December 31, 2011 and 2010, respectively. Under the bus lease agreements, which provide certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $127.0 million is reflected in the accompanying December 31, 2011 statement of net assets as a capital lease obligation.

During 2002, the CTA entered into a lease and leaseback agreement with a third party pertaining to certain qualified technological equipment (QTE), with a book value of $6.1 million and $7.1 million at December 31, 2011 and 2010, respectively. Under the QTE lease agreement, which provides certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $97.2 million is reflected in the accompanying December 31, 2011 statement of net assets as a capital lease obligation.

During 1998, the CTA entered into a lease and leaseback agreement (the 1998 Agreement) with a third party pertaining to a rail line (green line), with a book value of $213.5 million and $223.7 million at December 31, 2011 and 2010, respectively. The 1998 Agreement, which provides certain cash and tax benefits to the third party, also provides for a trust established by the CTA to lease the rail line to an equity investor trust (the 1998 Equity Trust), which would then lease the facilities back to another trust established by the CTA under a separate lease (the 1998 Lease). The present value of the future payments to be made by the CTA under the lease of approximately $172.4 million is reflected in the accompanying December 31, 2011 statement of net assets as a capital lease obligation.

During 1997, the CTA entered into four lease and leaseback agreements (the 1997 Agreements) with a third party pertaining to certain of its facilities having a book value of $42.6 million and $45.9 million at December 31, 2011 and 2010, respectively. The 1997 Agreements, which provide certain cash and tax benefits to the third party, also provide for a trust established by the CTA to lease the facilities to an equity investor trust (the Equity Trust), which would then lease the facilities back to another trust established by the CTA under separate leases (the Leases). The CTA received certain funds as prepayment by the Equity Trust. The funds have been deposited in designated investment accounts sufficient to meet the payments required under the Leases and are recorded as assets restricted for repayment of leasing commitments. The Equity Trust has a security interest in the deposits to guarantee the payments due by the CTA and may take possession of the facilities upon a default by the CTA under the Lease. No other lease payments are required until the end of each lease. The present value of the future payments to be made by the CTA under the leases (net of the payment due from the Equity Trust in 2023 and 2024) of approximately $43.3 million is reflected in the accompanying December 31, 2011 statement of net assets as a capital lease obligation.

In connection with the 1997 Agreements, the CTA also received proceeds of $11.9 million. The FTA has approved the CTA's right to the benefit received from these transactions. The CTA has elected to defer recognition of the proceeds over the remaining lease term.

During 1996, the CTA entered into similar lease and leaseback agreements (the 1996 Agreements) with a third party pertaining to certain of its facilities, with a book value of $46.0 million and $47.8 million at December 31, 2011 and 2010, respectively. The 1996 Agreements, which provide certain cash and tax benefits to the third party, also provide for a trust established by the CTA to lease the facilities to an equity investor trust (the 1996 Equity Trust), which would then lease the facilities back to another trust established by the CTA under a separate lease (the 1996 Lease). The present value of the future payments to be made by the CTA under the leases (net of the payment due from the 1996 Equity Trust in 2024) of approximately $43.3 million is reflected in the accompanying December 31, 2011 statement of net assets as a capital lease obligation.

In connection with the 1996 Agreements, the CTA also received proceeds of $10.9 million and agreed to make approximately $80 million of improvements to one of the facilities. The FTA has approved the CTA's right to the benefit received from these transactions. The CTA has elected to defer recognition of the proceeds over the remaining lease term.

During 1995, the CTA entered into sale/leaseback agreements (the 1995 Agreements) with third parties. The 1995 Agreements provided for the CTA to sell and lease back certain rail equipment with a book value of $91.6 million and $101.7 million at December 31, 2011 and 2010, respectively. At December 31, 2011, the total payments due under the 1995 Agreements are recorded as capital lease obligations totaling $1.1 billion. The CTA has deposited funds into designated cash and investment accounts sufficient to meet all of its payment obligations throughout the terms of the leases, and recorded such amounts as assets restricted for repayment of leasing commitments.

Change in Capital Lease Obligations: Changes in CTA capital leases for the year ended December 31, 2011 are as follows (in thousands of dollars):

2011	Beginning balance	Additions*	Principal paid	Ending balance	Interest paid	Due in one year
2003 (Buses)	$ 16,686	$ 595	$ (1,255)	$ 16,026	$ 595	$ 412
2002 (Buses)	121,631	6,129	(767)	126,993	6,129	-
2002 (QTE)	91,377	5,801	-	97,178	5,801	-
1998 (Green)	182,215	12,459	(22,304)	172,370	12,458	22,712
1997 (Garages)	40,354	3,034	-	43,388	3,036	-
1996 (Skokie/Racine)	40,343	2,965	-	43,308	2,965	-
1995 (Pickle)	1,072,242	79,918	(63,698)	1,088,462	79,918	63,698
Total lease/leasebacks	1,564,848	110,901	(88,024)	1,587,725	110,902	86,822
2005 PBC Lease	83,340	-	(2,035)	81,305	6,189	2,115
2008 Bus Lease	103,371	-	(8,978)	94,393	4,460	9,375
Total capital lease obligation	$ 1,751,559	$ 110,901	$ (99,037)	$ 1,763,423	$ 121,551	$ 98,312

* Additions include accretion of interest.

The following table sets forth the aggregate amounts due under the sublease agreements:

Future Minimum Lease Payments: As of December 31, 2011, future minimum lease payments for capital leases, in the aggregate, are as follows (in thousands of dollars):

2012	$ 98,312
2013	178,440
2014	170,612
2015	93,624
2016	1,230,595
2017 - 2021	372,832
2022 - 2026	229,590
2027 - 2031	24,505
2032 - 2035	11,750
Total future minimum payments	2,410,260
Less interest	646,837
Present value of minimum lease payments	$ 1,763,423

The present value of all future payments to be made by the CTA under all its leases of approximately $1.8 billion is reflected in the accompanying December 31, 2011 statement of net assets as capital lease obligations.

Metra

On September 18, 1998, Metra entered into transactions to lease 174 railcars to three equity investors (the headlease) and simultaneously subleased the railcars back (the sublease). Under these agreements, Metra maintains the right to use the railcars and is also responsible for their continued maintenance and insurance. Metra's sublease arrangements have been recorded as long-term obligations for accounting purposes.

At closing, the railcars had a fair market value of approximately $296.9 million and a book value of $262.9 million. As part of the headlease agreements, Metra received prepayments equivalent to the net present value of the headlease obligations totaling approximately $274 million.

Metra transferred approximately $177.4 million and $52.9 million of the prepayment proceeds to third parties in accordance with the terms of debt and equity payment undertaking agreements, respectively. These agreements constituted commitments by the debt and equity payment undertakers to pay Metra's sublease and buy-out options, under the terms of the subleases. The debt payment undertaker and equity payment undertaker are finance companies.

In connection with the transaction, Metra recognized $43.7 million as leasehold revenue in 1998.

In 2008, American International Group, Inc. (AIG) incurred a ratings downgrade. AIG acted as the Debt Payment Undertaker (DPU), Equity Payment Undertaker (EPU), and Standby Letter of Credit Provider (SLOCP) for these transactions. Once AIG's ratings fell below levels specified per the terms of the agreements, AIG was required to provide additional collateral to securitize the transactions. Later in 2008, AIG's credit ratings were further downgraded which triggered an event of default. No notices of default were or have been received; however, the investors can demand to have AIG replaced or that some other suitable arrangement be made.

On December 18, 2008, one of the investors terminated their transaction. On August 29, 2011, the second investor terminated their transaction. The remaining investor has sent notices demanding that AIG be replaced. Subsequently, the investor has been allowing Metra to pursue potential options that could be mutually acceptable to both the investor and Metra. Metra does not anticipate a material adverse financial impact as a result. In the event the investors terminate the transactions, Metra's maximum exposure is approximately $28.9 million at December 31, 2011.

The net present value of the future payments due under the subleases has been recorded as a liability on the accompanying balance sheet. Since the debt and equity payment undertaking agreements have been structured to meet all future obligations under the subleases, the related asset balances have been recorded to equal the sublease liabilities on the accompanying balance sheet. The following table sets forth the aggregate amounts due under the sublease agreements:

Future Minimum Lease Payments: As of December 31, 2011, future minimum lease payments for capital leases, in the aggregate, are as follows:

2012	$ 9,142,472
2013	9,142,472
2014	9,142,472
2015	9,142,472
2016	9,142,472
2017-2021	121,065,808
Total future minimum payments	166,778,168
Less imputed interest	(56,386,590)
Present value of minimum lease payments	$ 110,391,578

The present value of minimum lease payments of the Metra lease is $110.3 million which is reflected in the accompanying December 31, 2011 statement of net assets as capital lease obligations.

Pace

In 2003, Pace entered into two lease and leaseback agreements and realized a gain of $2.4 million from the proceeds. The transactions allowed Pace to earn an up-front economic cash benefit for transferring ownership (not legal title) of a group of assets to a taxpayer that could take advantage of the benefits of tax ownership.

The first lease and leaseback agreement with a third party pertained to certain buses (lot 1, 2, and 3), with a book value of $9.9 million at December 31, 2011. Under the bus lease agreements, Pace entered into a long term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to Pace under a sublease. The present value of the future payments to be made by Pace under the lease is approximately $72.2 million and is reflected in the accompanying December 31, 2011 statement of net assets as the total of the current and long-term portions of the Capital Lease Obligation.

The second lease and leaseback agreement with a third party pertained to certain buses (lot 4), with a book value of $7.8 million at December 31, 2011. Under the bus lease agreements, Pace entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to Pace under a sublease. The present value of the future payments to be made by Pace under the lease is approximately $29.4 million and is reflected in the accompanying December 31, 2011 statement of net assets as the total of the current and long-term portions of the capital lease obligation.

2011	Beginning balance	Additions	Reductions	Ending balance	Interest expense	Due in one year
2003 (Buses)	$ 67,923,367	$ 4,229,254	$ -	$ 72,152,621	$ 4,229,254	$ -
2003 (Buses)	27,589,925	1,821,913	-	29,411,838	1,821,913	-
Total	$ 95,513,292	$ 6,051,167	$ -	$ 101,564,459	$ 6,051,167	$ -

As described above, Pace entered into two lease financing agreements with a third party in 2003.

The following table sets forth the aggregate amounts due under the sublease agreements:

2012	$ -
2013	-
2014	-
2015	-
2016	124,399,915
Total future minimum payments	124,399,915
Less interest	22,835,456
Present value of minimum lease payments	$ 101,564,459

The present value of the future payments including the purchase option to be made by Pace under these leases are approximately $101.6 million and is reflected in the accompanying December 31, 2011 statement of net assets as a capital lease obligation.

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 position.

Defeased Debt: On October 26, 2006, the 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 outstanding balance of the defeased debt was $87.6 million as of December 31, 2011.

Operating Leases: As of December 31, 2011, future minimum lease payments for operating leases, in the aggregate, total $242.0 million and are due in 2012.

Lease Transactions: During 1998, the CTA entered into a lease and leaseback agreement with three investors pertaining to a property, railway tracks and train stations on the Green Line. The CTA's payments associated with this agreement were guaranteed by American International Group Inc. (AIG).

During 2008, AIG's credit rating was cut amid the U.S. mortgage meltdown and global economic crisis. The rating cut provided the third party investors with the option to require CTA to replace the Payment Undertaker Guarantor. One of the three investors chose to unwind the transaction. One investor entered into a forbearance agreement that allowed CTA to continue to use AIG as long as the rating does not fall below BB by Standard & Poor's and B1 by Moody's. CTA is still in negotiations with one of the investors regarding the replacement of AIG.

In 2002 and 2003, CTA entered into a lease and leaseback agreement with third party investors for buses.

CTA entered into an agreement with Financial Security Assurance, Inc. (FSA) to act as the debt payment and strip surety guarantor. FSA's credit rating was downgraded during the 2008 financial crisis. This downgrading allows the private investors the option to require CTA to replace the guarantor. CTA has negotiated with the private investors and they have agreed to forbear from enforcing the provision of the agreements that require replacement of the guarantor.

Metra

Metra has entered into several non-cancelable operating leases, primarily for the use of passenger terminals, which expire on various dates through 2045. Future minimum rental payments under all non-cancelable operating leases having initial or remaining terms in excess of one year as of December 31, 2011 were:

2012	$ 10,880,617
2013	10,542,251
2014	10,545,651
2015	10,549,080
2016	10,552,545
2017-2021	30,184,227
2022-2026	9,768,303
2027-2030	4,836,709
Thereafter	17,807,760
Total	$ 115,667,143

Total rent expense aggregated $16.3 million for the year ended December 31, 2011.

At December 31, 2011, Metra had $490.8 million in unexpended obligations related to federal and state (including local) capital grant contracts.

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.

Pace

Agreements with Pace's paratransit public funded carriers generally provide that Pace will reimburse the lesser of the approved budget, $3.00 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 OMB Circular A-133 for which a separate report is issued.

RTA

The RTA has an operating lease agreement for its office facilities. In 2011, the total rent paid by the RTA was $1,453,114. Minimum required annual rental payments by the RTA are as follows:

2012	$ 2,015,904
2013	2,019,362
2014	2,017,063
2015	2,061,841
2016	2,125,602
2017-2024	15,904,806
Total	$ 26,144,578

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, 2011, $1.1 billion of cash and investments (excludes CTA bond proceeds held by Trustee). Of this amount, $460 million is restricted for self-insurance and other damage reserve liabilities, debt service, health insurance claims, and capital projects.

NOTE 9. GENERAL OBLIGATION BONDS PAYABLE

Changes during the year in RTA's bonds payable were as follows:

	January 1, 2011	New Issues	Current Retirements	December 31, 2011	Due Within One Year
1990A	$ 56,985,000	$ -	$ 4,085,000	$ 52,900,000	$ 4,380,000
1991A	55,745,000	-	-	55,745,000	4,090,000
1992A* & 1992B	17,790,000	-	8,610,000	9,180,000	9,180,000
1994A* & 1994B	24,395,000	-	-	24,395,000	-
1994C* & 1994D	54,665,000	-	1,750,000	52,915,000	1,890,000
1997 Refunding	55,355,000	-	5,750,000	49,605,000	1,865,000
1999* Refunding	258,710,000	-	8,525,000	250,185,000	9,025,000
2000A*	219,215,000	-	5,900,000	213,315,000	6,245,000
2001A*	84,560,000	-	2,200,000	82,360,000	2,325,000
2001B* Refunding	29,800,000	-	-	29,800,000	-
2002A*	138,790,000	-	3,315,000	135,475,000	3,495,000
2002B	122,765,000	-	110,950,000	11,815,000	11,815,000
2003A*	232,585,000	-	5,310,000	227,275,000	5,600,000
2003B	134,225,000	-	3,105,000	131,120,000	3,265,000
2004A*	236,905,000	-	5,120,000	231,785,000	5,385,000
2005B Refunding	125,920,000	-	7,210,000	118,710,000	7,590,000
2006A*	238,510,000	-	3,955,000	234,555,000	4,150,000
2009B Cash Note	260,000,000	-	260,000,000	-	-
2010A	60,315,000	-	2,950,000	57,365,000	4,075,000
2010B	112,925,000	-	-	112,925,000	-
2010C Cash Note	140,000,000	-	-	140,000,000	140,000,000
2011A Refunding	-	95,550,000	-	95,550,000	-
2011CP Cash Note	-	705,000,000	580,000,000	125,000,000	125,000,000
Subtotal	2,660,160,000	800,550,000	1,018,735,000	2,441,975,000	349,375,000
Unamortized bond premium	120,334,000	11,574,000	7,273,000	124,608,000	7,300,000
Total	$ 2,780,494,000	$812,124,000	$ 1,026,008,000	$2,566,583,000	$ 356,675,000

* Strategic Capital Improvement Program (SCIP) Bonds

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 include sinking fund payments the RTA must deposit with the trustee.

1990 General Obligation Bonds—In May 1990, the RTA issued $100 million in General Obligation Bonds, Series 1990A, to establish a Capital Projects Fund to provide the source of paying costs of the Capital Program for the Service Boards.

Debt service requirements on the Series 1990A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 4,380,000	$ 3,808,800	$ 8,188,800
2013	4,695,000	3,493,440	8,188,440
2014	5,035,000	3,155,400	8,190,400
2015	5,395,000	2,792,880	8,187,880
2016	5,785,000	2,404,440	8,189,440
2017-2020	27,610,000	5,142,600	32,752,600
Total	$ 52,900,000	$ 20,797,560	$ 73,697,560

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 4,090,000	$ 3,734,915	$ 7,824,915
2013	4,365,000	3,460,885	7,825,885
2014	4,660,000	3,168,430	7,828,430
2015	4,970,000	2,856,210	7,826,210
2016	5,305,000	2,523,220	7,828,220
2017-2021	32,355,000	6,783,750	39,138,750
Total	$ 55,745,000	$ 22,527,410	$ 78,272,410

1992 General Obligation Bonds—In June 1992, the RTA issued $188 million in General Obligation Bonds, Series 1992A, to pay the cost of purchasing and reconstructing railcars for Metra. The RTA also issued $30 million in General Obligation Bonds, Series 1992B, to pay the costs of reconstruction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 1992A and 1992B Bonds mature on June 1, over a thirty-year period and interest is payable at rates ranging from 5.30% to 9.00% on December 1, 1992 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1992A and 1992B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 9,180,000	$ 293,760	$ 9,473,760

1994 General Obligation Bonds—In May 1994, the RTA issued $195 million in General Obligation Bonds, Series 1994A, to pay the costs of purchasing and reconstructing railcars for Metra. Proceeds of Series 1994A Bonds may also be used to purchase new paratransit vehicles for Pace and for rehabilitation of railcars for the CTA. The RTA also issued $80 million in General Obligation Bonds, Series 1994B, to pay the costs of reconstruction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 1994A and 1994B Bonds mature on June 1, over a thirty-year period and interest is payable at rates ranging from 3.75% to 8.00% on December 1, 1994 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1994A and 1994B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ -	$ 1,951,600	$ 1,951,600
2013	-	1,951,600	1,951,600
2014	-	1,951,600	1,951,600
2015	-	1,951,600	1,951,600
2016	11,725,000	1,482,600	13,207,600
2017-2024	12,670,000	506,799	13,176,799
Total	$ 24,395,000	$ 9,795,799	$ 34,190,799

In December 1994, the RTA issued $62 million in General Obligation Bonds, Series 1994C, to pay for capital projects of the Service Boards required by the ADA for vehicle rehabilitation and the construction or renewal of support facilities. The RTA also issued $130 million in General Obligation Bonds, Series 1994D, to pay for portions of the CTA's rehabilitation of the Green Line elevated structure, track replacement and repair or replacement of bus supporting services, and for Pace's construction of bus garages and purchase of new buses and paratransit vehicles.

The 1994C and 1994D Bonds mature on June 1 over a thirty-year period and interest is payable at rates ranging from 5.30% to 7.75% on June 1, 1995 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1994C and 1994D Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 1,890,000	$ 4,027,675	$ 5,917,675
2013	2,045,000	3,875,194	5,920,194
2014	2,210,000	3,710,313	5,920,313
2015	7,360,000	3,339,475	10,699,475
2016	7,955,000	2,746,019	10,701,019
2017-2025	31,455,000	4,313,844	35,768,844
Total	$ 52,915,000	$ 22,012,520	$ 74,927,520

1997 General Obligation Refunding Bonds—In September 1997, the RTA issued $98 million in General Obligation Bonds, Series 1997, to provide funds to refund in advance of maturity the RTA's outstanding Series 1990A Bonds, maturing November 1 in the years 2001-2002, in the aggregate amount of $4 million, Series 1991A Bonds, maturing November 1 in the years 2002-2006, 2008 and 2011, in the aggregate amount of $29 million, Series 1992B Bonds, maturing June 1 in the years 2015 and 2022, in the aggregate amount of $18 million and Series 1993B Bonds, maturing June 1 in the years 2004-2009, 2013 and 2023, in the aggregate amount of $47 million.

The Series 1997 Refunding Bonds mature on June 1 over a twenty-six year period and interest is payable at rates ranging from 4.00% to 6.00% on December 1, 1997 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1997 Refunding Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 1,865,000	$ 2,915,688	$ 4,780,688
2013	3,320,000	2,764,800	6,084,800
2014	3,530,000	2,559,300	6,089,300
2015	3,750,000	2,340,900	6,090,900
2016	3,980,000	2,109,000	6,089,000
2017-2021	23,910,000	6,533,100	30,443,100
2022-2023	9,250,000	490,500	9,740,500
Total	$ 49,605,000	$ 19,713,288	$ 69,318,288

1999 General Obligation Refunding Bonds—In August 1999, the RTA issued $299 million in General Obligation Bonds, Series 1999, to provide funds to refund in advance of maturity the RTA's outstanding

Series 1992A Bonds, maturing June 1 in the years 2015 and 2022, in the aggregate amount of $114 million, Series 1993A Bonds, maturing June 1 in the years 2009 and 2013, in the aggregate amount of $10 million, Series 1994A Bonds, maturing June 1 in the years 2006-2009, 2012, 2015 and 2024, in the aggregate amount of $143 million and Series 1994C Bonds, maturing June 1 in the year 2025, in the aggregate amount of $22 million.

The Series 1999 Refunding Bonds mature on June 1 over a twenty-five year period and interest is payable at rates ranging from 5.00% to 6.00% on December 1, 1999 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1999 Refunding Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 9,025,000	$ 14,181,619	$ 23,206,619
2013	17,990,000	13,404,938	31,394,938
2014	16,735,000	12,406,594	29,141,594
2015	17,720,000	11,416,012	29,136,012
2016	10,425,000	10,606,844	21,031,844
2017-2021	108,245,000	38,208,132	146,453,132
2022-2025	70,045,000	5,932,381	75,977,381
Total	$ 250,185,000	$ 106,156,520	$ 356,341,520

2000 General Obligation Bonds—In June 2000, the RTA issued $260 million in General Obligation Bonds, Series 2000A, to pay the costs of construction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

Debt service requirements on the Series 2000A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 6,245,000	$ 13,601,475	$ 19,846,475
2013	6,610,000	13,211,163	19,821,163
2014	7,005,000	12,798,038	19,803,038
2015	7,425,000	12,360,225	19,785,225
2016	7,870,000	11,896,163	19,766,163
2017-2021	47,200,000	51,474,251	98,674,251
2022-2026	63,860,000	34,675,576	98,535,576
2027-2030	67,100,000	11,236,225	78,336,225
Total	$ 213,315,000	$ 161,253,116	$ 374,568,116

2001 General Obligation Bonds—In April 2001, the RTA issued $100 million in General Obligation Bonds, Series 2001A, to pay the costs of construction, acquisition, repair, and replacement of certain public transportation facilities for the Service Boards.

The Series 2001A Bonds mature on July 1 over a thirty-year period and interest is payable at rates ranging from 5.0% to 6.0% in January 2001 and semiannually thereafter on July 1 and January 1 in each remaining year.

Debt service requirements on the Series 2001A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 2,325,000	$ 4,896,563	$ 7,221,563
2013	2,455,000	4,751,250	7,206,250
2014	2,595,000	4,597,813	7,192,813
2015	2,740,000	4,435,625	7,175,625
2016	2,895,000	4,264,375	7,159,375
2017-2021	17,125,000	18,611,825	35,736,825
2022-2026	22,545,000	13,111,200	35,656,200
2027-2031	29,680,000	5,538,300	35,218,300
Total	$ 82,360,000	$ 60,206,951	$ 142,566,951

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ -	$ 1,639,000	$ 1,639,000
2013	-	1,639,000	1,639,000
2014	2,295,000	1,575,888	3,870,888
2015	2,425,000	1,446,088	3,871,088
2016	2,560,000	1,309,000	3,869,000
2017-2021	15,175,000	4,198,289	19,373,289
2022-2023	7,345,000	409,613	7,754,613
Total	$29,800,000	$ 12,216,878	$ 42,016,878

2002 General Obligation Bonds—In March 2002, the RTA issued $160 million in General Obligation Bonds, Series 2002A, to pay the costs of construction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 2002A Bonds mature on July 1 over a thirty-year period and interest is payable at rates ranging from 5.0% to 6.0% on July 1, 2002 and semiannually thereafter on January 1 and July 1 in each remaining year.

Debt service requirements on the Series 2002A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 3,495,000	$ 8,068,113	$ 11,563,113
2013	3,690,000	7,867,150	11,557,150
2014	3,900,000	7,654,975	11,554,975
2015	4,120,000	7,430,725	11,550,725
2016	4,350,000	7,193,825	11,543,825
2017-2021	25,795,000	31,842,500	57,637,500
2022-2026	34,170,000	23,167,800	57,337,800
2027-2031	45,270,000	11,659,500	56,929,500
2032	10,685,000	641,100	11,326,100
Total	$ 135,475,000	$ 105,525,688	$ 241,000,688

In June 2002, the RTA issued $200 million in General Obligation Bonds, Series 2002B, to provide interim funding, as needed for a portion of the costs in connection with the reconstruction and expansion of rapid transit facilities operated by the CTA and to fund other public transportation projects.

The Series 2002B Bonds mature on June 1 over a seventeen year period and interest is payable at rates ranging from 3.00% to 5.50% on December 1, 2002, and semi-annually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2002B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 11,815,000	$ 324,913	$ 12,139,913

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 5,600,000	$ 13,010,825	$ 18,610,825
2013	5,910,000	12,730,825	18,640,825
2014	6,235,000	12,435,325	18,670,325
2015	6,575,000	12,092,400	18,667,400
2016	6,940,000	11,730,775	18,670,775
2017-2021	40,850,000	52,492,500	93,342,500
2022-2026	53,310,000	39,953,875	93,263,875
2027-2031	68,945,000	22,706,100	91,651,100
2032-2033	32,910,000	2,987,100	35,897,100
Total	$ 227,275,000	$ 180,139,725	$ 407,414,725

In January 2003, the RTA issued $150 million in General Obligation Bonds, Series 2003B, to pay the costs of construction, acquisition, repair, and replacement of certain public transportation facilities for the Service Boards.

The Series 2003B Bonds mature on June 1 over a thirty-year period and interest is payable at rates ranging from 4.0% to 5.5% on June 1, 2003 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2003B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 3,265,000	$ 7,242,950	$ 10,507,950
2013	3,435,000	7,066,863	10,501,863
2014	3,610,000	6,873,125	10,483,125
2015	3,805,000	6,669,213	10,474,213
2016	4,010,000	6,454,300	10,464,300
2017-2021	23,535,000	28,619,915	52,154,915
2022-2026	30,595,000	21,217,738	51,812,738
2027-2031	39,785,000	11,435,439	51,220,439
2032-2033	19,080,000	1,111,476	20,191,476
Total	$ 131,120,000	$ 96,691,019	$ 227,811,019

2004 General Obligation Bonds—In October 2004, the RTA issued $260 million in General Obligation Bonds, Series 2004A, to pay the costs of construction, acquisition, repair, and replacement of certain public transportation facilities for the Service Boards.

The Series 2004A Bonds mature on June 1 over a thirty-year period and interest is payable at rates ranging from 5.0% to 5.75% on June 1, 2005 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2004A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2012	$ 5,385,000	$ 12,775,163	$ 18,160,163
2013	5,660,000	12,499,038	18,159,038
2014	5,950,000	12,208,788	18,158,788
2015	6,255,000	11,880,206	18,135,206
2016	6,575,000	11,511,344	18,086,344
2017-2021	38,540,000	51,393,107	89,933,107
2022-2026	50,115,000	39,418,282	89,533,282
2027-2031	65,155,000	23,587,544	88,742,544
2032-2034	48,150,000	4,249,825	52,399,825
Total	$ 231,785,000	$ 179,523,297	$ 411,308,297

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:

Year Ending December 31	Debt Service Requirements Principal	Interest*	Total
2012	$ 7,590,000	$ 3,792,195	$ 11,382,195
2013	7,960,000	3,535,620	11,495,620
2014	8,425,000	3,265,268	11,690,268
2015	3,910,000	3,061,740	6,971,740
2016	685,000	2,985,923	3,670,923
2017-2021	36,155,000	12,971,394	49,126,394
2022-2025	53,985,000	3,388,524	57,373,524
Total	$ 118,710,000	$ 33,000,664	$ 151,710,664

** Interest was calculated using a rate of 3.3%.*

2006 General Obligation Bonds—In October 2006, the RTA issued $250 million in General Obligation Bonds, Series 2006A, to finance a portion of the costs incurred in connection with the construction, acquisition, repair and replacement of certain public transportation facilities.

The Series 2006A Bonds mature on July 1, over a thirty year period and interest is payable at rates ranging from 4.25% to 5.00% on January 1, 2007 and semiannually thereafter on January 1 and July 1 in each remaining year.

Debt service requirements on the Series 2006A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 4,150,000	$ 11,473,281	$ 15,623,281
2013	4,390,000	11,265,781	15,655,781
2014	4,630,000	11,046,281	15,676,281
2015	4,970,000	10,814,781	15,784,781
2016	5,285,000	10,566,281	15,851,281
2017-2021	31,540,000	48,529,656	80,069,656
2022-2026	81,025,000	36,437,156	117,462,156
2027-2031	60,545,000	14,796,219	75,341,219
2032-2035	38,020,000	5,571,675	43,591,675
Total	$ 234,555,000	$ 160,501,111	$ 395,056,111

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 4,075,000	$ 2,827,500	$ 6,902,500
2013	4,235,000	2,664,500	6,899,500
2014	4,450,000	2,452,750	6,902,750
2015	4,670,000	2,230,250	6,900,250
2016	4,905,000	1,996,750	6,901,750
2017-2021	28,455,000	6,050,750	34,505,750
2022	6,575,000	328,750	6,903,750
Total	$ 57,365,000	$ 18,551,250	$ 75,916,250

General Obligation Bonds—In January 2010, the RTA issued $112.9 million in General Obligation Bonds, Series 2010B, to finance a portion of the costs incurred in connection with the construction, acquisition, repair and replacement of certain public transportation facilities.

The Series 2010B Bonds mature on July 1, over a twenty-five year period and interest is payable at rates ranging from 5.40% to 5.90% on July 1, 2010 and annually thereafter on July 1 in each remaining year.

Debt service requirements on the Series 2010B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ -	$ 6,621,635	$ 6,621,635
2013	-	6,621,635	6,621,635
2014	-	6,621,635	6,621,635
2015	-	6,621,635	6,621,635
2016	-	6,621,635	6,621,635
2017-2021	-	33,108,175	33,108,175
2022-2026	29,105,000	30,793,005	59,898,005
2027-2031	43,020,000	20,145,210	63,165,210
2032-2035	40,800,000	6,238,200	47,038,200
Total	$ 112,925,000	$ 123,392,765	$ 236,317,765

2010 Working Cash Notes—In July 2009, the RTA issued $140 million in General Obligation Working Cash Notes, Series 2010C, to provide funds to be used to manage the cash flow needs of the RTA and the Service Boards, including if necessary, the refinancing of any existing Authority obligations for such purpose and pay the costs of issuance.

The Series 2010C Working Cash Notes mature on July 1, 2012 and interest is payable at 2.843%.

Debt service requirements on the Series 2010C Working Cash Notes to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 140,000,000	$ 1,990,100	$ 141,990,100

General Obligation Bonds—In July 2011, the RTA issued $95.6 million in General Obligation Bonds, Series 2011A, to pay when due, or refund in advance of their maturities a portion of the RTA's Outstanding General Obligation Bonds, Series 2002B and to pay Costs of Issuance of the Series 2011A Bonds.

The Series 2011A Bonds mature on June 1, over a eight year period and interest is payable at rates ranging from 4.00% to 5.00% on December 1, 2011 and semi-annually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2011A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ -	$ 4,657,100	$ 4,657,100
2013	12,040,000	4,416,300	16,456,300
2014	12,475,000	3,863,625	16,338,625
2015	13,000,000	3,226,750	16,226,750
2016	13,560,000	2,562,750	16,122,750
2017-2019	44,475,000	3,402,375	47,877,375
Total	$ 95,550,000	$ 22,128,900	$ 117,678,900

2011 Commercial Paper Notes—In January 2011, the RTA was given the authority to issue from time to time CP Notes in an aggregate amount not to exceed $260,000,000, to manage the cash flow needs of the RTA and the Service Boards, which may include refunding certain outstanding working cash notes of the RTA, and to pay the costs of issuance of the CP Notes.

The Series Notes will be dated their respective date of issuance and will bear interest from their dated date. Interest on the CP notes will be calculated on the basis of a 360 day year for actual days elapsed and payable on its maturity date.

Debt service requirements on the Series 2011 Commercial Paper Notes to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2012	$ 125,000,000	$ 53,806	$ 125,053,806

All the bonds are recorded as current and long-term liabilities, as applicable, of the governmental activities in the government-wide statement of net assets, and are general obligations of the RTA to which the full faith and credit of the RTA are pledged. The bonds are payable from all revenues and all other funds received or held by the RTA (except amounts in the Joint Self-Insurance Fund and amounts required to be held or used with respect to separate ordinance obligations) that lawfully may be used for retiring the debt.

The bonds are secured by an assignment of a lien on the sales taxes imposed by the RTA. All sales tax receipts are to be paid directly to the trustee by officials of the State. If, for any reason, the required monthly debt service payment has not been made by the RTA, the trustee is to deduct it from the sales tax receipts. If all payments have been made, the funds are made available to the RTA for regular use.

Under the RTA Act, the Service Boards' farebox receipts and funds on hand are not available for payment of debt service.

In the Debt Service Fund, $102,581,734 in investments are available to service principal and interest payments of the RTA's long-term debt as of December 31, 2011.

NOTE 10. OTHER LONG-TERM LIABILITIES

Pace receives a one month advance from the Illinois Department of Revenue to compensate for the delay in the processing of sales tax payments. The advance is forwarded to the Regional Transportation Authority and is then allocated among the three Service Boards. Pace reported a liability of $8.6 million and $8.5 million, respectively, for this advance for the years ended December 31, 2011 and December 31, 2010.

NOTE 11. PENSION PLANS

CTA

Plan Descriptions-Employees' Plan: The CTA maintains a trusted, single-employer, defined benefit pension plan covering substantially all full-time permanent union and nonunion employees. The Employees' Retirement Plan (the "Employees' Plan") is governed by Illinois state statute (40 ILCS 5/22-101).

Substantially all nontemporary, full-time employees who have completed one year of continuous service are covered by the Employees' Plan. Employees hired prior to September 5, 2001, who retire at or after age 65 (or after completion of 25 years of continuous service with full benefits or at age 55 with reduced benefits) are entitled to an annual retirement benefit payable monthly for life, in an amount based upon compensation and credited service. For those hired after September 5, 2001, but prior to January 18, 2008, benefits will be reduced if they retire before age 65 or with less than a combination of age 55 and 25 years of service. Employees hired after January 18, 2008, are eligible for unreduced pension benefits after attaining age 64 with at least 25 years of service, and reduced pension benefits after attaining age 55 with at least 10 years of service. The minimum age and service requirements do not apply to members on a disability allowance. The covered payroll for the Employees' Plan for the fiscal years ended December 31, 2011 and 2010, was $528.3 million and $567.2 million; respectively. The Employees' Plan issues a separate stand-alone financial report and which is available at http://www.ctaretirement.org/index.asp.

Supplemental Plans: 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) board member plan (2) closed supplemental plan for members that retired or terminated employment before March 2005, including early retirement incentive, and (3) open supplemental plan for active employees and members retiring after March 2005. CTA received qualification under Section 401(a) of the Internal Revenue Code for the supplemental plan and established a qualified trust during 2005 for members retiring after March 2005 ("Open Supplemental Retirement Plan"). The Open Supplemental Retirement Plan is reported in a fiduciary fund, whereas the activities for the closed and board plans are included in the financial statements of the CTA's business-type activities.

Employees of the applicable employment classifications are eligible for retirement benefits based on age and service credit as follows: at age 65; or age 55 with at least 3 years of service credit; or at any age with 25 or more years of service credit. The minimum monthly benefit is equal to one-sixth of one percent of the employee's average annual compensation multiplied by the years of continuous service. Employees are eligible for disability benefits after completion of 10 years of creditable continuous service or 5 years if the disability results from an on the job injury. Death benefits are payable to a designated beneficiary upon death of the retiree. Qualified dependents of the employee are eligible for monthly survivor benefits if the option was selected by the retiree. Any purchased service credit will be included in the determination of retirement benefits.

The RTA, Metra and Pace

Plan Descriptions- The Plan, which became effective July 1, 1976, is a multiple-employer, defined benefit pension plan. The Plan covers substantially all employees of the RTA and its Commuter Rail and Suburban Bus Divisions (Metra and Pace, respectively), collectively referred to hereinafter as the Employer, who are not otherwise covered by a union pension plan. The responsibilities for administering the Plan are divided among a Board of Trustees, a Retirement Committee, a Plan Administrator, and the RTA Board of Directors ("RTA Board").

The Plan is a pension trust fund of the RTA and has no component units.

The Plan is classified as a "governmental plan" and is, therefore, exempt from the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Pension Benefits— Participants are entitled to annual pension benefits upon normal retirement at age 65, generally a percentage of the average annual compensation in the highest three years of service, whether consecutive or not, multiplied by the number of years of credited service.

The Plan provides that, upon retirement, benefits will be reduced by a defined percentage for participants who received credit for prior service with an eligible employer.

The Plan permits early retirement with reduced benefits at age 55 after completing ten years of credited service. As a result of the August 1, 1999 amendment to the Plan, participants may receive their full vested benefits if they are at least 55 years of age and their combined age at retirement and credited years of service equals eighty-five or higher (known as "Rule of Eighty Five Early Retirement").

The Plan provides for benefit payments to beneficiaries equal to or reduced from the participant's monthly benefit payment subject to the election of the participant.

Disability Benefits—An employee is eligible for a disability pension if he or she becomes disabled after the completion of ten years of credited service, and is no longer receiving long-term disability benefits under a separate RTA benefit plan, or after reaching age 65, whichever is later.

Contributions and Vesting—The Plan is funded solely by employer contributions, which are actuarially determined under the projected unit credit method. During 2011, the RTA Board approved a resolution that a contribution of $12,547,000 be made to the Plan. The contribution is allocated as follows: Metra - $6,462,000; Pace - $4,605,000; RTA - $1,480,000. As of December 31, 2011, $12,547,000 had not been funded and was reported as contribution receivable in the Statements of Plan Net Assets. The 2011 contribution levels were within the actuarially determined ranges for the respective years.

Participating employees do not contribute to the Plan. If participants terminate continuous service before rendering five years (ten years prior to January 1, 1987) of credited service, they forfeit the right to receive the portion of their accumulated benefits attributable to employer contributions. All forfeitures are applied to reduce the amount of contributions otherwise payable by the employer.

The complete Plan financial report, including all required disclosures can be obtained from the Plan Administrators at the following address:

Regional Transportation Authority Pension Plan
175 West Jackson Boulevard, Suite 1650
Chicago, IL 60604

Funding Policy—Prior to July 1, 1979, contributions were made on the basis of non-actuarial estimates. The Plan's initial actuarial study found that those estimates were in excess of actuarial requirements. As a result, pension expense is being reduced by amortization of the excess over 30 years.

The RTA, Metra, and Pace are required to contribute the amounts necessary to fund the benefits of their respective employees in the Plan using the projected unit credit actuarial method. Employer contribution and the income it earns through investments are used to operate the Plan and to pay benefits. Assets are valued recognizing a portion of both realized and unrealized gains and losses in order to avoid wide swings in actuarially determined funding requirements from year to year.

Related-Party Transactions—There were no securities of the RTA, Metra, Pace or related parties included in the Plan's assets.

Annual Pension Cost and Net Pension Obligation—For 2009, 2010 and 2011, the RTA's annual pension costs equal the required contributions which were, $10,827,000, $11,288,000 and $12,547,000, respectively. The required contributions were determined as part of the January 1, 2009, 2010 and 2011 actuarial valuations.

In accordance with the GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, the RTA determined its net pension obligation at transition (January 1, 1997). There was no net pension obligation for the Plan at transition or at year-end.

Significant Actuarial Assumptions—The information presented in the notes was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest valuation follows:

	January 1, 2011
Actuarial cost method	Projected unit credit
Amortization method	Straight-line, open
Remaining amortization period	30 years
Asset valuation method	Smoothed market value
Actuarial assumptions:	
Investment rate of return	8.25%
Projected salary increases:	
Age graded scale	Range of 3.5% to 7.5% based on attained age.
Mortality	RP2000 White Collar Mortality Table applied separately for males and females projected to 2018.
Withdrawals from service	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47 % at age 20 to 0.39% at age 60 for males.

Funded Status and Funding Progress – As of January 1, 2011, the most recent actuarial valuation date, the plan was 68.70 percent funded. The actuarial accrued liability for benefits was $185,373,843 and the actuarial value of assets was $127,343,037, resulting in an underfunded actuarial accrued liability (UAAL) of $(58,030,806). The covered payroll (annual payroll of active employees covered by the Plan) was $66,490,058 and the ratio of the UAAL to the covered payroll was 87.28 percent.

NOTE 11. RISK MANAGEMENT

The RTA is exposed to various risks including, but not limited to, losses from workers' compensation, employee health insurance, and general liability/property. Commercial insurance coverage is procured to limit the RTA's exposure to such losses.

The Workers' Compensation and Employers' Liability Insurance Policy is procured through RTA's insurance policy with The Hartford. The RTA is insured for $500,000 each for bodily injury by accident, $500,000 each employee for bodily injury by disease and $500,000 policy limit. The RTA property is insured through Pace's Property Insurance with Mesirow Insurance Services, Inc. The RTA's portion of insurance premiums is paid to Pace, and is accounted for in the General Fund. The RTA had no settlements in excess of insurance coverage in the past three years. There have been no significant reductions in the amount of coverage from the prior year.

In addition, the RTA is a participant in RTA's Joint Self-Insurance Fund. The Fund was created as required by Article Two of the Loss Financing Plan ("Plan") of the RTA and the three Service Boards. The Plan is intended primarily to serve as a mechanism for funding catastrophic losses and, by capitalizing the Fund in advance of such losses, to smooth their impact over time. The Fund is essentially a self-insurance program that provides a means for financing losses that are normally insured, and is included in the RTA's reporting entity as a proprietary fund type (enterprise fund). The Plan is administered by the RTA, CTA, Metra, and Pace ("Participating Entities") utilizing a Fund Manager appointed by the RTA and three Fund Advisors, one appointed by each of the Service Boards.

Each participating entity (RTA, CTA, Metra, and Pace) is only responsible to repay the Fund for submitted claims paid by the Fund. The Fund acts exclusively as a claims-service, and financing mechanism, not an insurer, with respect to claims presented.

The limit of liability to the Fund is established at $50 million less the retained limit (deductible portion) as described below:

General Liability—The categories of general liability that are covered, with certain defined exclusions, by the joint agreement are:

- Personal injury
- Property damage
- Advertising injury
- Evacuation, evacuation expenses and loss of use

The retained limit (deductible portion) for each Participating Entity is:

CTA	$ 2,500,000
Metra	2,500,000
Pace	250,000
RTA	100,000
Total	$ 5,350,000

Officer and Employee Liability—All directors, officers or employees of each Participating Entity are covered, with certain defined exclusions, by the Plan. The retained limits are $100,000 for each covered person. If a loss is covered under both types of liability, then the retained limit for general liability will apply.

NOTE 12. 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, 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 2011, the region-wide system-generated recovery ratio is calculated from the Combining Region-Wide Schedules of Revenues and Expenses—(Budget and Actual Budget Basis) as follows:

System-generated Revenues Recovery Ratio (in thousands)	**Revenues**	**Expenses**
CTA[a]	$ 638,579	$ 1,146,153
Metra[b]	303,311	567,437
Pace[c]	65,580	173,048
RTA	22,647	33,739
Total	$ 1,030,117	$1,920,377

The region-wide system-generated recovery ratio for 2011 equals 54.3%.

a) The system-generated recovery ratio for the CTA included leasehold revenues of $4.3 million and Senior Free Rides revenue of $22.4 million, but excluded CTA expenses for security costs of $36.8 million and Pension Obligation Bond debt service for $131.4 million. It also included in-kind services of $22 million, both as revenues and expenses.

b) Metra's system-generated recovery ratio included Senior Free Rides revenue of $7.1 million, and $932 thousand for FEMA reimbursement, but excluded $16.4 million security costs, $16.4 million for lease of transportation facilities, $2.9 million for funded depreciation to carriers and $41.1 million for the statutory expense exclusion.

   i) In 2011 Metra received $932 thousand dollars in FEMA funds as compensation for services provided during the blizzard in February of that year. The RTA allowed Metra to use these funds as a credit to operating revenue when calculating their Recovery Ratio but not when the RTA calculates the Region wide-system generated recovery Ratio.

c) Pace's system-generated recovery ratio included Senior Free Rides revenue of $2.1 million, $2 million for the Capital cost of contracting for Paratransit service under contract (5307 Fund), an in-kind credit of $8.4 million both as revenues and expenses and $15 million for the statutory expense exclusion was deducted from expenses.

d) In 2008, the region was provided $200 million expense exclusion toward the regional recovery ratio in an effort to accommodate the increased funding associated with state legislation that increased the percentage of sales tax collected by the RTA. The exclusion was set to decrease by $40 million dollars each year and expire completely in 2013. In 2011, the total expense exclusion was $80.0 million. The RTA allowed Metra and Pace to apply a portion of this exclusion directly to their budgetary recovery ratios. Metra was allocated $41.1 million and Pace was allocated $15.0 million. The remaining $23.9 million was applied to the system-wide generated Recovery Ratio.

These are allowable adjustments for the revenues recovery ratio computation per the Act. These adjustments are reflected in the region-wide information.

Also, in the 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 2011. Pace ended the year with a 10.7% recovery ratio for Regional ADA Paratransit Services. The 2011 budget for ADA paratransit service adopted by the RTA meets the 10% recovery ratio requirement.

NOTE 13. 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 12, 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 41)	$ 650,975	$ 1,672,514	$ 1,028,269	$ 350,899
Sales tax agency fund	1,016,038	-	-	-
Pension trust fund	12,547	2,843	-	-
Senior free rides	-	22,423	7,099	2,110
In-kind services	-	22,000	-	8,359
Recovery ratio relief	-	-	41,100	-
FEMA reimbursement	-	-	932	-
Others (5307 fund)	-	-	-	2,000
ADA Regional Paratransit funding	-	-	-	128,109
	1,679,560	1,719,780	1,077,400	491,477
Region-wide revenues (page 42)				
Government-wide expenses (page 41)	570,075	1,912,387	866,889	358,199
Sales tax agency fund	1,016,038	-	-	-
Pension trust fund	12,910	-	-	-
In-kind services	-	(36,815)	-	-
Security costs	-	22,000	(16,449)	8,359
Lease of transportation facilities	-		(16,421)	-
Pension and other employee benefits	-	(38,160)	-	-
Capital (depreciation, disposals/additions)	(869)	-	(2,941)	-
Region-wide expenses (page 42)	1,598,154	1,859,412	831,078	366,558
Net revenues (expenses)	$ 81,406	$ (139,632)	$ 246,322	$ 124,919

NOTE 14. SUBSEQUENT EVENTS

CTA

On May 9, 2012, the CTA approved the purchase of 67 clean-diesel buses and 33 diesel-electric hybrid buses totaling $80.1 million. The new buses will be delivered beginning later in 2012 through the middle of 2013.

RTA

On June 13, 2012, the RTA issued $300 million of short-term senior-lien notes with a maturity of 24 months or less. The proceeds will be used to repay all commercial paper notes outstanding and provide funds to reduce the impact of the State's delinquency in funding State appropriations.

Additionally, the Agency plans to issue an additional $100 million of short-term debt on an unspecified date subsequent to July 2012. This debt will have a subordinated lien and a maturity not longer than twenty-four months. The structure of this funding has not been finalized.

* * * * * *

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING GOVERNMENT-WIDE SCHEDULES OF REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2011
(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
REVENUES:							
Service Boards operating revenues	$ -	$ 570,891	$ 303,311	$ 68,854	$ 659	$ -	$ 942,397
RTA financial assistance	-	701,920	502,444	243,226	1,314,219	-	133,371
Other public funding	-	40,849	201,435	10,184	-	-	252,468
Capital grants	-	238,355	14,066	22,461	54,908	-	219,974
Sales taxes	107,977	-	-	-	-	981,732	1,089,709
Interest on sales taxes	167	-	-	-	-	-	167
Public Transportation Fund	375,500	-	-	-	-	-	375,500
Operating assistance	9,930	-	-	-	-	-	9,930
State assistance	130,088	-	-	-	-	-	130,088
Investment income	19,445	2,169	-	123	-	-	21,737
Program revenues and other	7,868	4,262	-	-	-	-	12,130
Interest revenue from leasing transactions	-	114,068	7,013	6,051	-	-	127,132
Total revenues	650,975	1,672,514	1,028,269	350,899	1,369,786	981,732	3,314,603
EXPENSES:							
Operating	-	1,215,871	644,348	307,791	-	659	2,167,351
Depreciation	-	404,193	215,528	44,357	-	-	664,078
Financial Assistance to Service Boards	128,786	-	-	-	-	128,786	-
Operating Assistance - CTA & Pace	21,680	-	-	-	-	21,680	-
Capital grants—discretionary	7,039	-	-	-	-	7,039	-
Capital grants—bonds	229,890	-	-	-	-	229,890	-
Insurance (JSIF)	6,137	-	-	-	-	-	6,137
Administrative expenses	8,918	-	-	-	-	-	8,918
Regional expenses	25,558	-	-	-	-	-	25,558
Technology program	2,356	-	-	-	-	-	2,356
Bond interest	139,314	175,309	-	-	-	-	314,623
Interest expense from leasing transactions	-	117,014	7,013	6,051	-	-	130,078
Miscellaneous	397	-	-	-	-	-	397
Total expenses	570,075	1,912,387	866,889	358,199	-	388,054	3,319,496
NET REVENUES (EXPENSES)	$ 80,900	$ (239,873)	$ 161,380	$ (7,300)	$ 1,369,786	$1,369,786	$ (4,893)

Note 1—Changes in net assets 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 13.

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, 2011
(In Thousands)

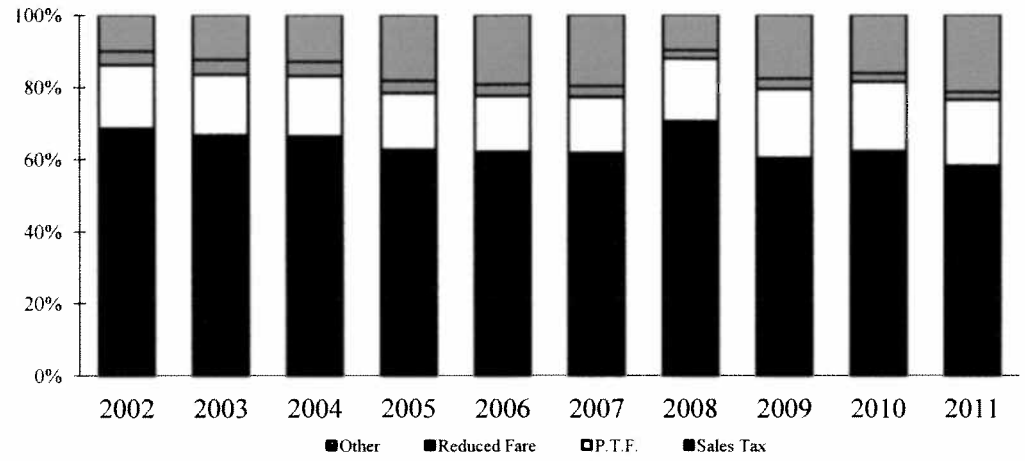
	RTA Government-Wide and Fiduciary Funds (1)	Service Boards: Chicago Transit Authority	Service Boards: Commuter Rail Division	Service Boards: Suburban Bus Division	Combining Adjustments: Debit	Combining Adjustments: Credit	Total Combined	Total Region-Wide Budget
REVENUES:								
RTA financial assistance	$ -	$ 701,920	$ 502,444	$ 243,226	$ 1,314,219	$ -	$ 133,371	$ -
Other public funding	-	-	201,435	10,184	-	-	211,619	-
Capital grants	-	238,355	14,066	22,461	54,908	-	219,974	-
Interest revenue from leasing transactions	-	118,330	7,013	6,051	-	-	131,394	-
Sales taxes	965,740	-	-	-	-	-	965,740	1,048,336
Public Transportation Fund	499,467	-	-	-	-	-	499,467	168,753
Operating Assistance	9,930	-	-	128,109	-	-	138,039	-
State Assistance Inc.	130,088	-	-	-	-	-	130,088	123,000
State reduced fare reimbursement	34,070	-	-	-	34,070	-	-	33,570
Pension contribution	12,547	-	-	-	1,480	-	11,067	-
Pension and other employee benefits	-	2,843	-	-	-	-	2,843	-
Investment income / Others	-	2,168	-	13,756	-	-	15,924	17,600
Interest on sales taxes to Service Boards	238	-	-	-	238	-	-	-
Subtotal	1,652,080	1,063,616	724,958	423,787	1,404,915	-	2,459,526	1,391,259
Investment income	19,445	-	-	-	-	-	19,445	13,435
Other revenues	7,868	-	-	-	-	-	7,868	2,465
Interest on sales taxes	167	-	-	-	-	-	167	1,700
Service Boards revenues	-	611,740	303,311	55,221	659	-	969,613	958,204
Add (Subtract):								-
Senior Free Ride	-	22,424	7,099	2,110	-	-	31,633	31,633
Recovery ratio relief	-	-	41,100	-	-	-	41,100	-
FEMA reimbursement	-	-	932	-	-	-	932	-
In-kind services	-	22,000	-	8,359	-	-	30,359	30,359
Leasehold revenue	-	-	-	2,000		-	2,000	2,000
Subtotal	27,480	656,164	352,442	67,690	659	-	1,103,117	1,039,796
Total revenues	1,679,560	1,719,780	1,077,400	491,477	1,405,574	-	3,562,643	2,431,055
EXPENSES:								
Depreciation	-	404,193	215,528	44,357	-	-	664,078	-
Interest expenses from leasing transactions	-	117,014	7,013	6,051	-	-	130,078	-
Interest expenses from bond transactions	-	175,309	-	-	-	-	175,309	-
Operating grants to Service Boards	970,940	-	-	-	-	970,940	-	-
CTA & PACE (PTF) expenditures	161,258	-	-	-	-	161,258	-	-
Capital grants—discretionary	7,039	-	-	-	-	7,039	-	-
Capital grants—bonds	229,890	-	-	-	-	229,890	-	-
State reduced fare reimbursement	34,070	-	-	-	-	34,070	-	-
Regional expenses and other	19,385	-	-	128,101	-	-	147,486	-
Bond-related expenses	139,314	-	-	-	-	-	139,314	-
Pension and other employee benefits	-	16,743	-	-	-	-	16,743	-
Miscellaneous Expense	-	-	-	-	-	-	-	-
Interest on sales taxes to Service Boards	238	-	-	-	-	238	-	-
Subtotal	1,562,134	713,259	222,541	178,509	-	1,403,435	1,273,008	-
Operating expenses	-	1,292,334	644,348	179,690	-	659	2,115,713	2,244,630
Pension and other employee benefits	-	-	-	-	-	1,480	(1,480)	-
Administrative expenses	8,918	-	-	-	-	-	8,918	8,680
Regional expenses	25,615	-	-	-	-	-	25,615	23,278
Technology program	2,356	-	-	-	-	-	2,356	1,955
Add (Subtract):	-	-	-	-	-	-	-	-
In-kind services	-	22,000	-	8,359	-	-	30,359	30,359
Security costs	-	(36,815)	(16,449)	-	-	-	(53,264)	(53,264)
Pension Obligation Bond Debt Service	-	(131,366)	-	-	-	-	(131,366)	(131,366)
Lease of transportation facilities	-	-	(16,421)	-	-	-	(16,421)	(16,421)
Capital (depreciation, disposals/additions)	(869)	-	(2,941)	-	-	-	(3,810)	(3,810)
Subtotal	36,020	1,146,153	608,537	188,049	-	2,139	1,976,620	2,104,041
Total expenses	1,598,154	1,859,412	831,078	366,558	-	1,405,574	3,249,628	2,104,041
NET REVENUES (EXPENSES)	$ 81,406	$ (139,632)	$ 246,322	$ 124,919	$ 1,405,574	$ (1,405,574)	$ 313,015	$ 327,014

(1) RTA amounts represent government-wide revenues and expenses and fiduciary fund increases (revenues) and decreases (expenses).

Table 1

RTA REVENUE BY SOURCE

2002-2011



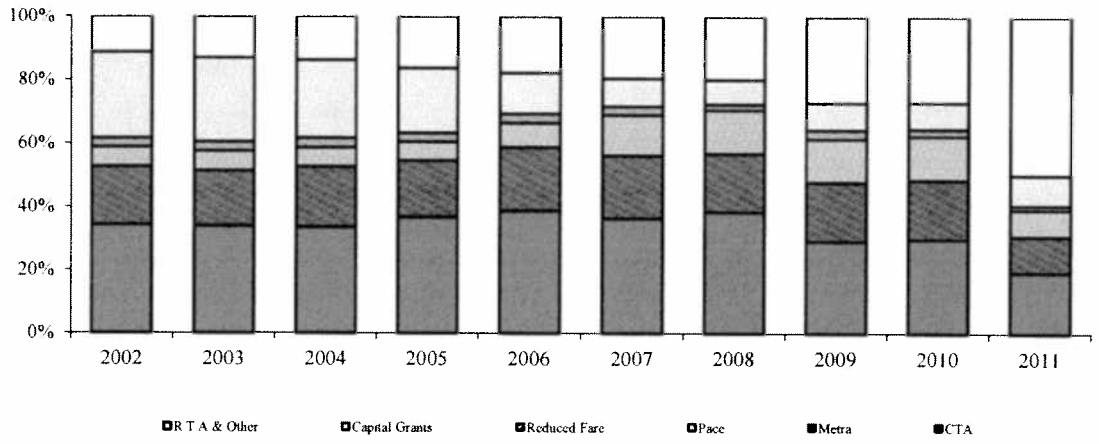
Last Ten Years *(In Thousands)*

	Sales Tax	Public Transportation Fund	Reduced Fare	Other	Total
12 Months Ended 12/31/02	$ 647,685	$ 165,665	$ 36,260	$95,167	$ 944,777
Percentage of Total	68.55%	17.53%	3.84%	10.07%	100%
12 Months Ended 12/31/03	654,988	164,739	39,662	122,517	981,906
Percentage of Total	66.71%	16.78%	4.04%	12.48%	100%
12 Months Ended 12/31/04	675,628	170,397	40,153	132,664	1,018,842
Percentage of Total	66.30%	16.72%	3.94%	13.02%	100%
12 Months Ended 12/31/05	700,395	175,668	37,127	204,904	1,118,094
Percentage of Total	62.64%	15.71%	3.32%	18.33%	100%
12 Months Ended 12/31/06	746,829	186,136	37,327	232,193	1,202,485
Percentage of Total	62.11%	15.48%	3.10%	19.31%	100%
12 Months Ended 12/31/07	752,922	188,931	36,678	241,262	1,219,794
Percentage of Total	61.73%	15.49%	3.01%	19.78%	100%
12 Months Ended 12/31/08	921,245	227,201	28,919	129,784	1,307,149
Percentage of Total	70.48%	17.38%	2.21%	9.93%	100%
12 Months Ended 12/31/09	894,238	282,541	41,970	262,098	1,480,847
Percentage of Total	60.39%	19.08%	2.83%	17.70%	100%
12 Months Ended 12/31/10	931,435	287,404	33,570	243,845	1,496,254
Percentage of Total	62.25%	19.21%	2.24%	16.30%	100%
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%

Table 2

DISTRIBUTION OF EXPENSES

2002-2011



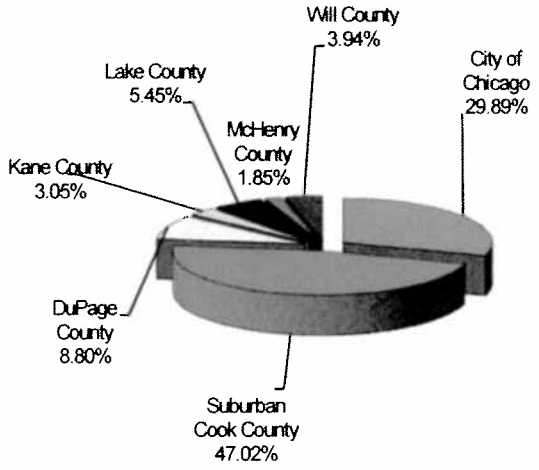
Last Ten Years *(In Thousands)*

	Financial Assistance				Reduced	Capital	R T A	
	CTA	Metra	Pace	Total	Fare	Grants	and Other	Total
12 Months Ended 12/31/02	$441,632	$238,955	$79,052	$ 759,639	$36,260	$ 351,041	$ 147,086	$ 1,294,026
Percentage of Total	34.13%	18.47%	6.11%	58.71%	2.80%	27.13%	11.36%	100%
12 Months Ended 12/31/03	453,488	233,632	82,747	769,867	39,662	354,083	175,838	1,339,450
Percentage of Total	33.86%	17.44%	6.18%	57.48%	2.96%	26.43%	13.13%	100%
12 Months Ended 12/31/04	441,630	252,493	79,051	773,174	40,153	323,869	182,417	1,319,613
Percentage of Total	33.47%	19.13%	5.99%	58.59%	3.04%	24.54%	13.82%	100%
12 Months Ended 12/31/05	495,885	241,728	80,052	817,665	37,127	277,130	220,202	1,352,124
Percentage of Total	36.67%	17.88%	5.92%	60.47%	2.75%	20.50%	16.29%	100%
12 Months Ended 12/31/06	496,690	256,301	98,500	851,490	37,327	165,436	227,481	1,281,735
Percentage of Total	38.75%	20.00%	7.68%	66.43%	2.91%	12.91%	17.75%	100%
12 Months Ended 12/31/07	468,349	257,374	164,202	889,925	36,678	113,328	252,301	1,292,232
Percentage of Total	36.24%	19.92%	12.71%	68.87%	2.84%	8.77%	19.52%	100%
12 Months Ended 12/31/08	591,760	287,181	211,620	1,090,561	28,919	119,374	308,308	1,547,161
Percentage of Total	38.25%	18.56%	13.68%	70.49%	1.87%	7.72%	19.93%	100%
12 Months Ended 12/31/09	417,288	267,576	194,698	879,562	41,970	123,069	389,857	1,434,457
Percentage of Total	29.09%	18.65%	13.57%	61.32%	2.93%	8.58%	27.18%	100%
12 Months Ended 12/31/10	436,467	277,506	202,463	916,436	33,570	122,998	398,531	1,471,534
Percentage of Total	29.66%	18.86%	13.76%	62.28%	2.28%	8.36%	27.08%	100%
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%

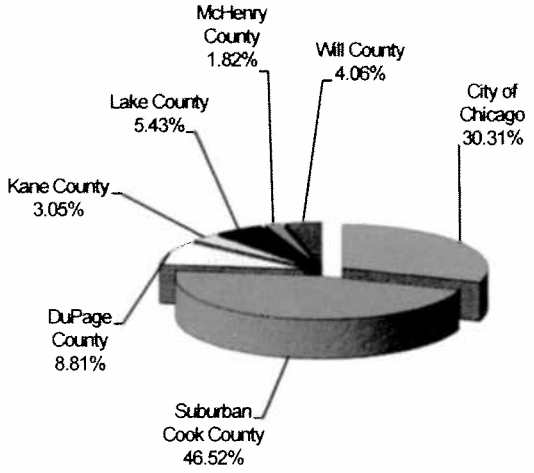
Table 3

SALES TAX REVENUE SOURCE BY COUNTY/CITY OF CHICAGO

2010



2011



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 12/31/02	$195,417	$353,999	$40,961	$12,256	$24,913	$7,373	$12,766	$647,685
Percentage of Total	30.17%	54.66%	6.32%	1.89%	3.85%	1.14%	1.97%	100%
12 Months Ended 12/31/03	198,383	356,386	40,916	12,828	24,968	7,599	13,905	654,985
Percentage of Total	30.29%	54.41%	6.25%	1.96%	3.81%	1.16%	2.12%	100%
12 Months Ended 12/31/04	205,355	363,792	42,785	13,954	26,150	8,160	15,432	675,628
Percentage of Total	30.39%	53.85%	6.33%	2.07%	3.87%	1.21%	2.28%	100%
12 Months Ended 12/31/05	214,134	373,317	44,495	15,328	27,348	8,635	17,138	700,395
Percentage of Total	30.57%	53.30%	6.35%	2.19%	3.90%	1.23%	2.45%	100%
12 Months Ended 12/31/06	231,273	395,727	46,867	16,008	28,743	9,194	19,016	746,828
Percentage of Total	30.97%	52.99%	6.28%	2.14%	3.85%	1.23%	2.55%	100%
12 Months Ended 12/31/07	236,783	395,163	46,592	16,015	29,058	9,494	19,817	752,922
Percentage of Total	31.45%	52.48%	6.19%	2.13%	3.86%	1.26%	2.63%	100%
12 Months Ended 12/31/08	272,121	447,437	77,227	26,472	48,166	16,034	33,788	921,245
Percentage of Total	29.54%	48.57%	8.38%	2.87%	5.23%	1.74%	3.67%	100%
12 Months Ended 12/31/09	267,553	418,793	79,060	27,144	49,782	16,627	35,279	894,238
Percentage of Total	29.92%	46.83%	8.84%	3.04%	5.57%	1.86%	3.95%	100%
12 Months Ended 12/31/10	278,394	438,000	81,996	28,368	50,789	17,193	36,695	931,435
Percentage of Total	29.89%	47.02%	8.80%	3.05%	5.45%	1.85%	3.94%	100%
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%

Note: Amounts above include revenues from the General Fund and the Agency Fund

LEGAL DEBT CAPACITY

2011

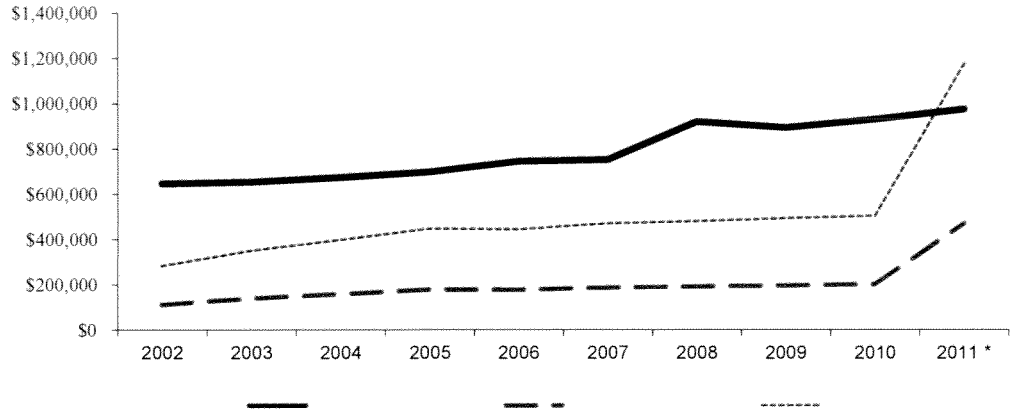
Legal Debt Margin:	Balance Outstanding at December 31, 2011	Issued	
Debt Limitation per Act for General Obligations			$2,600,000,000
Debt applicable to limitation :			
Non-SCIP Bonds:			
1990A General Obligation Bonds	$52,900,000		
1991A General Obligation Bonds	55,745,000		
1992B General Obligation Bonds	1,265,000		
1994B General Obligation Bonds	7,095,000		
1994D General Obligation Bonds	29,225,000		
1997 General Obligation Refunding Bonds	49,605,000		
2002B General Obligation Bonds	11,815,000		
2003B General Obligation Bonds	131,120,000		
2005B General Obligation Refunding Bonds	118,710,000		
2010A General Obligation Bonds	57,365,000		
2010B General Obligation Bonds	112,925,000		
2011A General Obligation Refunding Bonds	95,550,000		
Total RTA Bonds Applicable to Limitation	$723,320,000		(723,320,000)
SCIP Bonds:			
1992A General Obligation Bonds	$7,915,000	$188,000,000	
1993A General Obligation Bonds		$55,000,000	
1994A General Obligation Bonds	17,300,000	195,000,000	
1994C General Obligation Bonds	23,690,000	62,000,000	
1999 General Obligation Refunding Bonds	250,185,000		
2000 General Obligation Bonds	213,315,000	260,000,000	
2001A General Obligation Bonds	82,360,000	100,000,000	
2001B General Obligation Refunding Bonds	29,800,000		
2002A General Obligation Bonds	135,475,000	160,000,000	
2003A General Obligation Bonds	227,275,000	260,000,000	
2004A General Obligation Bonds	231,785,000	260,000,000	
2006A General Obligation Bonds	234,555,000	250,350,000	
Total SCIP Bonds Applicable to Limitation		$1,790,350,000	(1,790,350,000)
Total SCIP Bonds Outstanding	$1,453,655,000		
Total Bonds Outstanding	$2,176,975,000		
Debt Margin for General Obligations			$86,330,000
Debt Limitation per Act for Working Cash Notes			$400,000,000
* Total RTA Working Cash Notes Applicable to Limitation	$265,000,000	$265,000,000	(265,000,000)
Debt Margin for Working Cash Notes			135,000,000
Total Legal Debt Margin			$221,330,000

* 2011 CP Notes are short-term and mature within 60 days; total 2011 CP Notes Issued: $705,000,000 & Matured $580,000,000

Table 5

COMPARISON OF SALES TAX REVENUE
TO DEBT SERVICE REQUIREMENT

2002 - 2011
(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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sales Tax Revenue	$647,685	$654,985	$675,628	$700,395	$746,829	$752,922	$921,245	$894,238	$931,435	$ 975,670
Debt Service Requirement	$113,526	$140,607	$159,702	$179,536	$178,086	$188,551	$192,555	$197,529	$201,994	$ 1,052,441
2.5 Times Debt Service Requirement	$283,815	$351,518	$399,255	$448,840	$445,215	$471,378	$481,388	$493,823	$504,985	$2,631,103

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 EXPENSES

Last Ten Years *(In Thousands)*

	Debt Service Requirements			Total	Ratio of Debt Service to Total
Year	Principal	Interest	Total	Expenses	Expenses
2002	$27,262	$86,264	$ 113,526	$ 1,294,026	8.77%
2003	37,940	102,667	140,607	1,339,450	10.50%
2004	40,430	119,272	159,702	1,319,613	12.10%
2005	49,570	129,966	179,536	1,352,124	13.28%
2006	55,110	122,976	178,086	1,281,765	13.89%
2007	59,135	129,416	188,551	1,292,232	14.59%
2008	64,685	127,870	192,555	1,547,161	12.45%
2009	68,455	129,074	197,529	1,434,457	13.77%
2010	74,060	127,934	201,994	1,475,959	13.69%
2011 *	919,110	131,014	1,050,124	2,524,806	41.59%

* 2011 CP Notes are short-term and mature within 60 days; total 2011 CP Notes Issued: $705,000,000 & Matured $580,000,000

Table 7

FEDERAL ALLOCATION OF CAPITAL FUNDS TO NORTHEASTERN ILLINOIS

Last Ten Calendar Years

Sections 5309, 5307, and Title 1 including CMAQ and STP (Formerly Section 3, 9, & 23, respectivel' *(In Millions)*

Federal Fiscal Year	Total Awarded	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division
2002	$ 430.08	$ 225.42	$ 174.29	$ 30.37
2003	463.90	256.70	173.50	33.70
2004	493.16	291.76	168.05	33.35
2005	536.83	330.08	174.80	31.95
2006	496.62	280.03	168.69	47.90
2007	449.49	288.61	128.45	32.43
2008	489.91	279.38	169.55	40.98
2009	917.78	535.32	297.57	84.89
2010	459.25	266.23	154.97	38.05
2011	489.37	299.50	145.02	44.85
Total	$ 5,226.39	$ 3,053.03	$ 1,754.89	$ 418.47

Source of data: Information obtained from the Service Boards' records.

Table 8

RTA AND SERVICE BOARDS OPERATING CHARACTERISTICS

2011

Chicago Transit Authority

Rapid Transit

- 8 rail routes
- 143 stations served
- 1,200 rapid transit cars
- 221.6 million riders per year
- 1,598 STO* positions

Motor Bus

- 140 bus routes
- 1,780 buses
- 310.4 million riders per year
- 3,710 STO* positions

CTA Totals

- 1.4 billion rail passenger miles per year
- 712.9 million bus passenger miles per year
- 116.7 million vehicle revenue miles per year
- 3,784 without STO* Postions

*STO is Scheduled Transit Operators. This classification includes bus operators, motormen, conductors, and customer assistants.

*Metra Commuter Rail Division

Commuter Rail

- 11.0 rail routes
- 487.7 route miles
- 1,155 miles of track
- 241 stations
- 157 locomotives
- 1,086 passenger cars
- 191 electric cars
- 703 weekly trains operated
- 95.9% on-time performance
- 82.7 million riders per year
- 4,380 full-time employees

- 1.6 billion passenger miles per year
- 42.9 million vehicle miles per year

**All data excludes NICTD South Shore*

Pace Suburban Bus Division

Fixed Route

- 137 regular routes
- 35 feeder routes
- 15 shuttle routes
- 579 vehicles in use during
- 30.6 million riders per year
- 7 seasonal routes
- 589 Pace-owed busses
- 1,416 full-time employees

ADA Paratransit

- 212 Pace owned lift-equipped buses in service
- 3.4 million riders per year
- 36 full-time employees

Dial-A-Ride

- 68 local services
- 157 Pace owned lift-equipped buses in service
- 210 communities served
- 1.2 million riders per year

Other

- 696 vanpools in operation
- 1.8 million riders for the year

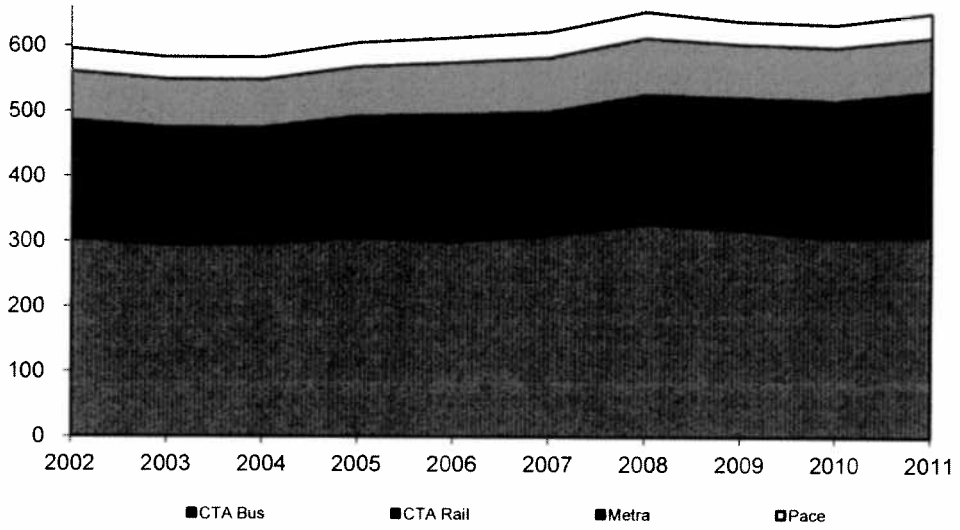
Source of data: Information obtained from the Service Boards' and RTA records.

Table 9

System Ridership and Unlinked Passenger Trips

2002-2011

(In Millions)



Last Ten Years *(In Millions)*

Service Consumed:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
CTA - Bus	304.8	293.6	296.0	305.5	299.6	309.3	328.2	318.7	306.0	310.4
CTA - Rail	180.4	181.1	178.7	186.8	195.2	190.3	198.1	202.6	210.8	221.6
Total CTA*	485.2	474.7	474.7	492.3	494.8	499.6	526.3	521.3	516.8	532.0
Metra	75.5	74.0	73.8	76.1	79.9	83.3	86.8	82.3	82.2	82.7
Pace**	34.8	33.7	34.1	36.9	38.0	39.2	40.5	35.1	35.1	37.1
System Total	595.5	582.4	582.6	605.3	612.7	622.1	653.6	638.7	634.1	651.8
Percent Change	68%	-2.20%	0.03%	3.90%	1.22%	1.53%	5.06%	-2.28%	-0.72%	2.79%

CTA Stat amounts include rail-to-rail transfers.

****PACE 2007 Stat amount includes ADA Paratransit rides.***

Source of data: Information obtained from the National Transit Database.

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 2011.

(In Thousands)

	Operating Revenues	Operating Expenses	Operating Deficit	Service Board Funding	Other Public Funding
Metra					
Union Pacific	$ 85,028	$ 207,119	$(122,091)	$ 122,091	$ -
Burlington Northern/Santa Fe	50,015	77,493	(27,478)	27,478	-
Northern Indiana Commuter Transportation District (NICTD)	4,310	8,977	(4,667)	4,667	-
Total Metra	$ 139,353	$ 293,589	$(154,236)	$ 154,236	$ -
Pace					
Summary of Services					
Fixed Route - Public Funded Carriers	$ 1,607	$ 3,457	$ (1,850)	$ 3,885	$ 2,277
Fixed Route - Private Contract Carriers	2,086	7,130	(5,044)	5,044	-
Total Fixed Route Service	3,693	10,587	(6,894)	8,929	2,277
Private Contract Carriers					
DAR Services	1,306	12,443	(11,137)	5,435	5,702
DAR and Stable Services	8,895	115,666	(106,771)	106,771	-
Total Private Contract Carriers	10,201	128,109	(117,908)	112,206	5,702
Paratransit - Municipal Carriers	407	5,052	(4,645)	976	3,670
Total Pace	$ 14,301	$ 143,748	$(129,447)	$ 122,111	$ 11,648

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenses	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services					
Fixed Route - Public Funded Carriers					
City of Highland Park	$ 556	$ 1,251	$ (695)	$ 1,500	$ 944
Village of Downers Grove	223	273	(50)	273	49
Village of Niles	568	1,625	(1,057)	1,802	1,234
Village of Schaumburg	260	308	(48)	310	50
Total	$ 1,607	$ 3,457	$ (1,850)	$ 3,885	$ 2,277
Private Contract Carriers - Fixed Route					
Academy Coach Lines	$ 200	$ 625	$ (425)	$ 425	$ -
Colonial Coach Lines	-	-	-	-	-
First Student	1,540	3,751	(2,211)	2,211	-
First Transit	33	537	(504)	504	-
Keeshin - Coach USA	129	944	(815)	815	
M V Transportation	184	1,273	(1,089)	1,089	
Total	$ 2,086	$ 7,130	$ (5,044)	$ 5,044	$ -
Private Contract Carriers - Dial-a-Ride Services					
Addison	$ -	$ -	$ -	$ -	$ -
Barrington	-	84	(84)	40	44
Bloomingdale Township	28	313	(284)	202	82
Central Lake	9	115	(105)	75	31
Central Will	76	744	(668)	473	195
Community Service Transit	98	65	33	(33)	-
Downers Grove	20	84	(65)	45	19
Dupage County	4	16	(13)	13	-
Dupage Township	9	176	(167)	119	48
Elk Grove	23	313	(290)	52	238
Frankfort Call Center	-	14	(14)	14	-
Freemont Township	1	10	(9)	6	3
Hampshire Township	1	18	(17)	12	4
Hanover Township	-	31	(31)	11	20
Hometown	1	28	(27)	1	27
Joliet Call in and Ride	11	155	(145)	145	-
Northwest Suburban Cook	29	252	(223)	219	4
Lake -Call in and Ride	8	148	(141)	141	-
Leyden Township	17	168	(151)	25	125
Marengo	3	101	(98)	98	-
McHenry Township	61	1,190	(1,129)	495	634
Milton Township	48	287	(238)	230	9
Naperville/Lisle	147	850	(703)	221	482
N. Suburban Cook	2	71	(70)	70	-
Northeast Lake-Warren	20	392	(372)	351	20
Northeast Lake-Zion	3	59	(55)	46	10
Northwest Lake	21	316	(295)	295	-
Northwest Lake Demo	26	310	(283)	40	243

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenses	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services, continued					
Pioneer Center	$ 12	$ 306	$ (295)	$ 295	$ -
Ride DuPage	168	1,479	(1,311)	375	936
Ride In Kane	398	3,388	(2,991)	1,079	1,912
Ride In McHenry	32	421	(390)	45	345
South Cook	0	0	0	(0)	-
Southwest Lake-Cuba	3	32	(29)	21	8
Southwest Lake-Wauconda	2	28	(26)	17	9
Southwest Will	1	12	(11)	1	10
Village of Bloomingdale	-	187	(187)	11	176
Village of Skokie/West Cook	5	70	(65)	46	19
Wayne Township	1	7	(7)	7	-
Woodstock	17	200	(182)	132	50
Total	$ 1,306	$ 12,443	$ (11,137)	$ 5,435	$ 5,702
Private Contract Carriers - Dial-a-Ride and Stable Services (ADA Services)					
South Cook	$ 693	$ 8,577	$ (7,884)	$ 7,884	$ -
North Suburban Cook	606	6,977	(6,371)	6,371	-
West Cook	237	2,084	(1,847)	1,847	-
North Lake	125	1,049	(924)	924	-
Kane County	48	466	(418)	418	-
Southwest/Central Will	45	426	(382)	382	-
DuPage County	107	1,067	(961)	961	-
Northeastern/Central Lake	-	-	-	-	-
Total	$ 8,895	$ 115,666	$(106,771)	$ 106,771	$ -
Paratransit - Municipal Carriers					
Berwyn/Cicero	$ -	$ -	$ -	$ -	$ -
Bloom	21	343	(323)	59	264
Crestwood	6	87	(82)	17	64
Ela	12	148	(136)	29	108
Forest Park	22	99	(77)	55	22
Fox Lake/Grant	2	6	(4)	2	2
Frankfort	16	136	(119)	31	89
Harvard	3	22	(19)	8	12
Lemont	6	78	(72)	17	55
Lyons	14	330	(316)	40	276
Norridge	10	92	(82)	28	55
Oak Park	41	395	(354)	120	234

FINANCIAL RESULTS OF PURCHASED SERVICES AGENCIES

(In Thousands)

	Operating Revenues	Operating Expenses	Operating Deficit	Service Board Funding	Other Public Funding
Pace					
Detail of Services, continued					
Paratransit - Municipal Carriers, continued					
Orland Park	$ 24	$ 258	$ (235)	$ 36	$ 199
Palatine	19	194	(174)	30	145
Palos Hills	9	76	(68)	16	52
Park Forest	23	116	(93)	56	37
Peotone	-	-	-	-	-
Rich Township	34	571	(536)	65	471
Schaumburg	88	1,109	(1,021)	214	807
Stickney	18	311	(293)	51	242
Tinley Park	9	76	(67)	26	40
Vernon Township	4	142	(138)	12	126
Worth	11	186	(175)	22	153
Total	$ 407	$ 5,052	$ (4,645)	$ 976	$ 3,670

Regional Transportation Authority

The six-county public transportation system serving northeastern Illinois

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165 N. Jefferson St.
Chicago, Illinois 60661
312-913-3110

Community Outreach
312-913-3237

RTA ADA Certification Helpline
Voice 312-663-4357
TTY 312-913-3122

Travel Information Center and RTA Reduced Fare Card
Voice 312-836-7000
TTY 312-836-4949
www.RTAchicago.com

RTA Transit Benefit Program
800-531-2828
www.LessTaxingCommute.com

Chicago Transit Authority
567 W. Lake St.
Chicago, Illinois 60661
1-888-968-7282
www.transitchicago.com

Metra
547 W. Jackson Blvd.
Chicago, Illinois 60661
312-322-6777
www.metrarail.com

Pace
550 W. Algonquin Rd.
Arlington Heights, Illinois 60005
847-364-7223
www.pacebus.com

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Regional Transportation Authority and Service Boards

Special-Purpose Combining Financial Statements for the Year Ended December 31, 2012 and Independent Accountants' Compilation Report

2012

cta

Metra

pace

Regional Transportation Authority

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

(See Independent Accountant's Compilation Report)

Prepared by:

Department of Finance and Performance Management

Bea Reyna-Hickey, CFO
Senior Deputy Executive Director

And

Controller Division

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

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Regional Transportation Authority

175 W. Jackson Blvd.
Suite 1650
Chicago, IL 60604
(312) 913-3200
www.rtachicago.com

July 19, 2013

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, 2012. 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,

Joseph Costello
Executive Director
Regional Transportation Authority

McGladrey

Independent Accountant's Compilation Report

To the Board of Directors
Regional Transportation Authority
Chicago, Illinois

We have compiled the accompanying special-purpose combining statements of net position of the Regional Transportation Authority and Service Boards as of December 31, 2012, and the related special-purpose combining statements of revenues and expenses and changes in net position, and special-purpose combining statements of cash flows for the year then ended and supplementary information and statistical information (included in the accompanying prescribed form). We have not audited or reviewed the accompanying financial statements, supplementary information and statistical information (included in the accompanying prescribed form) and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the requirements of the Regional Transportation Authority Act (Act) as described in Note 1.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Act and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The financial statements included in the accompanying prescribed form are presented in accordance with the Regional Transportation Act and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

McGladrey LLP

Schaumburg, Illinois
July 19, 2013

Member of the RSM International network of independent accounting, tax and consulting firms.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2012
(In Thousands)

ASSETS:	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
CURRENT ASSETS:							
Cash and investments:							
Restricted - cash and cash equivalents	$ -	$ 121,395	$ -	$ 29,254	$ -	$ -	$ 150,649
Unrestricted - cash and cash equivalents	158,535	124,090	74,164	69,547	-	-	426,336
Restricted - investments	284,852	-	-	-	-	-	284,852
Unrestricted - investments	239,906	1,000	-	-	-	-	240,906
Unamortized bond issue costs	2,193	-	-	-	-	-	2,193
Receivables:							
Intergovernmental receivables	250,535	-	-	-	-	59,733	190,802
Grant projects	-	33	69,918	960	-	3,510	67,401
RTA financial assistance	-	246,638	79,013	43,516	-	117,518	251,649
Other carriers	-	-	3,023	-	-	-	3,023
Other receivables	-	134,117	7,006	9,703	-	339	150,487
Interest on investments	157	-	-	-	-	-	157
Loan to S.B. note and interest	1,561	-	-	-	-	-	1,561
Materials and supplies inventory	-	46,056	19,059	4,428	-	-	69,543
Prepaid expenses and other assets	62,174	5,399	1,271	2,559	-	-	71,403
Derivative Instrument	-	172	-	-	-	-	172
Total current assets	999,913	678,900	253,454	159,967	-	181,100	1,911,134
Capital assets:							
Plant, property and equipment	7,882	8,886,178	6,017,036	506,777	-	-	15,417,873
Capital projects in progress	12,663	505,302	308,859	6,847	-	-	833,671
Less accumulated depreciation	(5,736)	(5,599,169)	(3,525,112)	(348,177)	-	-	(9,478,194)
Total capital assets	14,809	3,792,311	2,800,783	165,447	-	-	6,773,350
Other assets:							
Unamortized bond issue costs	10,074	32,429	-	-	-	-	42,503
Derivative instrument	47,802	-	-	-	-	-	47,802
Net pension asset	-	19,097	-	-	-	-	19,097
Restricted cash and investments with Trustee	-	804,205	-	-	-	-	804,205
Restricted assets under sale/leaseback	-	1,659,597	108,129	108,003	-	-	1,875,729
Total other assets	57,876	2,515,328	108,129	108,003	-	-	2,789,336
TOTAL ASSETS	$ 1,072,598	$ 6,986,539	$ 3,162,366	$ 433,417	$ -	$ 181,100	$ 11,473,820
DEFERRED OUTFLOWS OF RESOURCES:							
Accumulated decrease in fair value of hedging derivatives	31,951	-	-	-	-	-	31,951

(Continued)

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENT OF NET POSITION (Continued)
DECEMBER 31, 2012
(In Thousands)

LIABILITIES	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
CURRENT LIABILITIES:							
Vouchers payable	$ -	$ 144,256	$ 87,776	$ 4,468	$ -	$ -	$ 236,500
Accrued interest payable	35,089	21,107	-	-	-	-	56,196
Intergovernmental payables	143,815	-	-	-	121,028	-	22,787
Due to other funds	1,578	-	-	-	-	-	1,578
Current portion of general obligation bond payable, net	102,295	80,814	-	-	-	-	183,109
Other current liabilities:							
Accrued other expenses	6,988	110,521	30,366	50,824	58,511	-	140,188
Deferred revenue, assistance and other	1,999	88,481	10,377	1,382	-	-	102,239
Capital lease obligation	-	98,748	9,142	-	-	-	107,890
Claims liability	-	86,589	8,103	18,049	1,561	-	111,180
Total current liabilities	291,764	630,516	145,764	74,723	181,100	-	961,667
LONG-TERM LIABILITIES:							
Long-term portion of general obligation bond, net	2,401,418	3,747,692	-	-	-	-	6,149,110
Post retiree health benefits	-	-	6,000	-	-	-	6,000
Claims liability	-	170,482	14,599	17,143	-	-	202,224
Capital lease obligation	-	1,698,983	98,987	108,003	-	-	1,905,973
Deferred revenue	77,590	-	-	-	-	-	77,590
Derivative instrument	34,889	-	-	-	-	-	34,889
Accrued pension cost	-	42,211	-	4,768	-	-	46,979
Certificate of participation	-	49,987	-	-	-	-	49,987
Deferred rent	2,158	-	-	-	-	-	2,158
Other long-term liabilities	-	61,210	-	2,040	-	-	63,250
	-						
Total long-term liabilities	2,516,055	5,770,565	119,586	131,954	-	-	8,538,160
Total liabilities	2,807,819	6,401,081	265,350	206,677	181,100	-	9,499,827
DEFERRED INFLOWS OF RESOURCES:							
Advance from State	-	-	-	9,132	-	-	9,132
Accumulated increase in fair value of hedging derivatives/others	47,802	172	-	-	-	-	47,974
NET POSITION (DEFICIT):							
Invested in capital assets, net of related debt	14,809	2,383,120	2,800,784	165,447	-	-	5,364,160
Net position restricted for:							
Payment on obligations and others	175,643	119,253	-	-	-	-	294,896
Unrestricted (deficit)	(1,941,524)	(1,917,087)	96,232	52,161	1,446,080	1,446,080	(3,710,218)
TOTAL NET POSITION (DEFICIT)	$ (1,751,072)	$ 585,286	$ 2,897,016	$ 217,608	$1,446,080	$1,446,080	$ 1,948,838

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, 2012
(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	$ -	$ 596,499	$ 356,547	$ 69,138	$ 657	$ -	$ 1,021,527
Sales taxes	113,152	-	-	-	-	1,012,280	1,125,432
Interest on sales taxes	119	-	-	-	-	-	119
Public Transportation Fund	355,159	-	-	-	130,370	-	224,789
Operating assistance - CTA and Pace	10,398	-	-	-	-	-	10,398
State assistance	86,984	-	-	-	-	-	86,984
Investment income	22,290	-	-	-	-	-	22,290
Program revenues and others	10,520	-	-	-	-	-	10,520
Total revenues	598,622	596,499	356,547	69,138	131,027	1,012,280	2,502,059
EXPENSES:							
Operating expenses	-	1,292,918	676,512	327,334	-	284	2,296,480
Depreciation	-	379,510	211,443	47,779	-	-	638,732
Financial assistance to Service Boards	171,700	-	-	-	-	171,700	-
Operating grant - CTA and Pace	36,687	-	-	-	-	36,687	-
Capital grants—discretionary	5,410	-	-	-	-	5,410	-
Capital grants—bonds	213,394	-	-	-	-	213,394	-
Insurance (JSIF)	5,942	-	-	-	-	5,942	-
Administrative expenses	16,507	-	-	-	-	383	16,124
Regional expenses	17,542	-	-	-	-	-	17,542
Technology program	1,473	-	-	-	-	-	1,473
Bond interest	117,254	-	-	-	-	-	117,254
Total expenses	585,909	1,672,428	887,955	375,113	-	433,800	3,087,605
OPERATING INCOME (LOSS)	12,713	(1,075,929)	(531,408)	(305,975)	131,027	1,446,080	(585,546)
NONOPERATING REVENUE (EXPENSE):							
RTA financial assistance	-	645,524	457,109	266,225	1,285,748	-	83,110
Leasehold revenue	-	4,262	-	-	-	-	4,262
Interest revenue from leasing transactions	-	116,039	6,880	6,439	-	-	129,358
Interest expense on leasing transactions	-	(118,439)	(6,880)	(6,439)	-	-	(131,758)
Interest expense on bond transactions	-	(194,237)	-	-	-	-	(194,237)
Other public funding	-	48,670	140,495	1,703	-	-	190,868
Capital grants	-	366,402	12,197	41,020	29,305	-	390,314
Investment income	-	9,091	-	188	-	-	9,279
Gain on sale of assets	-	140	-	-	-	-	140
Total nonoperating revenue (expense)	-	877,452	609,801	309,136	1,315,053	-	481,336
CHANGE IN NET POSITION	12,713	(198,477)	78,393	3,161	1,446,080	1,446,080	(104,210)
NET POSITION (DEFICIT):							
Beginning of year	(1,763,785)	783,763	2,818,623	214,447	-	-	2,053,048
End of year	$ (1,751,072)	$ 585,286	$ 2,897,016	$ 217,608	$ 1,446,080	$ 1,446,080	$ 1,948,838

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012
(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	$ -	$ 553,253	$ 301,132	$ 58,560	$ 912,945
Payments to employees	-	(918,316)	(283,754)	(119,641)	(1,321,711)
Payments to vendors	(6,190)	(308,538)	(384,413)	(190,636)	(889,777)
Other receipts and payments	-	30,314	52,632	9,529	92,475
Net cash used in operating activities	(6,190)	(643,287)	(314,403)	(242,188)	(1,206,068)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Financial assistance—operating	5,000	678,494	350,465	272,149	1,306,108
Net cash provided by noncapital financing activities	5,000	678,494	350,465	272,149	1,306,108
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Interest income from assets restricted for payment of leasehold obligations	-	116,039	-	-	116,039
Repayment of lease/leaseback obligations	-	(104,485)	-	-	(104,485)
Increase/decrease in assets restricted for payment of leasehold obligations	-	(29,217)	-	-	(29,217)
Financial assistance—grant projects	-	343,360	248,743	38,567	630,670
Interest expense on bonds	-	(200,506)	-	-	(200,506)
Proceeds from issuance of bonds (net)	-	2,203	-	-	2,203
Repayment of bonds payable	-	(62,093)	-	-	(62,093)
Repayment of long-term liabilities	-	(3,971)	-	-	(3,971)
Payments for capital acquisition	-	(358,681)	(277,800)	(39,384)	(675,865)
Net cash used in capital and related financing activities	-	(297,351)	(29,057)	(817)	(327,225)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Note principal and interest	4,695	-	-	-	4,695
Investment income	90	9,091	204	188	9,573
Sales and purchases of investments, net	(4,391)	271,151	-	-	266,760
Net cash (used) by investing activities	394	280,242	204	188	281,028
NET INCREASE IN CASH AND CASH EQUIVALENTS	(796)	18,098	7,209	29,332	53,843
CASH AND CASH EQUIVALENTS—Beginning of year	11,081	227,387	66,955	69,469	374,892
CASH AND CASH EQUIVALENTS—End of year	$ 10,285	$ 245,485	$ 74,164	$ 98,801	$ 428,735
RECONCILIATION OF OPERATING ACTIVITIES:					
Net loss from operations	$ (5,935)	$ (1,075,929)	$ (531,408)	$ (305,975)	$ (1,919,247)
Adjustments to reconcile operating loss to net cash flows from operating activities:					
Depreciation	-	379,510	211,444	47,779	638,733
Claims provision and settlement	-	-	864	-	864
State reduced fare assistance	-	-	(3,571)	-	(3,571)
Interest and dividends received	(7)	-	(204)	-	(211)
Changes in current assets and liabilities	(248)	53,132	8,472	16,008	77,364
NET CASH USED IN OPERATING ACTIVITIES	$ (6,190)	$ (643,287)	$ (314,403)	$ (242,188)	$ (1,206,068)

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 RTA 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.

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 RTA Act, as amended effective November 9, 1983, established the Suburban Bus Division (Pace) to operate suburban bus service within suburban Cook County and the five collar counties of DuPage, Kane, Lake, McHenry, and Will. The independent operations of Pace commenced on July 1, 1984.

Pace determines the level, nature, and kind of public transportation services that should be provided in the suburban region. Pace operates suburban bus services using stock, structures, and equipment purchased through capital grants funded by federal and state agencies and the RTA.

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, 2012 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 Statement No. 14 (Statement No. 14), *The Financial Reporting Entity.*

In the judgment of the management of each of the entities and their analysis and application of Statement No. 14 criteria, while the RTA does exercise some fiscal oversight, the Service Boards are not part of the RTA reporting entity for the purpose of preparing a comprehensive annual financial report in accordance with governmental accounting and financial reporting standards in the United States. In arriving at this conclusion, the following factors were considered:

- The Service Boards maintain separate management, exercise control over all operations (including the passenger fare structure), and are accountable for fiscal matters, including ownership of assets, relations with federal and state transportation funding agencies that provide financial assistance in the acquisition of these assets, and the preparation of operating budgets. The Service Boards are also responsible for the purchase of services and approval of contracts relating to their operations.

- The RTA Board has control neither in the selection nor the appointment of any Service Board Director nor of any of its management. Further, directors of the Service Boards are excluded from serving on more than one entity's board of directors, including that of the RTA, except for the Chairman of the CTA Board of Directors who is also an RTA Board member.

- The Illinois statutes require the RTA Board to approve the budgets of the Service Boards, 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.

Accordingly, financial statements for the Service Boards are not included or combined with the RTA's financial statements under Statement No. 14. 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.

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.

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.

Revenue/Sales Taxes

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 incident to a sale of a service (a Service Occupation Tax).

The taxes described in (i) and (ii) above are also imposed on persons engaged in making sales of services pursuant to which tangible personal property or real estate (as incident to a sale of a service) is transferred (with respect to the taxes in (i) and (ii), a Service Occupation Tax).

The RTA Sales Tax is collected by the Illinois Department of Revenue (the "Department of Revenue"), and paid to the Treasurer of the State to be held in trust for the RTA outside the State Treasury. Proceeds from the RTA Sales Tax are payable monthly directly to the RTA, without appropriation, by the State Treasurer on the order of the State Comptroller.

Also, proceeds from certain sales taxes imposed by the State are allocated to the RTA as part of the restructuring of the State and local sales taxes in Illinois. Until January 1, 1990, the State General Sales Tax, State Use Tax, and State Service Occupation Tax portions of the RTA Sales Tax were imposed at a rate of 1% in Cook County. Effective January 1, 1990, as a result of legislation (the Sales Tax Reform Act) aimed at simplifying the base and rate structure of taxes imposed by the State and its local governments, including the RTA, the State General Sales Tax, State Use Tax, State Service Occupation Tax, and State Service Use Tax were increased from 5% to 6.25% and any corresponding portions of the RTA Sales Tax in Cook County were reduced from 1% to 0.75%. In order to avoid a revenue loss to the RTA because of the reduction in this portion of the RTA Sales Tax, the Sales Tax Reform Act directed that portions of the receipts from the State General Sales Tax, State Use Tax, State Service Occupation Tax, and State Service Use Tax be paid to the RTA annually.

Specifically, 4% of the net monthly revenue from the 6.25% State General Sales Tax and State Service Occupation Tax and 4% of the net monthly revenue from the State Use Tax on personal property purchased at retail outside the State, but registered or titled with a State agency within the State (i.e., 0.25% of total) is transferred into the County and Mass Transit District Fund in the State Treasury (the "CMTD Fund"). The amount in the CMTD Fund attributable to taxable sales occurring in Cook County or to property registered or titled in Cook County is then transferred into the RTA Occupation and Use Tax Replacement Fund in the State Treasury (the "Replacement Fund"). In addition, (i) the net monthly revenue from the State Use Tax and State Service Use Tax portions of the 1% State Food and Drug Tax, and (ii) 20% of the net monthly revenue of the 6.25% State Use Tax and State Service Use Tax (i.e., 1.25% of total), other than revenues of such taxes attributable to personal property purchased at retail outside the State but registered or titled with a State agency within the State, are deposited in the State and Local Sales Tax Reform Fund (the "Reform Fund"). Of the money paid into the Reform Fund, 10% is transferred into the Replacement Fund.

The Act provides that the RTA withhold 15% of 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.

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 real estate transfer tax (RETT) in the City of Chicago was increased 0.3% (i.e. for every $500 in sales price $1.50 in tax is collected).

Public Transportation Fund—In accordance with the Act, the State Treasurer is authorized and required to transfer from the State's General Revenue Fund to a special fund in the State Treasury designated the "Public Transportation Fund," an amount equal to 30% of net revenues realized from sales taxes (or, as the case may be, gasoline or parking taxes) and RETT. These amounts may be paid to the RTA only upon State appropriation. The State has approved an appropriation from the PTF through its 2012 fiscal year which will end June 30, 2012.

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.

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 discretion 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 2013, which ends June 30, 2013, 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, 2012, the grant was in the amount of $34.1 million. For the state fiscal year ending June 30, 2013, the RTA anticipates a grant in the amount of $17 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 bonds plus any debt service savings from the issuance of refunding or advance refunding SCIP bonds, less interest earned on the unspent bond proceeds, or (ii) $55 million per year. The RTA recognized $34.6 million of ASA in 2012.

Beginning with the State's fiscal year 2001, the State has also authorized Additional Financial Assistance ("AFA") to pay for debt service requirements for SCIP bonds authorized under the Illinois First Program. The amount available to the RTA during the State's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP bonds less interest earned on those bond proceeds, or (ii) $100 million in the State's fiscal years 2012 and 2013, per year. The RTA recognized $52.3 million of AFA in 2012.

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.

Administration consists of those costs of the RTA incurred to carry out its administrative activities. These costs were limited by statute to $18.7 million for the year ended December 31, 2012.

Non-administration, listed as regional and technology program expenses in the statement of activities, consists of those costs of the RTA which are exempt from the statutory limit defined in the RTA Act. These costs include the operation of the Travel Information Center, Transit Check Program, Americans with Disabilities Act ("ADA"), reduced fare registration, capital development and other program costs incurred on behalf of the Service Boards and not for the benefit of RTA itself.

Expenses are recognized using the accrual basis of accounting. Expenses are recognized in the period incurred.

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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting Pronouncements—In September 1993, the GASB released Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting.* The statement provides that proprietary funds may apply all GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board ("FASB"), Accounting Principles Board ("APB") Opinions and Accounting Research Bulletins ("ARBs") of the Committee on Accounting Procedure. The RTA has elected to apply only FASB, APB and ARB statements and interpretations issued on or before November 30, 1989.

New Accounting Pronouncements—During 2012, the Authority adopted the following GASB Statements:

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance contained in pre-November 1989 FASB and AICPA Pronouncements*, was established to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in certain FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, was established to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – An Amendment to GASB Statement No. 53*, was established to enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced.

Other accounting standards that the Authority is currently reviewing for applicability and potential impact on the financial statements include:

Statement No. 65, *Items Previously Reported as Assets and Liabilities,* was established to reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Authority is required to implement this statement for the year ending December 31, 2013.

Statement No. 66, *Technical Corrections – 2012,* was established to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two earlier pronouncements, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* This Statement also amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and to an internal service fund type. Governments are allowed to base their decision about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.* Finally, this Statement also amends Statement 62 by modifying the specific guidance on accounting for operating lease payments that vary from a straight-line basis; the difference between the initial investment and principal amount of a purchased loan or group of loans; and servicing fees related to mortgage loans that are sold

when the stated service fee rate differs significantly from a current servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases* and result in guidance that is consistent with the requirements of Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues.* The Authority is required to implement this statement for the year ending December 31, 2013.

Statement No. 67, *Financial Reporting for Pension Plans*, will be effective for the Authority beginning with its year ended December 31, 2014. This statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This statement enhances note disclosures and RSI for both defined benefit and defined contribution pension plans and requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules.

Statement No. 68, *Accounting and Financial Reporting for Pensions*, will be effective for the Authority beginning with its year ended December 31, 2015. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

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 sales tax agency fund.

The annual budget and related appropriations are prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States except for RTA capital expenses and capital grants to the Service Boards. The RTA capital expenses 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 expenses 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 expenses. 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 expenses in excess of appropriated amounts require RTA Board approval) is restricted to total appropriations/expenses and total administration appropriations/expenses. Management has the authority to exceed any line item appropriation without Board approval, provided it does not exceed the total appropriations/expenses and the total administration appropriations/expenses. It is generally the policy of the RTA (ordinance 91-9) to fund the budgets of the Service Boards up to the amount appropriated in the annual Budget Ordinance. However, unfavorable economic conditions created the need to waive this policy for purposes of the adoption of the 2012 budget and 2013-2014 financial plan and the 2013 budget and 2014-2015 financial plan. Also waived for the purpose of the adoption of the 2013 budget and 2014-2015 financial plan was the provision of the RTA funding policy adopted by Ordinance 98-15 that requires that the RTA annual budget and two-year financial plan show a year-end unreserved and undesignated fund balance equal to 5% of the RTA general fund by no later than the end of the three-year planning period.

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 expenses and the payment of PTF funds, unallocated RTA sale 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. LEASES

The RTA and CTA hold operating leases which are primarily for rent expense on the facilities they occupy. Metra has several operating leases, primarily for the use of passenger terminals. Pace has multi-year leases for vehicles and bus tires.

CTA

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 $82.3 million and $91.6 million at December 31, 2012 and 2011, respectively. The terms of the 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, beginning on December 1, 2008. The present value of the future payments to be made by the CTA under the lease of approximately $85 million is reflected in the accompanying December 31, 2012 statement of net position as a capital lease obligation.

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.

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 and 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 $388,000, 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 $1.4 million is recorded as a component of long-term debt in the accompanying statements of net position.

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. Bond issue costs and premium related to this transaction are 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 $79.2 million is reflected in the accompanying December 31, 2012 statement of net position as a capital lease obligation.

In 2003, CTA entered into a lease and leaseback agreement with a third party pertaining to certain buses, with a book value of $3.8 million and $7.5 million at December 31, 2012 and 2011, respectively. Under the bus lease agreement, which provides certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $16.2 million is reflected in the accompanying December 31, 2012 statement of net position as a capital lease obligation.

During 2002, CTA entered into two lease and leaseback agreements with a third party pertaining to certain buses (lots 1 and 2), with a book value of $3.8 million and $10.1 million at December 31, 2012 and 2011, respectively. Under the bus lease agreements, which provide certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $133.4 million is reflected in the accompanying December 31, 2012 statement of net position as a capital lease obligation.

During 2002, CTA entered into a lease and leaseback agreement with a third party pertaining to certain qualified technological equipment (QTE), with a book value of $5.3 million and $6.1 million at December 31, 2012 and 2011, respectively. Under the QTE lease agreement, which provides certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. The present value of the future payments to be made by the CTA under the lease of approximately $103.3 million is reflected in the accompanying December 31, 2012 statement of net position as a capital lease obligation.

During 1998, the CTA entered into a lease and leaseback agreement (the 1998 Agreement) with a third party pertaining to a rail line (green line), with a book value of $199.6 million and $213.4 million at December 31, 2012 and 2011, respectively. The 1998 Agreement, which provides certain cash and tax benefits to the third party, also provides for a trust established by the CTA to lease the rail line to an equity investor trust (the 1998 Equity Trust), which would then lease the facilities back to another trust established by the CTA under a separate lease (the 1998 Lease). The present value of the future payments to be made by the CTA under the lease of approximately $161.5 million is reflected in the accompanying December 31, 2012 statement of net position as a capital lease obligation.

During 1997, the CTA entered into four lease and leaseback agreements (the 1997 Agreements) with a third party pertaining to certain of its facilities having a book value of $40 million and $42.6 million at December 31, 2012 and 2011, respectively. The 1997 Agreements, which provide certain cash and tax benefits to the third party, also provide for a trust established by the CTA to lease the facilities to an equity investor trust (the Equity Trust), which would then lease the facilities back to another trust established by the CTA under separate leases (the Leases). The CTA received certain funds as prepayment by the Equity Trust. The funds have been deposited in designated investment accounts sufficient to meet the payments required under the Leases and are recorded as assets restricted for repayment of leasing commitments. The Equity Trust has a security interest in the deposits to guarantee the payments due by the CTA and may take possession of the facilities upon a default by the CTA under the Lease. No other lease payments are required until the end of each lease. The present value of the future payments to be made by the CTA under the leases (net of the payment due from the Equity Trust in 2023 and 2024) of approximately $46.7 million is reflected in the accompanying December 31, 2012 statement of net position as a capital lease obligation.

In connection with the 1997 Agreements, the CTA also received proceeds of $11.9 million. The FTA has approved the CTA's right to the benefit received from these transactions. The CTA has elected to defer recognition of the proceeds over the remaining lease term.

During 1996, the CTA entered into similar lease and leaseback agreements (the 1996 Agreements) with a third party pertaining to certain of its facilities, with a book value of $43 million and $46 million at December 31, 2012 and 2011, respectively. The 1996 Agreements, which provide certain cash and tax benefits to the third party, also provide for a trust established by the CTA to lease the facilities to an equity investor trust

(the 1996 Equity Trust), which would then lease the facilities back to another trust established by the CTA under a separate lease (the 1996 Lease). The present value of the future payments to be made by the CTA under the leases (net of the payment due from the 1996 Equity Trust in 2024) of approximately $46.5 million is reflected in the accompanying December 31, 2012 statement of net position as a capital lease obligation.

In connection with the 1996 Agreements, the CTA also received proceeds of $10.9 million and agreed to make approximately $80 million of improvements to one of the facilities. The FTA has approved the CTA's right to the benefit received from these transactions. The CTA has elected to defer recognition of the proceeds over the remaining lease term.

During 1995, the CTA entered into sale/leaseback agreements (the 1995 Agreements) with third parties. The 1995 Agreements provided for the CTA to sell and lease back certain rail equipment with a book value of $46.6 million and $56 million at December 31, 2012 and 2011, respectively. At December 31, 2012, the total payments due under the 1995 Agreements are recorded as capital lease obligations totaling $1,106 million. The CTA has deposited funds into designated cash and investment accounts sufficient to meet all of its payment obligations throughout the terms of the leases, and recorded such amounts as assets restricted for repayment of leasing commitments.

Change in Capital Lease Obligations: Changes in capital leases for the year ended December 31, 2012 are as follows (in thousands of dollars):

2012	Beginning balance	Additions*	Principal paid	Ending balance	Interest paid	Due in one year
2003 (Buses)	$ 16,026	$ 571	$ (411)	$ 16,186	$ 571	$ -
2002 (Buses)	126,993	6,399	-	133,392	6,398	-
2002 (QTE)	97,178	6,170	-	103,348	6,170	-
1998 (Green)	172,370	11,792	(22,712)	161,450	11,792	23,051
1997 (Garages)	43,388	3,262	-	46,650	3,262	-
1996 (Skokie/Racine)	43,308	3,183	-	46,491	3,183	-
1995 (Pickle)	1,088,462	81,193	(63,698)	1,105,957	81,193	63,698
Total lease/leasebacks	1,587,725	112,570	(86,821)	1,613,474	112,569	86,749
2006 PBC Lease	81,305	-	(2,115)	79,190	6,186	2,204
2008 Bus Lease	94,393	-	(9,376)	85,017	4,060	9,795
Total capital lease obligation	$ 1,763,423	$ 112,570	$ (98,312)	$ 1,777,681	$ 122,815	$ 98,748

* Additions include accretion of interest.

The following table sets forth the aggregate amounts due under the sublease agreements:

Future Minimum Lease Payments: As of December 31, 2012, future minimum lease payments for capital leases, in the aggregate, are as follows (in thousands of dollars):

2013	$ 98,748
2014	250,303
2015	93,624
2016	1,230,594
2017	44,153
2018-2022	355,036
2023-2027	207,635
2028-2032	25,825
2033-2035	6,031
Total future minimum payments	2,311,949
Less interest	534,268
Present value of minimum lease payments	$ 1,777,681

The present value of all future payments to be made by the CTA under all its leases of approximately $1.8 billion is reflected in the accompanying December 31, 2012 statement of net position as capital lease obligations.

Metra

On September 18, 1998, Metra entered into transactions to lease 174 railcars to three equity investors (the headlease) and simultaneously subleased the railcars back (the sublease). Under these agreements, Metra maintains the right to use the railcars and is also responsible for their continued maintenance and insurance. Metra's sublease arrangements have been recorded as long-term obligations for accounting purposes.

At closing, the railcars had a fair market value of approximately $296.9 million and a book value of $262.9 million. As part of the headlease agreements, Metra received prepayments equivalent to the net present value of the headlease obligations totaling approximately $274 million.

Metra transferred approximately $177.4 million and $52.9 million of the prepayment proceeds to third parties in accordance with the terms of debt and equity payment undertaking agreements, respectively. These agreements constituted commitments by the debt and equity payment undertakers to pay Metra's sublease and buy-out options, under the terms of the subleases. The debt payment undertaker and equity payment undertaker are finance companies. In connection with the transaction, Metra recognized $43.7 million as leasehold revenue in 1998.

One of the lease agreements was terminated in 2008. On August 29, 2011, Metra entered into an agreement with another investor to terminate a second lease. As a result of the termination, payments were made to the equity investor by the equity payment undertaker and debt payment undertaker from the restricted assets that based upon the executed termination agreement, released Metra from any further liability. Accordingly, Metra removed approximately $63.4 million of assets restricted for payment of obligations under leasing transactions and approximately $63.4 million of amounts payable for leasehold transactions from its financial statements. No gain or loss was realized by Metra as a result of the termination agreement. In accordance with the provisions of the termination agreement, Metra was required to pay all legal expenses of all parties involved, which totaled approximately $164 thousand during the year ended December 31, 2011. No payments were made in 2012.

In 2008, American International Group, Inc. (AIG) incurred a ratings downgrade. AIG acted as the DPU, EPU, and Standby Letter of Credit Provider (SLOCP) for these transactions. Once AIG's ratings fell below levels specified per the terms of the agreements, AIG was required to provide additional collateral to securitize the transactions. Later in 2008, AIG's credit ratings were further downgraded which triggered an event of default. The remaining investor has advised Metra that they are satisfied with AIG, and has been providing waivers for the additional collateral requirements on a quarterly basis. Metra does not anticipate any material adverse financial impact as a result of the termination of the remaining leases. In the event the investor terminates the transactions, Metra's maximum exposure is approximately $24.8 million at December 31, 2012.

The net present value of the future payments due under the remaining subleases has been recorded as a liability on the accompanying statements of net position. Since the debt and equity payment undertaking agreements have been structured to meet all future obligations under the subleases, the related asset balances have been recorded to equal the sublease liabilities on the accompanying statements of net position. The following table sets forth the aggregate amounts due under the sublease agreements:

Future Minimum Lease Payments: As of December 31, 2012, future minimum lease payments for capital leases, in the aggregate, are as follows:

2013	$ 9,142
2014	9,142
2015	9,142
2016	9,142
2017	9,143
2018-2021	111,924
Total future minimum payments	157,635
Less imputed interest	(49,506)
Present value of minimum lease payments	$ 108,129

The present value of minimum lease payments of the Metra lease is $108 million which is reflected in the accompanying December 31, 2012 statement of net position as capital lease obligations.

Pace

In 2003, Pace entered into two lease and leaseback agreements and realized a gain of $2.4 million from the proceeds. The transactions allowed Pace to earn an up-front economic cash benefit for transferring ownership (not legal title) of a group of assets to a taxpayer that could take advantage of the benefits of tax ownership.

The first lease and leaseback agreement with a third party pertained to certain buses (lots 1, 2, and 3) having an original cost of $62.3 million less accumulated depreciation of $57.4 million for a net book value of $4.9 million at December 31, 2012. Under the bus lease agreements, Pace entered into a long term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to Pace under a sublease. The present value of the future payments to be made by Pace under the lease is approximately $76.6 million and is reflected in the accompanying December 31, 2012 Statement of Net Position as the total of the current and long term portions of the Capital Lease Obligation.

The second lease and leaseback agreement with a third party pertained to certain buses (lot 4) having an original cost of $29.0 million less accumulated depreciation of $23.6 million for a net book value of $ 5.4 million at December 31, 2012. Under the bus lease agreements, Pace entered into a long term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to Pace under a sublease. The present value of the future payments to be made by Pace under the lease is approximately $31.4 million and is reflected in the accompanying December 31, 2012 Statement of Net Position as the total of the current and long term portions of the Capital Lease Obligation.

2012	Beginning balance	Additions	Reductions	Ending balance	Interest expense	Due in one year
2003 (Buses)	$ 72,153	$ 4,495	$ -	$ 76,648	$ 4,496	$ -
2003 (Buses)	29,412	1,943	-	31,355	1,943	-
Total	$ 101,565	$ 6,438	$ -	$ 108,003	$ 6,439	$ -

As described above, Pace entered into two lease financing agreements with a third party in 2003.

The following table sets forth the aggregate amounts due under the sublease agreements:

	Capital Leases
2013	$ -
2014	-
2015	-
2016	124,400
Total future minimum payments	124,400
Less interest	(16,397)
Present value of minimum lease payments	$ 108,003
A reconciliation of the Statement of Net Position to amount presented above:	
Capital Lease Obligation, less current portion	$ 108,003
Capital Lease Obligation, current portion	-
Total	$ 108,003

The present value of the future payments including the purchase option to be made by Pace under these leases are approximately $108 million and is reflected in the accompanying December 31, 2012 statement of net position as a capital lease obligation.

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 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 outstanding balance of the defeased debt was $82 thousand as of December 31, 2012.

Lease Transactions: During 1998, the CTA entered into a lease and leaseback agreement with three investors pertaining to a property, railway tracks and train stations on the Green Line. The CTA's payments associated with this agreement were guaranteed by American International Group, Inc. (AIG).

During 2008, AIG's credit rating was cut amid the U.S. mortgage meltdown and global economic crisis. The rating cut provided the third party investors with the option to require CTA to replace the Payment Undertaker Guarantor. One of the three investors chose to unwind the transaction. One investor entered into a forbearance agreement that allowed CTA to continue to use AIG as long as the rating does not fall below BB by Standard & Poor's and B1 by Moody's. CTA is still in negotiations with one of the investors regarding the replacement of AIG.

In 2002 and 2003, CTA entered into a lease and leaseback agreement with third party investors for buses. CTA entered into an agreement with Financial Security Assurance, Inc. (FSA) to act as the debt payment and strip surety guarantor. FSA's credit rating was downgraded during the 2008 financial crisis. This downgrading allows the private investors the option to require CTA to replace the guarantor. CTA has negotiated with the private investors and they have agreed to forbear from enforcing the provision of the agreements that require replacement of the guarantor.

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.

Leases: Metra has entered into 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, 2012 were as follows:

2013	$ 10,477
2014	10,478
2015	10,480
2016	10,482
2017	10,484
2018-2022	21,331
2023-2027	8,532
2028-2031	4,749
Thereafter	16,621
Total	$ 103,634

Total rent expense aggregated $15.5 million and $16.3 million for the years ended December 31, 2012 and 2011, respectively.

Grants – At December 31, 2012, Metra had $501.7 million in unexpended obligations related to federal and state (including local) capital grant contracts.

Pace

Agreements with Pace's paratransit public funded carriers generally provide that Pace will reimburse the lesser of the approved budget, $3.00 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 *OMB Circular A-133* for which a separate report is issued.

RTA

The RTA has an operating lease agreement for its office facilities. In 2012, the total rent paid by the RTA was $1,776,000. Minimum required annual rental payments by the RTA are as follows:

2013	$ 2,019
2014	2,017
2015	2,062
2016	2,126
2017	2,101
2018-2024	13,804
Total	$ 24,129

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, 2012; $1.1 billion of cash and investments (excludes CTA bond proceeds held by Trustee). Of this amount, $436 million is restricted for self-insurance and other damage reserve liabilities, debt service, health insurance claims, and capital projects.

NOTE 9. GENERAL OBLIGATION BONDS PAYABLE

Changes during the year in RTA's bonds payable were as follows:

(In thousands)	January 1, 2012	New Issues	Current Retirements	December 31, 2012	Due Within One Year
1990A	$ 52,900	$ -	$ 4,380	$ 48,520	$ 4,695
1991A	55,745	-	4,090	51,655	4,365
1992A* & 1992B	9,180	-	9,180	-	-
1994A* & 1994B	24,395	-	-	24,395	-
1994C* & 1994D	52,915	-	1,890	51,025	2,045
1997 Refunding	49,605	-	1,865	47,740	3,320
1999* Refunding	250,185	-	9,025	241,160	17,990
2000A*	213,315	-	6,245	207,070	6,610
2001A*	82,360	-	2,325	80,035	2,455
2001B* Refunding	29,800	-	-	29,800	-
2002A*	135,475	-	3,495	131,980	3,690
2002B	11,815	-	11,815	-	-
2003A*	227,275	-	5,600	221,675	5,910
2003B	131,120	-	3,265	127,855	3,435
2004A*	231,785	-	5,385	226,400	5,660
2005B Refunding	118,710	-	7,590	111,120	7,960
2006A*	234,555	-	4,150	230,405	4,390
2010A	57,365	-	4,075	53,290	4,235
2010B	112,925	-	-	112,925	-
2010C Cash Note	140,000	-	140,000	-	-
2011A Refunding	95,550	-	-	95,550	12,040
2011CP Cash Note	125,000	650,000	775,000	-	-
2012A Cash Note	-	300,000	-	300,000	-
Subtotal	2,441,975	950,000	999,375	2,392,600	88,800
Unamortized bond premium	124,608	-	13,495	111,113	13,495
Total	$ 2,566,583	$ 950,000	$ 1,012,870	$ 2,503,713	$ 102,295

* Strategic Capital Improvement Program (SCIP) Bonds

At December 31, 2012, the total general obligation bonds payable of $2,392.6 million are classified as current and long-term in the Statement of Net Position in the amounts of $88.8 million and $2,303.8 million, respectively.

Advance Refunding-On June 28, 2011, the RTA issued $95.55 million in General Obligation bonds with an average interest rate of 5 percent. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to call the 2002B Series bonds June 1, 2012. As a result the 2002B Series bonds are considered to be redeemed and the liability for those bonds has been removed from the government-wide statement of net position. The refunding resulted in a redemption premium of $11.5 million paid at the call date. The RTA completed the refunding to reduce its total debt service payments over the next 9 years by $7.9 million, resulting in an economic gain of $7.2 million.

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 include sinking fund payments the RTA must deposit with the trustee.

1990 General Obligation Bonds—In May 1990, the RTA issued $100 million in General Obligation Bonds, Series 1990A, to establish a Capital Projects Fund to provide the source of paying costs of the Capital Program for the Service Boards.

The Series 1990A Bonds mature on November 1 over a thirty-year period and interest is payable at rates ranging from 6.00% to 7.30% on May 1, 1990 and semiannually thereafter on November 1 and May 1 in each remaining year.

Debt service requirements on the Series 1990A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 4,695	$ 3,494	$ 8,189
2014	5,035	3,155	8,190
2015	5,395	2,793	8,188
2016	5,785	2,404	8,189
2017	6,200	1,988	8,188
2018-2020	21,410	3,155	24,565
Total	$ 48,520	$ 16,989	$ 65,509

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 4,365	$ 3,461	$ 7,826
2014	4,660	3,168	7,828
2015	4,970	2,856	7,826
2016	5,305	2,523	7,828
2017	5,660	2,168	7,828
2018-2021	26,695	4,616	31,311
Total	$ 51,655	$ 18,792	$ 70,447

1994 General Obligation Bonds—In May 1994, the RTA issued $195 million in General Obligation Bonds, Series 1994A, to pay the costs of purchasing and reconstructing railcars for Metra. Proceeds of Series 1994A Bonds may also be used to purchase new paratransit vehicles for Pace and for rehabilitation of railcars for the CTA. The RTA also issued $80 million in General Obligation Bonds, Series 1994B, to pay the costs of reconstruction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 1994A and 1994B Bonds mature on June 1, over a thirty-year period and interest is payable at rates ranging from 3.75% to 8.00% on December 1, 1994 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1994A and 1994B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ -	$ 1,952	$ 1,952
2014	-	1,952	1,952
2015	-	1,952	1,952
2016	11,725	1,482	13,207
2017	12,670	506	13,176
Total	$ 24,395	$ 7,844	$ 32,239

In December 1994, the RTA issued $62 million in General Obligation Bonds, Series 1994C, to pay for capital projects of the Service Boards required by the ADA for vehicle rehabilitation and the construction or renewal of support facilities. The RTA also issued $130 million in General Obligation Bonds, Series 1994D, to pay for portions of the CTA's rehabilitation of the Green Line elevated structure, track replacement and repair or replacement of bus supporting services, and for Pace's construction of bus garages and purchase of new buses and paratransit vehicles.

The 1994C and 1994D Bonds mature on June 1 over a thirty-year period and interest is payable at rates ranging from 5.30% to 7.75% on June 1, 1995 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1994C and 1994D Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 2,045	$ 3,875	$ 5,920
2014	2,210	3,710	5,920
2015	7,360	3,340	10,700
2016	7,955	2,746	10,701
2017	8,600	2,105	10,705
2018-2020	22,855	2,209	25,064
Total	$ 51,025	$ 17,985	$ 69,010

1997 General Obligation Refunding Bonds—In September 1997, the RTA issued $98 million in General Obligation Bonds, Series 1997, to provide funds to refund in advance of maturity the RTA's outstanding Series 1990A Bonds, maturing November 1 in the years 2001-2002, in the aggregate amount of $4 million, Series 1991A Bonds, maturing November 1 in the years 2002-2006, 2008 and 2011, in the aggregate amount of $29 million, Series 1992B Bonds, maturing June 1 in the years 2015 and 2022, in the aggregate amount of $18 million and Series 1993B Bonds, maturing June 1 in the years 2004-2009, 2013 and 2023, in the aggregate amount of $47 million.

The Series 1997 Refunding Bonds mature on June 1 over a twenty-six year period and interest is payable at rates ranging from 4.00% to 6.00% on December 1, 1997 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1997 Refunding Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 3,320	$ 2,765	$ 6,085
2014	3,530	2,559	6,089
2015	3,750	2,341	6,091
2016	3,980	2,109	6,089
2017	4,230	1,863	6,093
2018-2022	25,380	5,054	30,434
2023	3,550	107	3,657
Total	$ 47,740	$ 16,798	$ 64,538

1999 General Obligation Refunding Bonds—In August 1999, the RTA issued $299 million in General Obligation Bonds, Series 1999, to provide funds to refund in advance of maturity the RTA's outstanding

Series 1992A Bonds, maturing June 1 in the years 2015 and 2022, in the aggregate amount of $114 million, Series 1993A Bonds, maturing June 1 in the years 2009 and 2013, in the aggregate amount of $10 million, Series 1994A Bonds, maturing June 1 in the years 2006-2009, 2012, 2015 and 2024, in the aggregate amount of $143 million and Series 1994C Bonds, maturing June 1 in the year 2025, in the aggregate amount of $22 million.

The Series 1999 Refunding Bonds mature on June 1 over a twenty-five year period and interest is payable at rates ranging from 5.00% to 6.00% on December 1, 1999 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1999 Refunding Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 17,990	$ 13,405	$ 31,395
2014	16,735	12,407	29,142
2015	17,720	11,416	29,136
2016	10,425	10,607	21,032
2017	11,045	9,990	21,035
2018-2022	128,090	31,413	159,503
2023-2025	39,155	2,737	41,892
Total	$ 241,160	$ 91,975	$ 333,135

2000 General Obligation Bonds—In June 2000, the RTA issued $260 million in General Obligation Bonds, Series 2000A, to pay the costs of construction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

Debt service requirements on the Series 2000A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 6,610	$ 13,211	$ 19,821
2014	7,005	12,798	19,803
2015	7,425	12,360	19,785
2016	7,870	11,896	19,766
2017	8,345	11,405	19,750
2018-2022	50,125	48,524	98,649
2023-2027	67,860	30,583	98,443
2028-2030	51,830	6,875	58,705
Total	$ 207,070	$ 147,652	$ 354,722

2001 General Obligation Bonds—In April 2001, the RTA issued $100 million in General Obligation Bonds, Series 2001A, to pay the costs of construction, acquisition, repair, and replacement of certain public transportation facilities for the Service Boards.

The Series 2001A Bonds mature on July 1 over a thirty-year period and interest is payable at rates ranging from 5.0% to 6.0% in January 2001 and semiannually thereafter on July 1 and January 1 in each remaining year.

Debt service requirements on the Series 2001A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 2,455	$ 4,751	$ 7,206
2014	2,595	4,598	7,193
2015	2,740	4,436	7,176
2016	2,895	4,264	7,159
2017	3,060	4,090	7,150
2018-2022	18,090	17,655	35,745
2023-2027	23,820	11,758	35,578
2028-2031	24,380	3,758	28,138
Total	$ 80,035	$ 55,310	$ 135,345

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ -	$ 1,639	$ 1,639
2014	2,295	1,576	3,871
2015	2,425	1,446	3,871
2016	2,560	1,309	3,869
2017	2,710	1,164	3,874
2018-2022	16,035	3,340	19,375
2023	3,775	104	3,879
Total	$ 29,800	$ 10,578	$ 40,378

2002 General Obligation Bonds—In March 2002, the RTA issued $160 million in General Obligation Bonds, Series 2002A, to pay the costs of construction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 2002A Bonds mature on July 1 over a thirty-year period and interest is payable at rates ranging from 5.0% to 6.0% on July 1, 2002 and semiannually thereafter on January 1 and July 1 in each remaining year.

Debt service requirements on the Series 2002A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 3,690	$ 7,867	$ 11,557
2014	3,900	7,655	11,555
2015	4,120	7,431	11,551
2016	4,350	7,194	11,544
2017	4,600	6,944	11,544
2018-2022	27,280	30,306	57,586
2023-2027	36,150	21,118	57,268
2028-2032	47,890	8,943	56,833
Total	$ 131,980	$ 97,458	$ 229,438

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 5,910	$ 12,731	$ 18,641
2014	6,235	12,435	18,670
2015	6,575	12,092	18,667
2016	6,940	11,731	18,671
2017	7,320	11,349	18,669
2018-2022	43,095	50,246	93,341
2023-2027	56,160	36,963	93,123
2028-2032	72,565	18,569	91,134
2033	16,875	1,013	17,888
Total	$ 221,675	$ 167,129	$ 388,804

In January 2003, the RTA issued $150 million in General Obligation Bonds, Series 2003B, to pay the costs of construction, acquisition, repair, and replacement of certain public transportation facilities for the Service Boards.

The Series 2003B Bonds mature on June 1 over a thirty-year period and interest is payable at rates ranging from 4.0% to 5.5% on June 1, 2003 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2003B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 3,435	$ 7,067	$ 10,502
2014	3,610	6,873	10,483
2015	3,805	6,669	10,474
2016	4,010	6,454	10,464
2017	4,225	6,228	10,453
2018-2022	24,805	27,291	52,096
2023-2027	32,245	19,490	51,735
2028-2032	41,930	9,095	51,025
2033	9,790	281	10,071
Total	$ 127,855	$ 89,448	$ 217,303

2004 General Obligation Bonds—In October 2004, the RTA issued $260 million in General Obligation Bonds, Series 2004A, to pay the costs of construction, acquisition, repair, and replacement of certain public transportation facilities for the Service Boards.

The Series 2004A Bonds mature on June 1 over a thirty-year period and interest is payable at rates ranging from 5.0% to 5.75% on June 1, 2005 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2004A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 5,660	$ 12,499	$ 18,159
2014	5,950	12,209	18,159
2015	6,255	11,880	18,135
2016	6,575	11,511	18,086
2017	6,920	11,123	18,043
2018-2022	40,620	49,189	89,809
2023-2027	52,815	36,663	89,478
2028-2032	68,670	19,755	88,425
2033-2034	32,935	1,919	34,854
Total	$ 226,400	$ 166,748	$ 393,148

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest*	Total
2013	$ 7,960	$ 3,535	$ 11,495
2014	8,425	3,265	11,690
2015	3,910	3,062	6,972
2016	685	2,986	3,671
2017	720	2,963	3,683
2018-2022	49,320	11,561	60,881
2023-2025	40,100	1,836	41,936
Total	$ 111,120	$ 29,208	$ 140,328

** Interest was calculated using a rate of 3.3%.*

2006 General Obligation Bonds—In October 2006, the RTA issued $250 million in General Obligation Bonds, Series 2006A, to finance a portion of the costs incurred in connection with the construction, acquisition, repair and replacement of certain public transportation facilities.

The Series 2006A Bonds mature on July 1, over a thirty year period and interest is payable at rates ranging from 4.25% to 5.00% on January 1, 2007 and semiannually thereafter on January 1 and July 1 in each remaining year.

Debt service requirements on the Series 2006A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 4,390	$ 11,266	$ 15,656
2014	4,630	11,046	15,676
2015	4,970	10,815	15,785
2016	5,285	10,566	15,851
2017	5,615	10,302	15,917
2018-2022	40,540	46,953	87,493
2023-2027	87,420	32,386	119,806
2028-2032	40,755	11,833	52,588
2033-2035	36,800	3,861	40,661
Total	$ 230,405	$ 149,028	$ 379,433

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:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 4,235	$ 2,664	$ 6,899
2014	4,450	2,453	6,903
2015	4,670	2,230	6,900
2016	4,905	1,997	6,902
2017	5,150	1,752	6,902
2018-2022	29,880	4,628	34,508
Total	$ 53,290	$ 15,724	$ 69,014

General Obligation Bonds—In January 2010, the RTA issued $112.9 million in General Obligation Bonds, Series 2010B, to finance a portion of the costs incurred in connection with the construction, acquisition, repair and replacement of certain public transportation facilities.

The Series 2010B Bonds mature on July 1, over a twenty-five year period and interest is payable at rates ranging from 5.40% to 5.90% on July 1, 2010 and annually thereafter on July 1 in each remaining year.

Debt service requirements on the Series 2010B Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ -	$ 6,622	$ 6,622
2014	-	6,622	6,622
2015	-	6,622	6,622
2016	-	6,622	6,622
2017	-	6,621	6,621
2018-2022	-	33,108	33,108
2023-2027	29,105	29,176	58,281
2028-2032	43,020	17,588	60,608
2033-2035	40,800	3,790	44,590
Total	$ 112,925	$ 116,771	$ 229,696

2011 General Obligation Bonds—In July 2011, the RTA issued $95.6 million in General Obligation Bonds, Series 2011A, to pay when due, or refund in advance of their maturities a portion of the RTA's Outstanding General Obligation Bonds, Series 2002B and to pay Costs of Issuance of the Series 2011A Bonds.

The Series 2011A Bonds mature on June 1, over a eight year period and interest is payable at rates ranging from 4.00% to 5.00% on December 1, 2011 and semi-annually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2011A Bonds to maturity are set forth below:

Year Ending December 31	Debt Service Requirements		
	Principal	Interest	Total
2013	$ 12,040	$ 4,416	$ 16,456
2014	12,475	3,863	16,338
2015	13,000	3,227	16,227
2016	13,560	2,563	16,123
2017	14,165	1,870	16,035
2018-2019	30,310	1,533	31,843
Total	$ 95,550	$ 17,472	$ 113,022

2012 Cash Notes—In June 2012, the RTA issued $300 million in Working Cash Notes, Series 2012A (Taxable) to provide funds to manage the cash flow needs of the RTA and the Service Boards, including the payment of certain existing obligations of the RTA, and to pay the costs of issuance of the Notes.

The Series 2012A Working Cash Notes mature April 1, 2014 and June 1, 2014 and interest is payable at 1.044% and 1.064%, respectively.

Debt service requirements on the Series 2012 Working Cash Notes to maturity are set forth below:

Year Ending December 31	Debt Service Requirements Principal	Interest	Total
2013	$ -	$ 3,162	$ 3,162
2014	300,000	1,320	301,320
Total	$ 300,000	$ 4,482	$ 304,482

All the bonds 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 are payable from all revenues and all other funds received or held by the RTA (except amounts in the Joint Self-Insurance Fund and amounts required to be held or used with respect to separate ordinance obligations) that lawfully may be used for retiring the debt.

The bonds are secured by an assignment of a lien on the sales taxes imposed by the RTA. All sales tax receipts are to be paid directly to the trustee by officials of the State. If, for any reason, the required monthly debt service payment has not been made by the RTA, the trustee is to deduct it from the sales tax receipts. If all payments have been made, the funds are made available to the RTA for regular use.

Under the RTA Act, the Service Boards' farebox receipts and funds on hand are not available for payment of debt service.

In the Debt Service Fund, $102,324 thousand in investments are available to service principal and interest payments of the RTA's long-term debt as of December 31, 2012.

NOTE 10. OTHER LONG-TERM LIABILITIES

Pace receives a one month advance from the Illinois Department of Revenue to compensate for the delay in the processing of sales tax payments. The advance is forwarded to the Regional Transportation Authority and is then allocated among the three Service Boards. Pace reported a liability of $9.1 million and $8.6 million, respectively, for this advance for the years ended December 31, 2012 and December 31, 2011.

NOTE 11. PENSION PLANS

CTA

Plan Descriptions

Employees' Plan: 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. Benefits are in the form of an annual retirement benefit payable monthly for life, in an amount based upon compensation and Service. An employee who has reached age 65 may retire with unreduced benefits. Employees hired prior to September 5, 2001 may retire at any age with unreduced benefits after completion of 25 years of Service, or at age 55 with reduced benefits after completion of 3 years of Service. For those hired after September 5, 2001, but prior to January 18, 2008, unreduced benefits are payable at age 55 with 25 years of Service, and reduced benefits are payable at age 55 with 3 years of Service. Employees hired on or after January 18, 2008 are eligible for unreduced pension benefits after attaining age 64 with at least 25 years of service, and reduced pension benefits after attaining age 55 with at least 10 years of service. These minimum age and service requirements do not apply to members on a disability allowance. The covered payroll for the Employees'

Plan for the fiscal years ended December 31, 2012 and 2011 was $541.4 million and $528.3 million, respectively. The Employees' Plan issues a separate stand-alone financial report which is available at http://www.ctaretirement.org/index.asp.

Supplemental Plans: 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) board member plan (2) closed supplemental plan for members that retired or terminated employment before March 2005, including early retirement incentive, and (3) open supplemental plan for active employees and members retiring after March 2005. CTA received qualification under Section 401(a) of the Internal Revenue Code for the supplemental plan and established a qualified trust during 2005 for members retiring after March 2005 (Open Supplemental Retirement Plan). The Open Supplemental Retirement Plan is reported in a fiduciary fund, whereas the activities for the closed and board plans are included in the financial statements of the CTA's business-type activities.

Employees of the applicable employment classifications are eligible for retirement benefits based on age and service credit as follows: at age 65; or age 55 with at least 3 years of service credit; or at any age with 25 or more years of service credit. The minimum monthly benefit is equal to one-sixth of one percent of the employee's average annual compensation multiplied by the years of continuous service. Employees are eligible for disability benefits after completion of 10 years of creditable continuous service or 5 years if the disability results from an on the job injury. Death benefits are payable to a designated beneficiary upon death of the retiree. Qualified dependents of the employee are eligible for monthly survivor benefits if the option was selected by the retiree. Any purchased service credit will be included in the determination of retirement benefits.

During fiscal year 2008, a Voluntary Termination Program ("VTP") was adopted which allowed certain active members eligible for Supplemental Plan benefits under the qualified trust to purchase up to five years of "air-time" and the first year of eligibility service if not included in the determination of pension benefits. Members purchase "air-time" and the first year of eligibility service at a rate of six percent of pay. Members were required to make the election within a certain window of time and agree to terminate employment at a date accepted by the Board. Approximately 70 members have elected to participate in the VTP.

For the qualified portion of the Supplemental Plan, the actuarial accrued liabilities increased from $55.90 million at January 1, 2012, to $54.7 million at January 1, 2013. The key factors causing the decrease in actuarial liabilities include: expected growth, favorable investment experience and retirement experience gains.

The CTA funds the Open Supplemental Plan per the actuarial annual required contribution, while funding for the Closed and Board Supplemental Retirement Plans are on a pay-as-you-go basis. Employees are not required to make contributions to the supplemental retirement plans except those related to purchase service credit (approved prior governmental service).

Participants in the supplemental retirement plans at December 31, 2012 are as follows:

	Open	Closed	Board
Retirees and beneficiaries currently receiving benefits	121	396	20
Terminated employees entitled to but not yet receiving benefits	10	8	6
Active plan members	19	-	5
Total	150	404	31

The covered payroll for the Open Supplemental Retirement Plan for the fiscal years ended December 31, 2012 and 2011 was $2.3 million and $2.5 million, respectively. The covered payroll for the Board Supplemental Retirement Plan was $150 thousand and $175 thousand for the fiscal years ended December 31, 2012 and 2011, respectively.

Funding Policy and Annual Pension Cost: 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). Contributions for the supplemental plans are actuarially determined but may be amended by the board of trustees of the Plan.

The CTA's annual pension cost for the current year and related information for each plan are as follows (in thousands of dollars):

	Employees' Plan Pension	Open Supplemental	Closed Supplemental	Board Plan
Contribution rates:				
CTA	11.30%	Actuarial	Pay-Go Funding	Pay-Go Funding
Plan members	8.650%	None	None	8.650%
Annual pension cost (APC)	$107,586	$2,894	$2,811	$327
Actual 2012 contributions:				
CTA	$62,678	$2,267	$3,299	$323
Plan members	$48,032	$0	$0	$12
Actuarial valuation date	January 1, 2012	January 1, 2013	January 1, 2013	January 1, 2013
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Level dollar	Level dollar	Level dollar	Level dollar
Remaining amortization period	30 years - Open	17 years - Closed	9 years - Closed	30 years - Open
Asset valuation method	Fair market value	Fair market value	Fair market value	Fair market value
Actuarial assumptions:				
Investment rate of return	8.50%	7.0%	4.5%	4.5%
Projected salary increases	1.5%	3.5%	N/A	N/A
Includes inflation at	1.5% - 4.0%	0%	N/A	N/A

The short-term salary increase and inflation assumptions for the Employees' Plan were updated to reflect the current economic environment, current furlough and salary programs in place, and the pay increases embedded into the current collective bargaining agreements. There were no significant assumption changes for the Supplemental and Board plans from the prior year valuation.

The following represents the significant components of the APC and changes in net pension obligation (asset) (NPO) during the year ended December 31, 2012 (in thousands of dollars):

	Employees' Plan	Supplemental Retirement Plans		
	Pension	Open	Closed	Board
Annual Required Contribution	$ 107,569	$ 2,267	$ 4,116	$ 348
Interest on NPO	(1,862)	(1,354)	720	68
Adjustment to ARC	1,879	1,981	(2,025)	(89)
Annual pension cost	107,586	2,894	2,811	327
Contributions made	62,678	2,267	3,299	323
Increase (decrease) in NPO	44,908	627	(488)	4
NPO - December 31, 2011	(21,904)	(19,343)	14,394	1,363
NPO - December 31, 2012	$ 23,004	$ (18,716)	$ 13,906	$ 1,367

Three-year Trend Information: The following summarizes fund information for the plans (in thousands of dollars):

	Year ended	Annual pension cost (APC)	Actual contributions	Percentage of APC contributed	Net pension (asset)/ obligation
Employees' Plan Pension	December 31, 2012	$ 107,586	$ 62,678	58.3%	$ 23,003
	December 31, 2011	76,165	60,235	79.1	(21,904)
	December 31, 2010	63,452	57,274	90.3	(37,834)
Open Supplemental Plan	December 31, 2012	$ 2,894	$ 2,267	78.3%	$ (18,716)
	December 31, 2011	2,720	2,210	81.3	(19,343)
	December 31, 2010	3,048	2,600	85.3	(19,853)
Closed Supplemental Plan	December 31, 2012	$ 2,811	$ 3,299	117.4%	$ 13,905
	December 31, 2011	2,904	3,447	118.7	14,394
	December 31, 2010	2,803	3,259	116.3	14,937
Board Supplemental Plan	December 31, 2012	$ 327	$ 323	98.8%	$ 1,367
	December 31, 2011	354	323	91.2	1,363
	December 31. 2010	347	329	94.8	1.332

Funded Status and Funding Progress: The following is funded status information for the Employees' Plan Pension as of January 1, 2011, and the three supplemental plans as of January 1, 2012, the most recent actuarial valuation dates (in thousands of dollars):

	Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	Percentage of covered payroll ((b-a)/c)
Employees' Plan - Pension	1/1/2012	$ 1,662,196	$ 2,808,184	$1,145,988	59.2%	$ 541,354	211.7%
Open Supplemental Plan	1/1/2013	37,040	54,716	17,676	67.7%	2,282	774.6%
Closed Supplemental Plan	1/1/2013	-	28,963	28,963	0.0%	N/A	N/A
Board Supplemental Plan	1/1/2013	70	4,778	4,708	1.5%	150	3138.7%

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

The RTA, Metra and Pace

Plan Descriptions- the Plan, which became effective July 1, 1976, is a multiple-employer, defined benefit pension plan. The Plan covers substantially all employees of the RTA and its Commuter Rail and Suburban Bus Divisions (Metra and Pace, respectively), collectively referred to hereinafter as the Employer, who are not otherwise covered by a union pension plan. The responsibilities for administering the Plan are divided among a Board of Trustees, a Retirement Committee, a Plan Administrator, and the RTA Board of Directors ("RTA Board").

The Plan is a pension trust fund of the RTA and has no component units.

The Plan is classified as a "governmental plan" and is, therefore, exempt from the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Pension Benefits— Participants are entitled to annual pension benefits upon normal retirement at age 65, generally a percentage of the average annual compensation in the highest three years of service, whether consecutive or not, multiplied by the number of years of credited service.

The Plan provides that, upon retirement, benefits will be reduced by a defined percentage for participants who received credit for prior service with an eligible employer.

The Plan permits early retirement with reduced benefits at age 55 after completing ten years of credited service. As a result of the August 1, 1999 amendment to the Plan, participants may receive their full vested benefits if they are at least 55 years of age and their combined age at retirement and credited years of service equals eighty-five or higher (known as "Rule of Eighty Five Early Retirement").

The Plan provides for benefit payments to beneficiaries equal to or reduced from the participant's monthly benefit payment subject to the election of the participant.

Disability Benefits—An employee is eligible for a disability pension if he or she becomes disabled after the completion of ten years of credited service, and is no longer receiving long-term disability benefits under a separate RTA benefit plan, or after reaching age 65, whichever is later.

Contributions and Vesting—The Plan is funded solely by employer contributions, which are actuarially determined under the projected unit credit method. During 2012, the RTA Board approved a resolution that a contribution of $13,494,000 be made to the Plan. The contribution is allocated as follows: Metra - $6,615,000; Pace - $5,300,000; RTA - $1,579,000. As of December 31, 2012, $13,494,000 had not been funded and was reported as contribution receivable in the Statements of Plan Net Assets. The 2012 contribution levels were within the actuarially determined ranges for the respective years.

Participating employees do not contribute to the Plan. If participants terminate continuous service before rendering five years (ten years prior to January 1, 1987) of credited service, they forfeit the right to receive the portion of their accumulated benefits attributable to employer contributions. All forfeitures are applied to reduce the amount of contributions otherwise payable by the employer.

The complete Plan financial report, including all required disclosures can be obtained from the Plan Administrators at the following address:

Regional Transportation Authority Pension Plan
175 West Jackson Boulevard, Suite 1650
Chicago, IL 60604

Funding Policy—Prior to July 1, 1979, contributions were made on the basis of non-actuarial estimates. The Plan's initial actuarial study found that those estimates were in excess of actuarial requirements. As a result, pension expense is being reduced by amortization of the excess over 30 years.

The RTA, Metra, and Pace are required to contribute the amounts necessary to fund the benefits of their respective employees in the Plan using the projected unit credit actuarial method. Employer contribution and the income it earns through investments are used to operate the Plan and to pay benefits. Assets are valued recognizing a portion of both realized and unrealized gains and losses in order to avoid wide swings in actuarially determined funding requirements from year to year.

Related-Party Transactions—There were no securities of the RTA, Metra, Pace or related parties included in the Plan's assets.

Annual Pension Cost and Net Pension Obligation—For 2010, 2011 and 2012, the RTA's annual pension costs equal the required contributions which were, $11,288,000, $12,547,000 and $13,494,000, respectively. The required contributions were determined as part of the January 1, 2010, 2011 and 2012 actuarial valuations.

In accordance with the GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, the RTA determined its net pension obligation at transition (January 1, 1997). There was no net pension obligation for the Plan at transition or at year-end.

Significant Actuarial Assumptions—The information presented in the notes was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest valuation follows:

	January 1, 2012	January 1, 2011	January 1, 2010
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Straight-line, open	Straight-line, open	Straight-line, open
Remaining amortization period	30 years	30 years	30 years
Asset valuation method	Smoothed market value	Smoothed market value	Smoothed market value
Actuarial assumptions:			
Investment rate of return	7.75%	8.25%	8.5%
Projected salary increases:			
Age graded scale	Range of 3.5% to 7.5% based on attained age.	Range of 3.5% to 7.5% based on attained age.	Range of 3.5% to 7.5% based on attained age.
Mortality	RP2000 White Collar Mortality Table applied separately for males and females projected to 2018.	RP2000 White Collar Mortality Table applied separately for males and females projected to 2018.	RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.
Withdrawals from service	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47 % at age 20 to 0.39% at age 60 for males.	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47 % at age 20 to 0.39% at age 60 for males.	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47 % at age 20 to 0.39% at age 60 for males.

Funded Status and Funding Progress – As of January 1, 2012, the most recent actuarial valuation date, the plan was 70.4 percent funded. The actuarial accrued liability for benefits was $200.845 million and the actuarial value of assets was $141.388 million resulting in an underfunded actuarial accrued liability (UAAL) of $(59.457 million). The covered payroll (annual payroll of active employees covered by the Plan) was $67.176 million and the ratio of the UAAL to the covered payroll was 88.5 percent.

NOTE 11. RISK MANAGEMENT

The RTA is exposed to various risks including, but not limited to, losses from workers' compensation, employee health insurance, and general liability/property. Commercial insurance coverage is procured to limit the RTA's exposure to such losses.

The Workers' Compensation and Employers' Liability Insurance Policy is procured through RTA's insurance policy with The Hartford. The RTA is insured for $500,000 each for bodily injury by accident, $500,000 each employee for bodily injury by disease and $500,000 policy limit. The RTA property is insured through Pace's Property Insurance with Mesirow Insurance Services, Inc. The RTA's portion of insurance premiums is paid to Pace, and is accounted for in the General Fund. The RTA had no settlements in excess of insurance coverage in the past three years. There have been no significant reductions in the amount of coverage from the prior year.

In addition, the RTA is a participant in RTA's Joint Self-Insurance Fund. The Fund was created as required by Article Two of the Loss Financing Plan ("Plan") of the RTA and the three Service Boards. The Plan is intended primarily to serve as a mechanism for funding catastrophic losses and, by capitalizing the Fund in advance of such losses, to smooth their impact over time. The Fund is essentially a self-insurance program that provides a means for financing losses that are normally insured, and is included in the RTA's reporting entity as a proprietary fund type (enterprise fund). The Plan is administered by the RTA, CTA, Metra, and Pace ("Participating Entities") utilizing a Fund Manager appointed by the RTA and three Fund Advisors, one appointed by each of the Service Boards.

Each participating entity (RTA, CTA, Metra, and Pace) is only responsible to repay the Fund for submitted claims paid by the Fund. The Fund acts exclusively as a claims-service, and financing mechanism, not an insurer, with respect to claims presented.

The limit of liability to the Fund is established at $50 million less the retained limit (deductible portion) as described below:

General Liability—The categories of general liability that are covered, with certain defined exclusions, by the joint agreement are:

- Personal injury
- Property damage
- Advertising injury
- Evacuation, evacuation expenses and loss of use

The retained limit (deductible portion) for each Participating Entity is:

CTA	$	2,500
Metra		2,500
Pace		250
RTA		100

Officer and Employee Liability—All directors, officers or employees of each Participating Entity are covered, with certain defined exclusions, by the Plan. The retained limits are $100,000 for each covered person. If a loss is covered under both types of liability, then the retained limit for general liability will apply.

NOTE 12. 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, 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 2012, the region-wide system-generated recovery ratio is calculated from the Combining Region-Wide Schedules of Revenues and Expenses—(Budget and Actual Budget Basis) as follows:

System-generated Revenues Recovery Ratio (in thousands)	Revenues	Expenses
CTA[a]	$ 689,489	$1,134,651
Metra[b]	358,818	638,700
Pace[c]	57,345	191,182
RTA	23,986	34,505
Total	$ 1,129,638	$1,999,038

The region-wide system-generated recovery ratio for 2012 equals 56.7%.

a) The system-generated recovery ratio for the CTA included leasehold revenues of $4.3 million and Senior/ Circuit Breaker Free Rides revenue of $21.5 million, but excluded CTA expenses for security costs of $37.5 million and Pension Obligation Bond debt service for $141.4 million. It also included in-kind services of $22 million, both as revenues and expenses.

b) Metra's system-generated recovery ratio included Senior/ Circuit Breaker Free Rides revenue of $2.3 million, but excluded $18.5 million security costs, $16.3 million for lease of transportation facilities, $2.9 million for funded depreciation to carriers.

c) Pace's system-generated recovery ratio included an in-kind credit of $860 thousand both as revenues and expenses.

d) In 2008, the region was provided $200 million expense exclusion toward the regional recovery ratio in an effort to accommodate the increased funding associated with state legislation that increased the percentage of sales tax collected by the RTA. The exclusion was set to decrease by $40 million dollars each year and expire completely in 2013. In 2012, the total expense exclusion was $40 million. The $40 million was applied to the system-wide generated Recovery Ratio.

These are allowable adjustments for the revenues recovery ratio computation per the Act. These adjustments are reflected in the region-wide information.

Also, in the 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 2012. Pace ended the year with a 10.0% recovery ratio for Regional ADA Paratransit Services. The 2012 budget for ADA paratransit service adopted by the RTA meets the 10% recovery ratio requirement.

NOTE 13. 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 12, 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 41)	$ 598,622	$ 1,786,627	$ 973,228	$ 384,713
Sales tax agency fund	1,062,745	-	-	-
Pension trust fund	35,978	416	-	-
Senior free rides	-	21,507	2,270	-
In-kind services	-	22,000	-	860
Recovery ratio relief	-	-	-	-
FEMA reimbursement	-	-	-	-
Others (5307 fund)	-	-	-	-
ADA Regional Paratransit funding	-	-	-	128,401
Region-wide revenues (page 42)	1,697,345	1,830,550	975,498	513,974
Government-wide expenses (page 41)	585,909	1,985,104	894,835	381,552
Sales tax agency fund	1,062,745	-	-	-
Pension trust fund	11,274	-	-	-
In-kind services	-	22,000	-	860
Security costs	-	(37,468)	(18,518)	-
Lease of transportation facilities	-	-	(16,349)	-
Pension and other employee benefits	-	(134,419)	-	-
Capital (depreciation, disposals/additions)	(844)	-	(2,945)	-
Others	-	-	-	-
Region-wide expenses (page 42)	1,659,084	1,835,217	857,023	382,412
Net revenues (expenses)	$ 38,261	$ (4,667)	$ 118,475	$ 131,562

NOTE 14. SUBSEQUENT EVENTS

RTA

As of May 1, 2013, the Authority entered a Letter of Credit and Reimbursement Agreement which provides for the issuance of an irrevocable transferable direct-pay letter of credit to provide credit support for the timely repayment of principal and interest on commercial paper notes in an aggregate principal amount not to exceed $93 million at a fixed interest rate of 0.47%. The Agency has borrowed $10 million under this agreement.

REGIONAL TRANSPORTATION AUTHORITY AND SERVICE BOARDS

SPECIAL-PURPOSE COMBINING GOVERNMENT-WIDE SCHEDULES OF REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2012
(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
REVENUES:							
Service Boards operating revenues	$ -	$ 596,499	$ 356,547	$ 69,138	$ 657	$ -	$ 1,021,527
RTA financial assistance	-	645,524	457,109	266,225	1,285,748	-	83,110
Other public funding	-	48,670	140,495	1,703	-	-	190,868
Capital grants	-	366,402	12,197	41,020	29,305	-	390,314
Sales taxes	113,152	-	-	-	-	1,012,280	1,125,432
Interest on sales taxes	119	-	-	-	-	-	119
Public Transportation Fund	355,159	-	-	-	130,370	-	224,789
Operating assistance	10,398	-	-	-	-	-	10,398
State assistance	86,984	-	-	-	-	-	86,984
Investment income	22,290	9,231	-	188	-	-	31,709
Gain on Sale of assets	-	-	-	-	-	-	-
Program revenues and other	10,520	4,262	-	-	-	-	14,782
Interest revenue from leasing transactions	-	116,039	6,880	6,439	-	-	129,358
Total revenues	598,622	1,786,627	973,228	384,713	1,446,080	1,012,280	3,309,390
EXPENSES:							
Operating	-	1,292,918	676,512	327,334	-	284	2,296,480
Depreciation	-	379,510	211,443	47,779	-	-	638,732
Financial Assistance to Service Boards	171,700	-	-	-	-	171,700	-
Operating Assistance - CTA & Pace	36,687	-	-	-	-	36,687	-
Capital grants—discretionary	5,410	-	-	-	-	5,410	-
Capital grants—bonds	213,394	-	-	-	-	213,394	-
Insurance (JSIF)	5,942	-	-	-	-	5,942	-
Administrative expenses	16,507	-	-	-	-	383	16,124
Regional expenses	17,542	-	-	-	-	-	17,542
Technology program	1,473	-	-	-	-	-	1,473
Bond interest	117,254	194,237	-	-	-	-	311,491
Interest expense from leasing transactions	-	118,439	6,880	6,439	-	-	131,758
Miscellaneous	-	-	-	-	-	-	-
Total expenses	585,909	1,985,104	894,835	381,552	-	433,800	3,413,600
NET REVENUES (EXPENSES)	$ 12,713	$ (198,477)	$ 78,393	$ 3,161	$ 1,446,080	$ 1,446,080	$ (104,210)

Note 1—Changes in net assets 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 13.

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, 2012
(In Thousands)

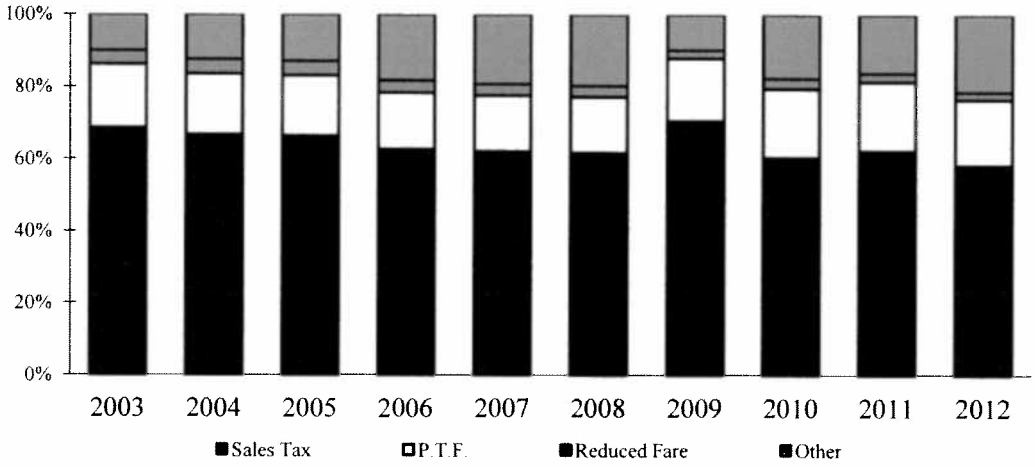
	RTA Government-Wide and Fiduciary Funds (1)	Service Boards: Chicago Transit Authority	Service Boards: Commuter Rail Division	Service Boards: Suburban Bus Division	Combining Adjustments: Debit	Combining Adjustments: Credit	Total Combined	Total Region-Wide Budget
REVENUES:								
RTA financial assistance	$ -	$ 645,524	$ 457,109	$ 266,225	$ 1,285,748	$ -	$ 83,110	$ -
Other public funding	-	-	140,495	1,703	-	-	142,198	-
Capital grants	-	366,402	12,197	41,020	29,305	-	390,314	-
Interest revenue from leasing transactions	-	116,039	6,880	6,439	-	-	129,358	-
Sales taxes	1,011,287	-	-	-	-	-	1,011,287	998,218
Public Transportation Fund	485,528	-	-	-	130,370	-	355,158	307,874
Operating Assistance	10,398	-	-	128,401	-	-	138,799	-
State Assistance Inc.	86,984	-	-	-	-	-	86,984	130,071
State reduced fare reimbursement	34,070	-	-	-	34,070	-	-	33,570
Pension contribution	20,240	-	-	-	1,579	-	18,661	-
Pension and other employee benefits	15,738	417	-	-	-	-	16,155	-
Investment income / others	-	12,679	-	12,841	-	-	25,520	-
Interest on sales taxes to Service Boards	171	-	-	-	171	-	-	-
Subtotal	1,664,416	1,141,061	616,681	456,629	1,481,243	-	2,397,544	1,469,733
Investment income	22,290	-	-	-	-	-	22,290	15,312
Other revenues	10,520	-	-	-	-	-	10,520	18,220
Interest on sales taxes	119	-	-	-	-	-	119	378
Service Boards revenues	-	645,982	356,547	56,485	657	-	1,058,357	1,048,328
Add (Subtract):								-
Senior Free Ride	-	21,507	2,270	-	-	-	23,777	-
Recovery ratio relief	-	-	-	-	-	-	-	-
FEMA reimbursement	-	-	-	-	-	-	-	-
In-kind services	-	22,000	-	860	-	-	22,860	22,860
Leasehold revenue	-	-	-	-	-	-	-	-
Subtotal	32,929	689,489	358,817	57,345	657	-	1,137,923	1,105,098
Total revenues	1,697,345	1,830,550	975,498	513,974	1,481,900	-	3,535,467	2,574,831
EXPENSES:								
Depreciation	-	374,458	211,443	47,779	-	-	633,680	-
Interest expenses from leasing transactions	-	118,439	6,880	6,439	-	-	131,758	-
Interest expenses from bond transactions	-	94,520	-	-	-	-	94,520	-
Operating grants to Service Boards	1,059,979	-	-	-	-	1,059,979	-	-
CTA & PACE (PTF) expenditures	168,943	-	-	-	-	158,671	10,272	-
Capital grants—discretionary	5,410	-	-	-	-	5,410	-	-
Capital grants—bonds	221,363	-	-	-	-	221,363	-	-
State reduced fare reimbursement	34,070	-	-	-	-	34,070	-	-
Regional expenses and other	17,216	-	-	128,401	-	-	145,617	-
Bond-related expenses	117,254	-	-	-	-	-	117,254	224,000
Pension and other employee benefits	-	113,149	-	-	-	-	113,149	-
Miscellaneous Expense	-	-	-	-	-	-	-	-
Interest on sales taxes to Service Boards	171	-	-	-	-	171	-	-
Subtotal	1,624,406	700,566	218,323	182,619	-	1,479,664	1,246,250	224,000
Operating expenses	-	1,291,506	676,512	190,321	-	284	2,158,055	2,282,239
Pension and other employee benefits	-	-	-	-	-	1,579	(1,579)	-
Administrative expenses	16,507	-	-	-	-	-	16,507	16,166
Regional expenses	17,542	-	-	-	-	373	17,169	17,560
Technology program	1,473	-	-	-	-	-	1,473	12,467
Add (Subtract):							-	-
In-kind services	-	22,000	-	860	-	-	22,860	22,860
Cost of contracting	-	-	-	8,612	-	-	8,612	8,611
Security costs	-	(37,468)	(18,518)	-	-	-	(55,986)	(55,986)
Pension Obligation Bond Debt Service	-	(141,387)	-	-	-	-	(141,387)	(141,387)
Lease of transportation facilities	-	-	(16,349)	-	-	-	(16,349)	(16,349)
Capital (depreciation, disposals/additions)	(844)	-	(2,945)	-	-	-	(3,789)	(3,789)
Subtotal	34,678	1,134,651	638,700	199,793	-	2,236	2,005,586	2,142,392
Total expenses	1,659,084	1,835,217	857,023	382,412	-	1,481,900	3,251,836	2,366,392
NET REVENUES (EXPENSES)	$ 38,261	$ (4,667)	$ 118,475	$ 131,562	$ 1,481,900	$ (1,481,900)	$ 283,631	$ 208,439

(1) RTA amounts represent government-wide revenues and expenses and fiduciary fund increases (revenues) and decreases (expenses).

Table 1

RTA REVENUE BY SOURCE

2003-2012



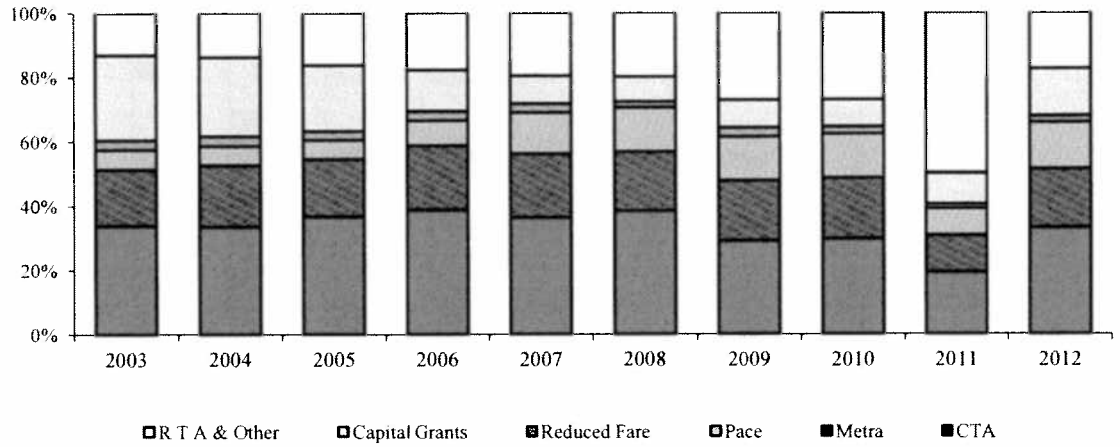
Last Ten Years *(In Thousands)*

	Sales Tax	Public Transportation Fund	Reduced Fare	Other	Total
12 Months Ended 12/31/03	$ 654,988	$ 164,739	$ 39,662	$ 122,517	$ 981,906
Percentage of Total	66.71%	16.78%	4.04%	12.48%	100%
12 Months Ended 12/31/04	675,628	170,397	40,153	132,664	1,018,842
Percentage of Total	66.30%	16.72%	3.94%	13.02%	100%
12 Months Ended 12/31/05	700,395	175,668	37,127	204,904	1,118,094
Percentage of Total	62.64%	15.71%	3.32%	18.33%	100%
12 Months Ended 12/31/06	746,829	186,136	37,327	232,193	1,202,485
Percentage of Total	62.11%	15.48%	3.10%	19.31%	100%
12 Months Ended 12/31/07	752,922	188,931	36,678	241,262	1,219,794
Percentage of Total	61.73%	15.49%	3.01%	19.78%	100%
12 Months Ended 12/31/08	921,245	227,201	28,919	129,784	1,307,149
Percentage of Total	70.48%	17.38%	2.21%	9.93%	100%
12 Months Ended 12/31/09	894,238	282,541	41,970	262,098	1,480,847
Percentage of Total	60.39%	19.08%	2.83%	17.70%	100%
12 Months Ended 12/31/10	931,435	287,404	33,570	243,845	1,496,254
Percentage of Total	62.25%	19.21%	2.24%	16.30%	100%
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%

Table 2

DISTRIBUTION OF EXPENSES

2003-2012



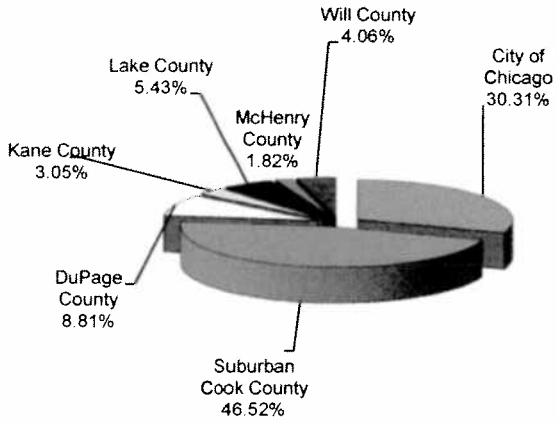
Last Ten Years *(In Thousands)*

	Financial Assistance				Reduced	Capital	R T A	
	CTA	Metra	Pace	Total	Fare	Grants	and Other	Total
12 Months Ended 12/31/03	$453,488	$233,632	$82,747	$ 769,867	$39,662	$ 354,083	$ 175,838	$ 1,339,450
Percentage of Total	33.86%	17.44%	6.18%	57.48%	2.96%	26.43%	13.13%	100%
12 Months Ended 12/31/04	441,630	252,493	79,051	773,174	40,153	323,869	182,417	1,319,613
Percentage of Total	33.47%	19.13%	5.99%	58.59%	3.04%	24.54%	13.82%	100%
12 Months Ended 12/31/05	495,885	241,728	80,052	817,665	37,127	277,130	220,202	1,352,124
Percentage of Total	36.67%	17.88%	5.92%	60.47%	2.75%	20.50%	16.29%	100%
12 Months Ended 12/31/06	496,690	256,301	98,500	851,490	37,327	165,436	227,481	1,281,735
Percentage of Total	38.75%	20.00%	7.68%	66.43%	2.91%	12.91%	17.75%	100%
12 Months Ended 12/31/07	468,349	257,374	164,202	889,925	36,678	113,328	252,301	1,292,232
Percentage of Total	36.24%	19.92%	12.71%	68.87%	2.84%	8.77%	19.52%	100%
12 Months Ended 12/31/08	591,760	287,181	211,620	1,090,561	28,919	119,374	308,308	1,547,161
Percentage of Total	38.25%	18.56%	13.68%	70.49%	1.87%	7.72%	19.93%	100%
12 Months Ended 12/31/09	417,288	267,576	194,698	879,562	41,970	123,069	389,857	1,434,457
Percentage of Total	29.09%	18.65%	13.57%	61.32%	2.93%	8.58%	27.18%	100%
12 Months Ended 12/31/10	436,467	277,506	202,463	916,436	33,570	122,998	398,531	1,471,534
Percentage of Total	29.66%	18.86%	13.76%	62.28%	2.28%	8.36%	27.08%	100%
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	1,069,836	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%

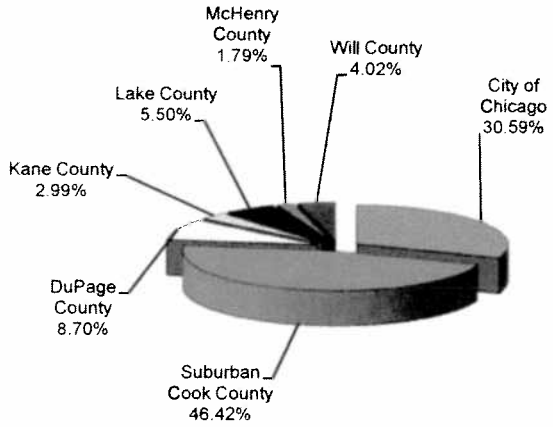
Table 3

SALES TAX REVENUE SOURCE BY COUNTY/CITY OF CHICAGO

2011



2012



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 12/31/03	$198,383	$356,386	$40,916	$12,828	$24,968	$7,599	$13,905	$654,985
Percentage of Total	30.29%	54.41%	6.25%	1.96%	3.81%	1.16%	2.12%	100%
12 Months Ended 12/31/04	205,355	363,792	42,785	13,954	26,150	8,160	15,432	675,628
Percentage of Total	30.39%	53.85%	6.33%	2.07%	3.87%	1.21%	2.28%	100%
12 Months Ended 12/31/05	214,134	373,317	44,495	15,328	27,348	8,635	17,138	700,395
Percentage of Total	30.57%	53.30%	6.35%	2.19%	3.90%	1.23%	2.45%	100%
12 Months Ended 12/31/06	231,273	395,727	46,867	16,008	28,743	9,194	19,016	746,828
Percentage of Total	30.97%	52.99%	6.28%	2.14%	3.85%	1.23%	2.55%	100%
12 Months Ended 12/31/07	236,783	395,163	46,592	16,015	29,058	9,494	19,817	752,922
Percentage of Total	31.45%	52.48%	6.19%	2.13%	3.86%	1.26%	2.63%	100%
12 Months Ended 12/31/08	272,121	447,437	77,227	26,472	48,166	16,034	33,788	921,245
Percentage of Total	29.54%	48.57%	8.38%	2.87%	5.23%	1.74%	3.67%	100%
12 Months Ended 12/31/09	267,553	418,793	79,060	27,144	49,782	16,627	35,279	894,238
Percentage of Total	29.92%	46.83%	8.84%	3.04%	5.57%	1.86%	3.95%	100%
12 Months Ended 12/31/10	278,394	438,000	81,996	28,368	50,789	17,193	36,695	931,435
Percentage of Total	29.89%	47.02%	8.80%	3.05%	5.45%	1.85%	3.94%	100%
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%

LEGAL DEBT CAPACITY
(in Thousands)

2012

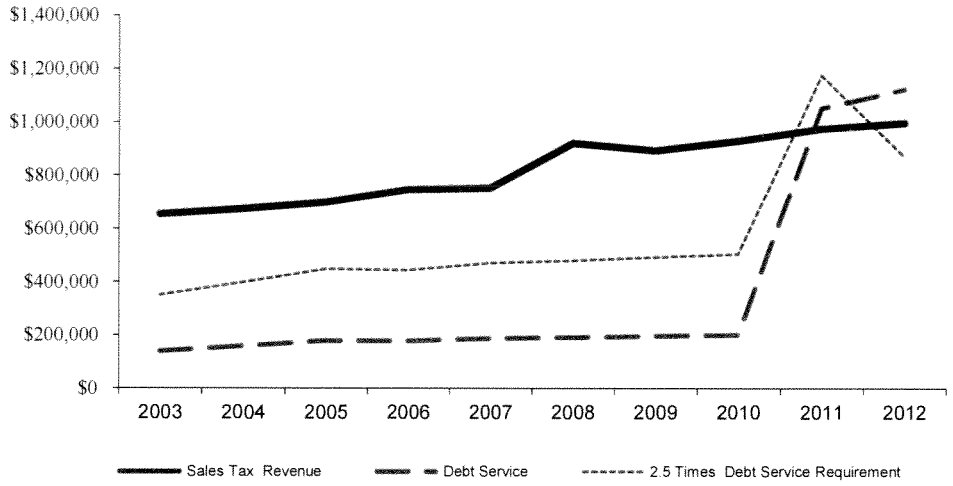
Legal Debt Margin:	Balance Outstanding at December 31, 2012	Issued	
Debt Limitation per Act for General Obligations			$2,600,000
Debt applicable to limitation :			
Non-SCIP Bonds:			
1990A General Obligation Bonds	$48,520		
1991A General Obligation Bonds	51,655		
1994B General Obligation Bonds	7,095		
1994D General Obligation Bonds	29,225		
1997 General Obligation Refunding Bonds	47,740		
2003B General Obligation Bonds	127,855		
2005B General Obligation Refunding Bonds	111,120		
2010A General Obligation Bonds	53,290		
2010B General Obligation Bonds	112,925		
2011A General Obligation Refunding Bonds	95,550		
Total RTA Bonds Applicable to Limitation	684,975		(684,975)
SCIP Bonds:			
1992A General Obligation Bonds		$188,000	
1993A General Obligation Bonds		55,000	
1994A General Obligation Bonds	17,300	195,000	
1994C General Obligation Bonds	21,800	62,000	
1999 General Obligation Refunding Bonds	241,160		
2000 General Obligation Bonds	207,070	260,000	
2001A General Obligation Bonds	80,035	100,000	
2001B General Obligation Refunding Bonds	29,800		
2002A General Obligation Bonds	131,980	160,000	
2003A General Obligation Bonds	221,675	260,000	
2004A General Obligation Bonds	226,400	260,000	
2006A General Obligation Bonds	230,405	250,350	
	1,407,625		
Total SCIP Bonds Applicable to Limitation		$ 1,790,350	($1,790,350)
Total SCIP Bonds Outstanding			
Total Bonds Outstanding	$2,092,600		
Debt Margin for General Obligations			124,675
Debt Limitation per Act for Working Cash Notes			400,000
* Total RTA Working Cash Notes Applicable to Limitation	$300,000		($300,000)
Debt Margin for Working Cash Notes			100,000
Total Legal Debt Margin			$224,675

*2011 CP Notes were short-term and matured within 60 days: total 2011 CP Notes issued in 2012: $650,000; Matured $775,000 (includes $125,000 outstanding from 2011)

Table 5

COMPARISON OF SALES TAX REVENUE TO DEBT SERVICE REQUIREMENT

2003 - 2012
(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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012*
Sales Tax Revenue	$654,985	$675,628	$700,395	$746,829	$752,922	$921,245	$894,238	$931,435	$975,670	$998,218
Debt Service Requirement	$140,607	$159,702	$179,536	$178,086	$188,551	$192,555	$197,529	$201,994	$1,052,441	$1,123,712
2.5 Times Debt Service Requirement	$351,518	$399,255	$448,840	$445,215	$471,378	$481,388	$493,823	$504,985	$1,175,310	$871,430

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 EXPENSES

Last Ten Years *(In Thousands)*

	Debt Service Requirements			Total	Ratio of Debt Service to Total
Year	Principal	Interest	Total	Expenses	Expenses
2003	$37,940	$ 102,667	$ 140,607	$ 1,339,450	10.50%
2004	40,430	119,272	159,702	1,319,613	12.10%
2005	49,570	129,966	179,536	1,352,124	13.28%
2006	55,110	122,976	178,086	1,281,765	13.89%
2007	59,135	129,416	188,551	1,292,232	14.59%
2008	64,685	127,870	192,555	1,547,161	12.45%
2009	68,455	129,074	197,529	1,434,457	13.77%
2010	74,060	127,934	201,994	1,475,959	13.69%
2011	919,110	133,331	1,052,441	2,519,926	41.76%
2012 *	999,375	124,337	1,123,712	2,679,696	41.93%

* 2011 CP Notes were short-term and matured within 60 days: total 2011 CP Notes issued in 2012: $650,000; Matured $775,000 (includes $125,000 outstanding from 2011)

Table 7

FEDERAL ALLOCATION OF CAPITAL FUNDS TO NORTHEASTERN ILLINOIS

Last Ten Calendar Years

Sections 5309, 5307, and Title 1 including CMAQ and STP (Formerly Section 3, 9, & 23, respectively) *(In Millions)*

Federal Fiscal Year	Total Awarded	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Regional Transportation Authority
2003	$ 463.90	$ 256.70	$ 173.50	$ 33.70	$ -
2004	493.16	291.76	168.05	33.35	-
2005	536.83	330.08	174.80	31.95	-
2006	496.62	280.03	168.69	47.90	-
2007	449.49	288.61	128.45	32.43	-
2008	489.91	279.38	169.55	40.98	-
2009	917.78	535.32	297.57	84.89	-
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
Total	$ 5,333.57	$3,134.07	$ 1,730.23	$ 429.49	$ 39.78

Source of data: Information obtained from the Service Boards' records.

Table 8

RTA & SERVICE BOARDS OPERATING CHARACTERISTICS

2012

Chicago Transit Authority

Rapid Transit

- 8 rail routes
- 145 stations served
- 1,200 rapid transit cars
- 231.1 million riders per year
- 1,090 STO* positions

Motor Bus

- 129 bus routes
- 1,781 buses
- 314.4 million riders per year
- 3,688 STO* positions

CTA Totals

- 1.4 billion rail passenger miles per year
- 712.9 million bus passenger miles per year
- 119.1 million vehicle revenue miles per year
- 4,428 without STO* positions

*STO is Scheduled transit operators. This classification includes bus operators, motormen, conductors, and customer assistants.

Metra Commuter Rail Division*

- 11 rail routes
- 488 route miles
- 1,155 miles of track
- 241 stations
- 146 locomotives
- 839 passenger cars
- 171 electric cars
- 703 weekly trains operated
- 95.8% on-time performance
- 81.3 million riders per year
- 4,380 full-time employees
- 1.6 billion passenger miles per year
- 43.1 million vehicle miles per year

**All data exclude NICTD South Shore*

Pace Suburban Bus Division

Fixed Route Bus

- 138 regular routes
- 35 feeder routes
- 14 shuttle routes
- 581 vehicles in use during peak periods
- 32.1 million riders per year
- 7 seasonal routes
- 687 Pace-owned buses
- 1,460 full-time employees

ADA Paratransit

- 234 Pace owned lift-equipped buses in service
- 3.8 million riders per year
- 35 full-time employees

Dial-A-Ride

- 68 local services
- 176 Pace owned lift-equipped buses in service
- 210 communities served
- 1.3 million riders per year

Vanpool

- 694 vanpool vehicles in operation
- 2.0 million riders for the year

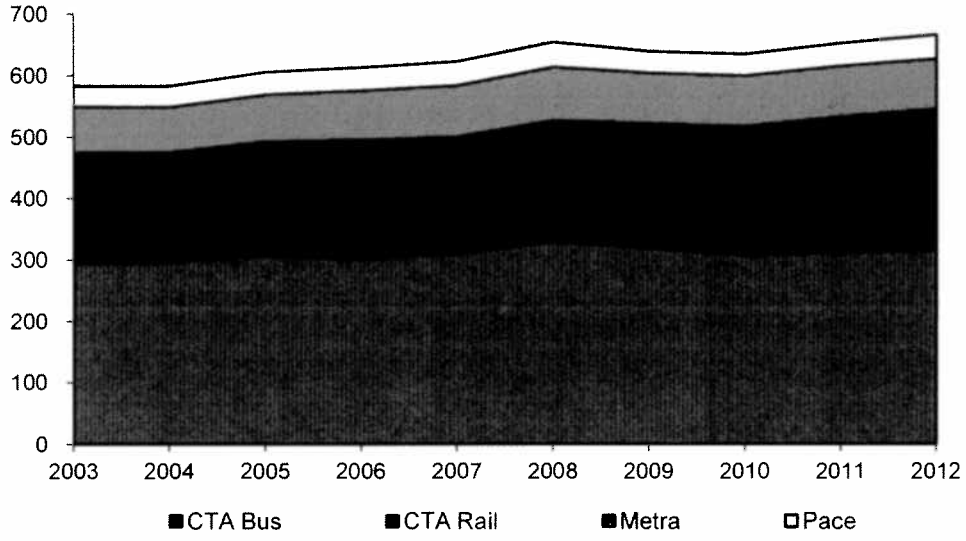
Source of data: Information obtained from the Service Boards, the NTD and RTA records.

Table 9

System Ridership and Unlinked Passenger Trips

2003-2012

(In Millions)



Last Ten Years *(In Millions)*

Service Consumed:	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
CTA - Bus	293.6	296.0	305.5	299.6	309.3	328.2	318.7	306.0	310.4	314.4
CTA - Rail	181.1	178.7	186.8	195.2	190.3	198.1	202.6	210.8	221.6	231.1
Total CTA*	474.7	474.7	492.3	494.8	499.6	526.3	521.3	516.8	532.0	545.5
Metra	74.0	73.8	76.1	79.9	83.3	86.8	82.3	82.2	82.7	81.3
Pace**	33.7	34.1	36.9	38.0	39.2	40.5	35.1	35.1	37.1	39.2
System Total	582.4	582.6	605.3	612.7	622.1	653.6	638.7	634.1	651.8	666.0
Percent Change	-2.20%	0.03%	3.90%	1.22%	1.53%	5.06%	-2.28%	-0.72%	2.79%	2.18%

CTA Stat amounts include rail-to-rail transfers.

****PACE 2007 Stat amount includes ADA Paratransit rides.***

Source of data: Information obtained from the National Transit Database.

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 2012.

(In Thousands)

	Operating Revenues	Operating Expenses	Operating Deficit	Service Board Funding	Other Public Funding
Metra					
Union Pacific	$ 104,606	$ 213,122	$(108,516)	$(108,516)	$ -
Burlington Northern/Santa Fe	62,004	79,765	(17,761)	(17,761)	-
Northern Indiana Commuter Transportation District (NICTD)	3,194	7,526	(4,332)	(4,332)	-
Total Metra	$ 169,804	$ 300,413	$(130,609)	$(130,609)	$ -
Pace					
Summary of Services					
Fixed Route - Public Funded Carriers	$ 1,509	$ 3,365	$ (1,856)	$ 3,930	$ 2,421
Fixed Route - Private Contract Carriers	1,505	5,695	(4,190)	-	-
Total Fixed Route Service	3,014	9,060	(6,046)	3,930	2,421
Private Contract Carriers					
DAR Services	1,429	13,416	$ (11,987)	11,987	6,821
DAR and Stable Services	9,311	124,101	(114,790)	114,790	-
Total Private Contract Carriers	10,740	137,517	(126,777)	126,777	6,821
Paratransit - Municipal Carriers	394	5,123	(4,729)	924	3,805
Total Pace	$ 14,148	$ 151,700	$(137,552)	$ 131,631	$ 13,047
Pace					
Detail of Services					
Fixed Route - Public Funded Carriers					
City of Highland Park	$ 602	$ 1,316	$ (714)	$ 1,677	$ 1,075
Village of Downers Grove	107	253	(146)	260	153
Village of Niles	529	1,515	(986)	1,710	1,181
Village of Schaumburg	271	281	(10)	283	12
Total	$ 1,509	$ 3,365	$ (1,856)	$ 3,930	$ 2,421
Private Contract Carriers - Fixed Route					
Academy Coach Lines	$ -	$ -	$ -	$ -	$ -
First Student	1,227	3,848	(2,621)	-	-
First Transit	30	541	(511)	-	-
Keeshin - Coach USA	-	-	-	-	-
M V Transportation	248	1,306	(1,058)	-	-
Total	$ 1,505	$ 5,695	$ (4,190)	$ -	$ -

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					
Barrington	$ 2	$ 93	$ (91)	$ 91	$ 44
Bloomingdale Township	30	324	(294)	294	89
Call Centers	-	190	(190)	190	6
Call in Rides	48	706	(658)	658	-
Central Lake	8	104	(96)	96	28
Central Will	75	755	(680)	680	199
Community Service Transit	98	64	34	(34)	-
Downers Grove	21	85	(64)	64	20
Dupage County	3	14	(11)	11	-
Dupage Township	9	162	(153)	153	44
Elk Grove	21	281	(260)	260	208
Freemont Township	1	9	(8)	8	2
Hampshire Township	1	19	(18)	18	4
Hometown	1	24	(23)	23	23
Leyden Township	16	160	(144)	144	117
Marengo	2	104	(102)	102	-
McHenry Township	62	1,093	(1,031)	1,031	419
Milton Township	49	269	(220)	220	4
Naperville/Lisle	176	1,012	(836)	836	638
Northwest Lake Demo	32	315	(283)	283	243
Northwest Suburban Cook	24	178	(154)	154	-
N. Suburban Cook	2	69	(67)	67	-
Northeast Lake-Warren	18	315	(297)	297	21
Northeast Lake-Zion	4	62	(58)	58	9
Northwest Lake	21	288	(267)	267	-
Pioneer Center	8	287	(279)	279	-
Ride DuPage	176	1,414	(1,238)	1,238	827
Ride In Kane	442	3,856	(3,414)	3,414	2,812
Ride In McHenry	65	812	(747)	747	833
South Cook	-	2	(2)	2	-
Southwest Lake-Wauconda	3	35	(32)	32	8
Southwest Will	3	33	(30)	30	14
Village of Skokie/West Cook	-	189	(189)	189	184
Wayne Township	6	74	(68)	68	20
Woodstock	2	19	(17)	17	5
Total	$ 1,429	$ 13,416	$ (11,987)	$ 11,987	$ 6,821

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	$ 712	$ 9,673	$ (8,961)	$ 8,961	$ -
North Suburban Cook	598	7,307	(6,709)	6,709	-
West Cook	267	2,242	(1,975)	1,975	-
North Lake	129	1,097	(968)	968	-
Kane County	49	521	(472)	472	-
Southwest/Central Will	47	457	(410)	410	-
DuPage County	124	1,265	(1,141)	1,141	-
Northeastern/Central Lake	7,385	101,539	(94,154)	94,154	-
Total	$ 9,311	$ 124,101	$(114,790)	$ 114,790	$ -

	Operating Revenues	Operating Expenses	Operating Deficit	Service Board Funding	Other Public Funding
Paratransit - Municipal Carriers					
Bensenville	$ 19	$ 263	$ (244)	$ 45	$ 199
Bloom	20	375	(355)	56	297
Crestwood	7	92	(85)	19	67
Ela	11	159	(148)	30	117
Forest Park	21	95	(74)	56	19
Fox Lake/Grant	2	6	(4)	2	2
Frankfort	7	98	(91)	20	71
Harvard	3	26	(23)	7	16
Lemont	6	79	(73)	17	56
Lyons	14	338	(324)	40	284
Norridge	9	98	(89)	25	65
Oak Park	40	389	(349)	73	276
Orland Park	23	261	(238)	34	204
Palatine	21	193	(172)	31	141
Palos Hills	7	64	(57)	13	43
Park Forest	23	118	(95)	57	39
Rich Township	33	581	(548)	66	482
Schaumburg	87	1,146	(1,059)	219	839
Stickney	19	299	(280)	54	226
Tinley Park	10	85	(75)	26	50
Vernon Township	4	137	(133)	10	123
Washington Township	1	23	(22)	2	20
Worth	7	198	(191)	22	169
Total	$ 394	$ 5,123	$ (4,729)	$ 924	$ 3,805

Regional Transportation Authority

The six-county public transportation system serving northeastern Illinois

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Regional Transportation Authority

REPORT ON
PROJECT MANAGEMENT OVERSIGHT (PMO)

MAY 2012

prepared by

Finance and Performance Management
Programming, Oversight, and Compliance Division

PREFACE

With this first submission of the RTA Project Management Oversight Report, RTA PMO examined all "Illinois Jobs Now!" state-funded projects and all systemwide projects costing over $10 million. These together represent $3,206,848,970 worth of construction, professional services, and capital procurements. When compared to the current total capital budget for this period of $4,049,508,808, the result is RTA oversight of over 79% of the net budget for active projects across all Service Boards. The report also details Value Engineering activities.

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SECTION I
"ILLINOIS JOBS NOW!" STATE-FUNDED PROJECTS

SYSTEMWIDE

"Illinois Jobs Now!" State-Funded Projects

Service Board	Project Title	Budget
CTA	Replace Existing Substations – Farwell/Armitage/Hill	$56,918,563
CTA	Loop Track Renewal	$53,026,306
CTA	Replace Purple Line Viaducts – Dempster/Greenleaf/Grove	$15,314,980
CTA	Purchase and Install Security Cameras – Stations and Yards	$14,086,667
CTA	Purchase and Install Rail Car Tracking System (RFID)	$13,342,723
CTA	Systemwide Station Upgrades	$5,419,346
CTA	Renew 63rd/Ashland Station	$3,910,988
CTA	Dan Ryan Engineering Assessment	$2,015,000
CTA	Improve Forest Glen Bus Garage	$1,810,799
Metra	Replace 160 Bi-Level Electric MU Commuter Cars	$585,100,000
Metra	Auburn Park New Station – Rock Island District	$11,500,000
Metra	Cicero Avenue Station – BNSF	$6,500,000
Metra	Hazel Crest Station – Metra Electric District	$5,500,000
Metra	Flossmoor Station – Metra Electric District	$5,000,000
Metra	Geneva Parking Deck – UPR West Line	$3,500,000
Metra	Elmhurst Station Parking – UPR West Line	$2,500,000
Metra	Fox River Grove Station – UPR Northwest Line	$2,000,000
Metra	Naperville Station Platforms – BNSF	$1,700,000
Metra	Design and Engineer Healy Station – MWD North Line	$500,000
Pace	Purchase StarCom 21 Radio System	$10,000,000
Pace	Purchase 40' Fixed Route Buses	$6,000,000

Note: Budgets represent only state-funded portion of overall project scope.

Replace Existing Substations at Farwell, Armitage, and Hill

CTA Project #68539

Description:

Construct new traction power substations at three locations: Farwell, Armitage, and Hill. Upgrade switch rooms at Orleans and Weed Street and install new feeders and sectioning.

Status:

The project is in the pre-award stage. Bids were received in early May 2012 and CTA is currently reviewing the bids in advance of awarding the construction contract. The Task Order for Construction Management is being reviewed.

Budget:

The project is on Budget.

	Budget	Obligated	Expended	Expended %
Project Total	$56,918,563	$5,126,395	$938,659	2%

Schedule:

The project is behind the Baseline Schedule. Bid documents are being finalized for the construction contract. The Task Order for Construction Management is being reviewed.

Milestone	Baseline Schedule	Actual (A) /Forecast
Advertise for Bids	February 2012	March 2012 A
Construction Bids	March 2012	April 2012
Notice to Proceed	May 2012	July 2012
Substantial Completion	August 2014	January 2015

Highlights:

This project will enhance the performance, safety, and reliability of the traction power supply and distribution system for CTA rail service. In addition to the new substations at Farwell, Armitage, and Hill, structural repairs and replacement of power distribution components may be performed at any of the following other substations: Cermak, Oakley, Harding, Princeton, Sedgwick, and Gage.

Loop Track Renewal

CTA Project #68546

Description:

Replacement of Track on the Loop Elevated including the Wells and Van Buren sides of the Loop and the junctions at Lake/Wells (Tower 18) and Wabash/Van Buren (Tower 12). The project also includes replacement of track in the Hubbard and Kinzie Curves north of Merchandise Mart Station as well as selected structural repairs.

Status:

The project is under construction. The contractor is completing detailed surveys, submitting shop drawings for approval, and conducting component tests.

Budget:

The project is on Budget. Change Orders being processed to date result in a small decrease in the construction contract amount.

	Budget	Obligated	Expended	Expended %
Project Total	$53,026,306	$50,760,180	$4,853,201	9%

Schedule:

The project is on schedule. Track outages are scheduled for various weekends.

Milestone	Baseline Schedule	Actual (A) /Forecast
Contract Award	July 2011	July 2011 A
Notice to Proceed	August 2011	August 2011 A
Substantial Completion	January 2013	January 2013

Highlights:

This project will renew track components for a lifespan of 18 to 25 years and prevent slow zones on the elevated loop. CTA is working diligently with the City of Chicago to coordinate street closures between this project and CDOT's Wacker Drive Reconstruction.

Replace Purple Line Viaducts: Dempster, Greenleaf, Grove

CTA Project #68547

Description:

Replace Viaducts at three locations on the Purple Line in Evanston: Dempster, Greenleaf, and Grove Streets. The existing viaducts are failing; shoring has been installed. Replacement will remove restrictions and the need for frequent inspection and repair.

Status:

The project is under construction. Retaining wall and bridge abutment work is nearing completion. The first bridge structure, Greenleaf, is being assembled in the field. Fabrication of the other spans is on-going.

Budget:

The project is on Budget. A Change Order is being processed for $192,000. Proposed change orders are being processed for a net value of $44,000.

	Budget	Obligated	Expended	Expended %
Project Total	$15,314,980	$14,223,005	$4,118,706	27%

Schedule:

The project is on schedule. Roll-ins of bridge structures are scheduled for two weekends in June 2012.

Milestone	Baseline Schedule	Actual (A) /Forecast
Notice to Proceed	August 2011	August 2011 A
Bridge Roll-in	June 2012	June 2012
Substantial Completion	May 2013	May 2013

Highlights:

The new bridges have a single span which will eliminate the center pier from the roadway and rows of piers from the sidewalks.

Although CTA allowed for three line cuts, one for each bridge, the contractor is planning to use only two line cuts saving not only time but lessening disruption for CTA passengers.

CTA forces will take advantage of the line closure during weekend roll-ins to efficiently perform maintenance work without train traffic over the entire Evanston branch of the Purple Line.

Purchase and Install Security Cameras – Stations and Yards

CTA Project #68543

Description:

Installation of a security camera network throughout CTA facilities to harden security of transit assets and ensure safety of systems and customers. The network will also support enhanced command and control systems to facilitate incident response.

Status:

Continuing master plan development at rail stations for the deployment of cameras, communication devices, and infrastructure.

Budget:

The project is on Budget.

	Budget	Obligated	Expended	Expended %
Project Total	$14,086,667	$12,910,146	$2,693,360	19%

Schedule:

The project is on schedule. Implementation work will be divided into 24 installation location groupings through April 2014.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	March 2012	March 2012 A
Notice to Proceed	April 2012	April 2012
Substantial Completion	April 2014	April 2014

Highlights:

CTA is implementing the construction phase of this project through its TRANSPORT program, which consists of pre-qualified contracting teams. This strategy has resulted in substantial cost savings as well as accelerated scheduling.

Purchase and Install Rail Car Tracking System (RFID)

CTA Project #68542

Description:

Develop and implement a train tracking system using Radio Frequency Identification (RFID) technology to provide real-time train positioning data. This upgrade will result in faster, more efficient, and more accurate tracking of trains.

Status:

Continuing master plan development at rail stations for the deployment of train tracking signs and infrastructure.

Budget:

The project is on Budget.

	Budget	Obligated	Expended	Expended %
Project Total	$13,342,723	$8,357,252	$59,979	0.4%

Schedule:

The project is on schedule. Implementation work will be divided into 24 installation location groupings through April 2014.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	March 2012	March 2012 A
Notice to Proceed	April 2012	April 2012
Substantial Completion	April 2014	April 2014

Highlights:

CTA is implementing the construction phase of this project through its TRANSPORT program, which consists of pre-qualified contracting teams. This strategy has resulted in substantial cost savings as well as accelerated scheduling.

Systemwide Station Upgrades

CTA Project #68541

Description:

The scope of this project involves facilities upgrades to stations throughout the CTA rail system, including repair or replacement of station entrances, stairs, roofs, and canopies. Improvements to subway stations include repairs to mezzanine walls, floors, and lighting, street level access, and platform level lighting and painting.

Status:

Design is underway for stairs, roofs, and canopies at Central (Purple), Cumberland (Blue), Rosemont (Blue), UIC-Halsted (Blue), Forest Park (Blue), 51st (Green), Madison/Wabash (Loop), and LaSalle/Van Buren (Loop). Upgrades are complete at Cicero (Pink) and Western (Orange).

Budget:

The project is on budget.

	Budget	Obligated	Expended	Expended %
Project Total	$5,419,346	$1,974,550	$801,964	15%

Schedule:

The project is on schedule. The project is broken into two phases, and work is proceeding on phase I scope. Milestones below are for the project as a whole.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	September 2012	September 2012
Notice to Proceed	October 2013	October 2013
Substantial Completion	May 2013	May 2013

Highlights:

Funding for this project is allowing CTA to target the most critical station components to ensure continued service at subject stations.

Renew 63rd/Ashland Station

CTA Project #68540

Description:

This project will upgrade the CTA Green Line station at 63rd and Ashland, including repairs to the station house, roofs, canopies, elevators, escalators, stairs, painting, and landscaping.

Status:

CTA Engineering continues work on the station design. CTA is executing task orders for General Engineering Consulting services.

Budget:

The project is on budget with in-house design serving to reduce the overall cost.

	Budget	Obligated	Expended	Expended %
Project Total	$3,910,988	$908,828	$74,607	2%

Schedule:

Design is proceeding according to schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	June 2012	June 2012
Notice to Proceed	August 2012	August 2012
Substantial Completion	February 2013	February 2013

Highlights:

CTA is implementing the construction phase of this project through its Job Order Contracting (JOC) program, which involves pre-qualified contractors competitively bidding on various projects. The JOC program serves to reduce overall project budget and ensures CTA receives quality bids from responsible contractors.

Dan Ryan Engineering Assessment

CTA Project #68544

Description:

Perform Engineering Assessment, Design of Track and Related Components – Dan Ryan (Red Line). Future funding will be used to rehabilitate selected track, drainage, and other equipment on the Red Line between 18th Street and 95th Street to remove slow zones and reduce future maintenance.

Status:

This project represents the survey phase of the Dan Ryan Track Renewal. The survey is complete. The project as a whole is on-going at the design phase, which is funded by other sources. CTA is pre-qualifying contractors for the construction phase.

Budget:

The project is on Budget.

	Budget	Obligated	Expended	Expended %
Project Total	$2,015,000	$1,700,063	$1,267,773	63%

Schedule:

Survey work is complete. The design phase of the project is on schedule. A detailed construction schedule has not yet been established for the remainder of the project. Milestones are detailed below for the full Dan Ryan Track Renewal project.

Milestone	Baseline Schedule	Actual (A) /Forecast
Survey Complete	December 2011	November 2011 A
60% Design	March 2011	March 2011 A
Bid Documents Complete	May 2011	May 2011
Construction Bidding	July 2012	July 2012
Substantial Completion	July 2014	July 2014

Highlights:

Value Engineering for the project as a whole was performed in December 2011.

CTA is pursuing means for ensuring that the contractors bidding on the construction contract are qualified for this type of work and have the capacity to expeditiously construct a project of this magnitude.

Improve Forest Glen Bus Garage

CTA Project #68538

Description:

Two inspection pits at the Forest Glen Bus Garage facility will be replaced in kind. These inspection pits have been in service since the 1950s and must be kept in a state of good repair to allow the efficient performance of bus maintenance.

Status:

The project is complete.

Budget:

The project was completed under budget.

	Budget	Obligated	Expended	Expended %
Project Total	$1,810,799	$1,790,799	$745,737	41%

Schedule:

The project was completed ahead of schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Notice to Proceed	June 2011	June 2011 A
Substantial Completion	November 2011	October 2011 A

Highlights:

Because the project was completed under budget, CTA is currently scoping the remaining funding to apply toward other critical needs.

Work was performed while maintaining garage operations, resulting in no impact to bus service.

Replace 160 Bi-Level Electric MU Commuter Cars

Metra Project # 3113

Description:

Purchase 160 new electric multiple unit "Highliner" Cars for the Metra Electric District. The new cars will replace the existing 40 year old cars to reduce maintenance and increase reliability.

Status:

The project is in Final Design and Manufacture of Prototype Cars. The Prototype Cars have been completed and were inspected by Metra in March 2012. Prototype testing is underway. Carbody shells and parts for the Production Cars are being fabricated.

Budget:

The project is on Budget. A Change Order has been approved for $16,000,000 for Positive Train Control. Sumitomo Corporation of America has provided pricing for two additional locomotive hauled gallery cars to replace wrecked cars (funded separately).

	Budget	Obligated	Expended	Expended %
Project Total	$585,100,000	$585,095,133	$279,244,696	48%

Schedule:

The project is on schedule. Delivery of the first prototype cars is anticipated in July 2012. Delivery of the first car from the Rochelle facility is September 2012.

Milestone	Baseline Schedule	Actual (A) /Forecast
Notice to Proceed	Oct. 2010	Oct. 2010 A
Prototype Car Delivery	Sept. 2012	July 2012
Prototype Car Accept.	Sept. 2012	Sept. 2012
1st Base Car Delivery	Dec. 2012	Sept. 2012
80 Cars Complete	Feb. 2014	Feb. 2014
160 Cars Complete	May 2015	May 2015

Highlights:

The rail car manufacturer, Nippon Sharyo, is completing its manufacturing facility in Rochelle, Illinois. Hiring is underway with a projected permanent employment of 250+.

Final assembly of production cars will be done in Rochelle. Carbody shells for cars #81 to #160 will be manufactured in Rochelle.

Auburn Park New Station

Metra Project #4484

Description:

The Auburn Park Station will be a new station stop within the Metra rail system. The design scope includes environmental assessments as well as the development of three alternate concepts for design. The scope may be enhanced if additional construction funding is secured (see Cost below).

Status:

Metra has negotiated a contract with its selected design firm.

Budget:

Current State Bond funding will afford a basic station, and will not fully fund construction of the station enhancements currently envisioned. Senator Collins is working to secure additional funds.

	Budget	Obligated	Expended	Expended %
Project Total	$11,500,000	$0	$0	0%

Schedule:

The design phase is expected to take fifteen months. Construction IFB is expected to take four months, and construction duration is expected to be thirteen months.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Completion	TBD	
Notice to Proceed	TBD	
Substantial Completion	TBD	

Highlights:

This project has the potential for cost issues given the unknown geotechnical and potential environmental conditions associated with this site.

Current State Bond funding will afford a basic station, but will not fully fund construction of the station enhancements currently envisioned. Senator Collins is working to secure additional funds.

Metra and RTA agree that this will be a strong candidate for VE Analysis.

Cicero Avenue Station

Metra Project #2880

Description:

Project scope includes demolition and reconstruction of the existing platform, canopy, and shelter to improve ADA accessibility.

Status:

Design is complete. Construction bids have been received and are under review by Metra.

Budget:

The Engineer's estimate is in-line with the $6M construction budget. The estimate is approximately $5.5M.

	Budget	Obligated	Expended	Expended %
Project Total	$6,500,000	$0	$0	0%

Schedule:

The project is currently on track to meet the committed May 2012 construction NTP and one-year construction duration.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	August 2011	August 2011 A
Construction Bidding	January 2012	January 2012 A
Notice to Proceed	May 2012	May 2012
Substantial Completion	March 2013	March 2013

Highlights:

There is political interest in the construction schedule for this project. Metra has committed to issue construction NTP by May 2012, and has committed to a one year construction duration. To achieve the requested construction timeframe, Metra proactively worked with the design team to compress the design schedule. Their efforts appear to have been successful as the project appears to be tracking to achieve these targets. Metra continues to closely manage the schedule to achieve the committed dates.

Hazel Crest Station

Metra Project #4483

Description:

The project scope includes the rehabilitation of the station and entrances, and the addition of an elevator. The project will raise the Depot, currently at street-level, to allow space for vendors and restrooms at street level. Metra's State Bond funding will not be applied to the new vendor spaces, however, design will allow for such improvements by the City of Hazel Crest in the future.

Status:

The designer of record has started work on its 10% submittal.

Budget:

Current funding authorization includes $500,000 for design and $4,500,000 for construction. An additional $500,000 for construction is included in the pending 2011 State Bond Request.

	Budget	Obligated	Expended	Expended %
Project Total	$5,000,000	$300,000	$0	0%

Schedule:

The design duration is expected to be nine and one-half months, construction IFB is expected to be four months. The planned construction duration is ten months.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Completion	February 2013	February 2013
Notice to Proceed	June 2013	June 2013
Substantial Completion	April 2014	April 2014

Highlights:

$500,000 additional construction budget is included in the 2011 State Bond Request, which has not yet been approved.

Flossmoor Station

Metra Project #4473

Description:

Project includes demolition and replacement of the existing station as well as extending the platform to a standard 6-car platform. The design includes reusing pier foundations and elevator access. If budget allows, this project may also lengthen the canopy roof to match the new platform. The canopy extension is being bid as an Alternate.

Status:

Design is complete and the project is advertised for bid.

Budget:

Estimates are in-line with current construction funding authorizations.

	Budget	Obligated	Expended	Expended %
Project Total	$5,000,000	$0	$0	0%

Schedule:

The anticipated duration of the IFB process (including Concurrence authorizations) duration is four months. Construction duration is expected to be nine months.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	April 2011	December 2011 A
Construction Bidding	March 2012	March 2012 A
Notice to Proceed	July 2012	July 2012
Substantial Completion	April 2013	April 2013

Highlights:

Metra has specified composite planks for the new platforms. Because these panels weigh significantly less than precast panels, this innovative product is expected to afford reduced installation duration and long-term maintenance costs, offer an increased service life, and allow for quicker and safer installation, thereby reducing safety risk and impact to ridership during construction.

The design also includes cosmetic repairs to the Flossmoor Road Bridge as requested by the Village of Flossmoor. These repairs will be completed as part of the Flossmoor Station construction contract; however, an alternate funding source will be applied to this scope.

Geneva Parking Deck

Metra Project #3864

Description:

This project includes the addition of a third level (approximately 180 spaces) to the existing Geneva Station Parking Deck, which was built during Phase I of the project. Construction will be bid and managed by the City of Geneva in coordination with Metra's Construction Manager.

Status:

Design is complete. Metra has identified a solution that will provide temporary alternate parking to replace two levels of existing parking that will be closed during construction to mitigate safety risk.

Budget:

Estimates are in-line with the project budget.

	Budget	Obligated	Expended	Expended %
Project Total	$3,500,000	$0	$0	0%

Schedule:

Metra anticipates an approximate three month period for IFB. Construction duration is expected to be seven months (completion anticipated by the end of 2012).

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	August 2011	August 2011 A
Construction Bidding	January 2012	January 2012 A
Notice to Proceed	May 2012	May 2012
Substantial Completion	December 2012	December 2012

Highlights:

Metra's proposed solution to the parking displacement issue is to establish temporary parking lots by leasing vacant lots nearby. Shuttle service will be provided. Additional cost associated with the temporary parking will be accommodated within the current project budget. This plan will be vetted through Geneva, then presented to RTA and IDOT.

Elmhurst Station Parking

Metra Project #4475

Description:

The scope of this project is the execution of an Intergovernmental Agreement (IGA) between Metra and Elmhurst establishing an easement for space in the existing parking garage.

Status:

The project is complete (IGA executed).

Budget:

The IGA was executed in the amount of $2.5M.

	Budget	Obligated	Expended	Expended %
Project Total	$2,500,000	$2,500,000	$2,500,000	100%

Schedule:

The project was completed on schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
IGA Execution	June 2011	June 2011 A

Highlights:

The IGA was successfully executed on schedule and within budget.

Fox River Grove Station

Metra Project #4487

Description:

The portion of the project scope being funded through the State Bond program ($2M) includes replacement of an existing shelter, construction of an addition shelter along the platform, and site access improvements. The project also includes platform work which will be funded through Metra's routine platform maintenance budget (approximately $1M).

Status:

Design is complete.

Budget:

Estimates are in line with the project budget (State Bond funding plus Metra's additional $1M maintenance funds).

	Budget	Obligated	Expended	Expended %
Project Total	$2,000,000	$1,185,574	$0	0%

Schedule:

The anticipated duration of the IFB process (including Concurrence authorizations) is four months. Anticipated construction duration is ten months.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Completion	TBD	
Notice to Proceed	TBD	
Substantial Completion	TBD	

Highlights:

Capacity of the station will double as this project will expand platform lengths from four cars to eight cars. The existing warming house will be replaced with a new, larger waiting area to accommodate the expanded station capacity.

Naperville Station Platforms

Metra Project #4472

Description:

Project includes platform replacement at the Naperville Station, one of the stations that sees the heaviest ridership (second only to the Route 59 Station). Given platform wear-and-tear associated with such heavy traffic, Metra specified precast concrete panels for the new platform surface.

Status:

The project is complete.

Budget:

Construction was completed within budget, and there were no change orders affecting the construction contract amount.

	Budget	Obligated	Expended	Expended %
Project Total	$1,700,000	$1,700,000	$1,513,634	89%

Schedule:

Construction was completed two months early (contract completion February 2012, actual completion Dec 2011).

Milestone	Baseline Schedule	Actual (A) /Forecast
Notice to Proceed	April 2011	April 2011 A
Substantial Completion	February 2012	December 2011 A

Highlights:

Despite being one of the stations that sees the heaviest ridership (second only to the Route 59 Station), construction was completed two months early (contract completion February 2012, actual completion December 2011).

Metra's project personnel forged a great relationship with Naperville. Metra notes that Naperville did a great job with community communication. Construction was planned to minimize impact to existing parking, particularly handicapped spaces, and Metra and Naperville partnered with local businesses to lease spaces to replace the spaces that had to be closed during construction.

Metra's decision to specify precast concrete planks for the platform resulted in both immediate and long-term implications. It significantly improved quality (precast is not prone to damage and costly rework during construction like cast-in-place concrete, and is a more durable working surface long term) and minimized impact to ridership (panels easily installed between peak traffic periods) despite the workdays lost to high winds and the need to close the Depot to ensure safety during precast hoisting and placement. The decision is also expected to result in notable savings in platform maintenance costs and improved ridership safety going forward.

Design and Engineer Healy Station

Metra Project #4471

Description:

This project includes the elimination of the existing at-grade railway crosswalk, rehabilitation of inbound platform access and shelter facilities, construction of a new ADA-compliant ramp to the outbound platform, and rehabilitation of the outbound shelter.

Status:

Design is 60% complete. Only design funding has been authorized to date.

Budget:

Metra has received design funding, but notes that construction funding has not been approved ($4M in 2011 State Bond Funding Request).

	Budget	Obligated	Expended	Expended %
Project Total	$500,000	$500,000	$0	0%

Schedule:

The design schedule was shortened for May 2012 design completion (original completion was June 2012) to accommodate State Representative's interest in project timeline.

Anticipated design duration is nine months. The bidding process is expected to be approximately four months. Construction duration is expected to be eleven months.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	May 2012	May 2012
Notice to Proceed	September 2012	September 2012
Substantial Completion	August 2013	August 2013

Highlights:

The $4M construction budget is included in the 2011 State Bond Funding Request, which has not yet been approved.

There is political interest (State Representative) in timely project completion.

This project is scheduled for a QA/QC Audit at 60% Design.

A Value Engineering Analysis conducted with RTA at the 30% Design Submittal offered potential savings options for the project design (based on the $2.66M Engineer's Estimate).

Purchase StarCom 21 Radio System

Pace Project #4509

Description:

Replace voice and data radio system approaching 15 years old that has reached the end of its useful life with new system to increase voice and data capacity and coverage across the entire region.

Status:

The contract has been awarded to Motorola and their design is complete. Equipment manufacturing will begin in 2nd Quarter 2012.

Budget:

The project is within budget with zero expenditures.

	Budget	Obligated	Expended	Expended %
Project Total	$10,000,000	$9,849,840	$0	0%

Schedule:

The project is on schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Contract Award	December 2011	December 2011 A
Design Approval	March 2012	March 2012 A
Voice System Installation	August 2012	August 2012
Data System Cutover	September 2013	September 2013
Project Complete	November 2013	November 2013

Highlights:

By utilizing the existing shared StarCom 21 network, Pace will realize ongoing cost savings. System coverage, response times, and reliability will improve. Separated voice and radio communications will result in zero data loss while talking on voice system.

Purchase 40' Fixed Route Buses

Pace Project #4501

Description:

Purchase new 40' Fixed Route Bus Procurement Project for Pace Suburban Bus Service. The contract will include fabrication and delivery of buses and inspection services.

Status:

The contract has been awarded to Eldorado National, and Notice to Proceed is being processed.

Budget:

The project is on budget with zero expenditures.

	Budget	Obligated	Expended	Expended %
Project Total	$6,000,000	$5,249,218	$0	0%

Schedule:

The project is on schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Contract Award	January 2012	January 2012 A
First Bus Delivery	October 2012	October 2012 A
13 Bus Delivery Complete	February 2013	February 2013

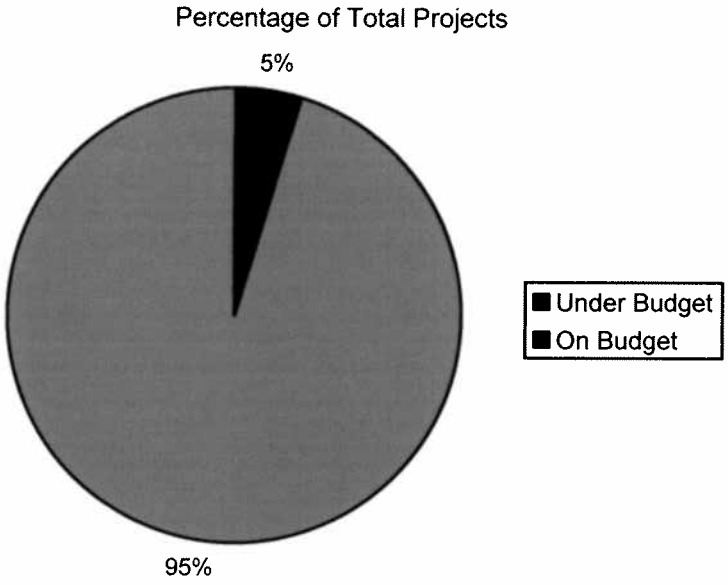
Highlights:

The new buses will replace the existing 15-18 year old buses to reduce maintenance and increase reliability and comfort, providing cleaner, newer equipment to riders. An improved wheelchair restraint system will be installed within these vehicles and will positively impact the population with disabilities that uses fixed route services. Pace maintenance staff will have an easier and more cost effective platform to work with. The new equipment will also reduce maintenance and operations work associated with the fleet, and will also allow Pace Operations to realize improved fuel efficiencies associated with operating these vehicles.

SYSTEMWIDE

"Illinois Jobs Now!" State-Funded Projects – Budget Performance

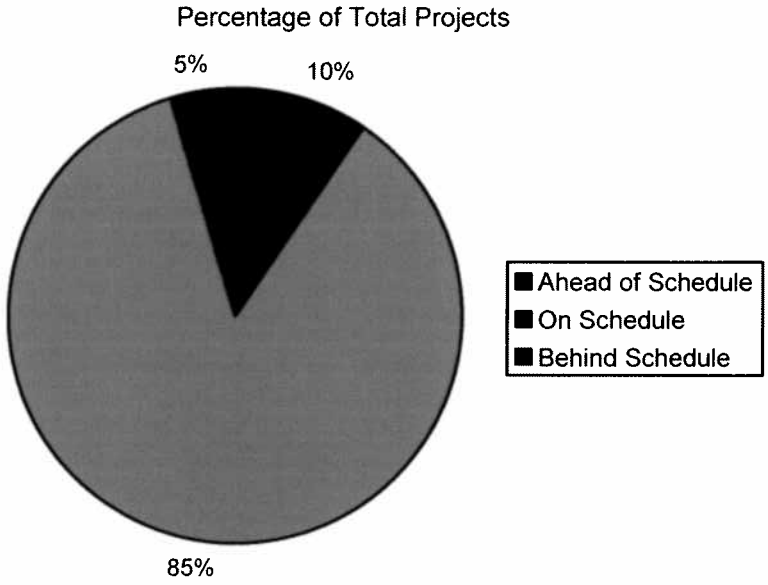
Reason	Quantity
Under Budget	1
On Budget	20
Over Budget	0



SYSTEMWIDE

"Illinois Jobs Now!" State-Funded Projects – Schedule Performance

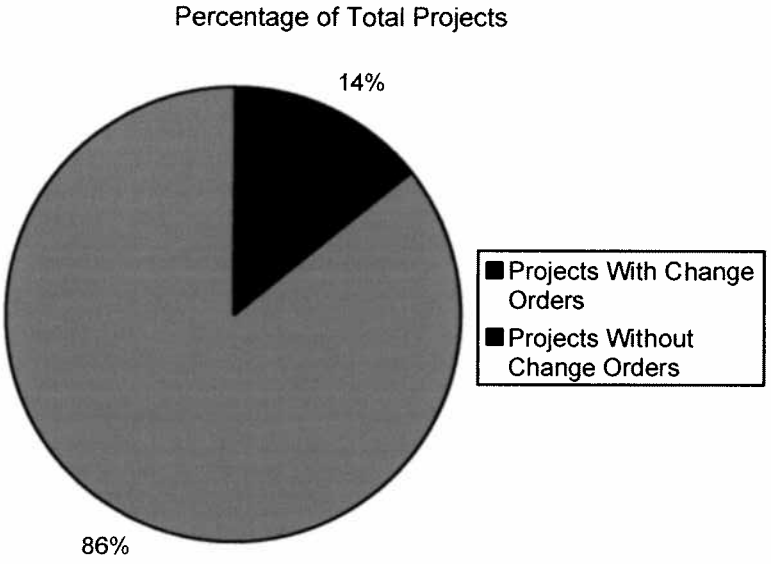
Reason	Quantity
Ahead of Schedule	2
On Schedule	18
Behind Schedule	1



SYSTEMWIDE

"Illinois Jobs Now!" State-Funded Projects – Change Orders

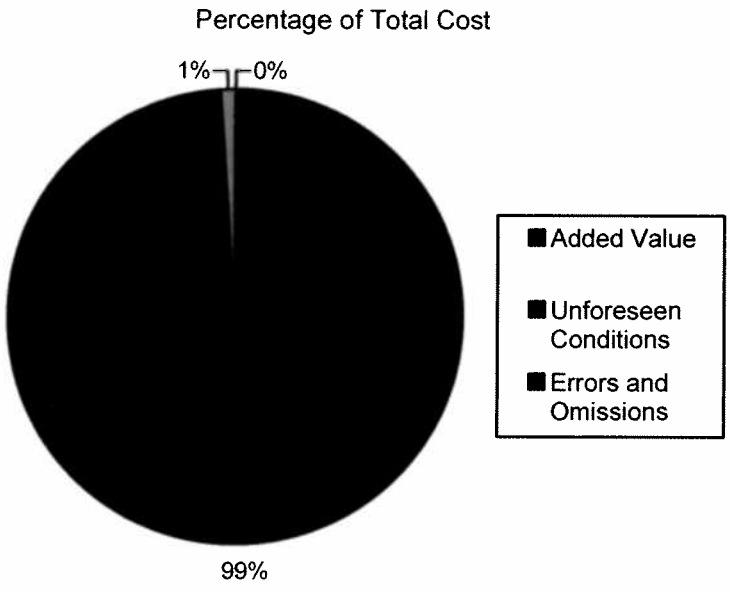
Reason	Quantity
Projects With Change Orders	3
Projects Without Change Orders	18



SYSTEMWIDE

"Illinois Jobs Now!" State-Funded Projects – Change Order Reasons

Reason	Quantity	Cost
Added Value	4	$19,225,567
Unforeseen Conditions	1	$192,270
Errors and Omissions	0	$0
TOTAL	5	$19,417,837



SECTION II
SYSTEMWIDE PROJECTS OVER $10,000,000

SYSTEMWIDE

Projects over $10,000,000

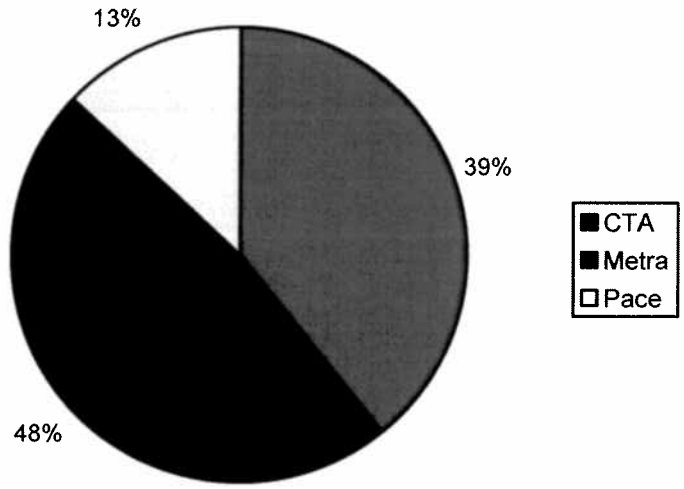
Service Board	Project Title	Budget
CTA	Replace Approximately 706 Rail Cars	$1,137,528,552
Metra	Purchase 160 Bi-Level Multi-Unit Electric Commuter Cars	$585,100,000
CTA	Dan Ryan Track Renewal	$440,000,000
CTA	Perform Rail Car Overhaul and Mid-Life Rehabilitation	$297,000,000
CTA	Replace/Upgrade Power Distribution and Signals – Dearborn/Congress/Kennedy	$243,122,557
Metra	Replace Bridges – UPR North Line	$88,222,063
Metra	Belmont Road Grade Separation	$57,626,223
CTA	Replace Existing Substations – Farwell/Armitage/Hill	$56,918,563
CTA	Loop Track Renewal	$53,026,306
Pace	Purchase 40' Fixed Route Buses	$26,649,876
Metra	Lake Street Interlocker	$24,832,965
Pace	Diesel Engine Retrofit	$15,808,572
CTA	Replace Purple Line Viaducts – Dempster/Greenleaf/Grove	$15,314,980
CTA	Purchase and Install Security Cameras – Stations and Yards	$14,086,667
CTA	Purchase and Install Rail Car Tracking System (RFID)	$13,342,723
Metra	Geneva Station Parking	$12,507,309
Metra	Station Area Upgrades – UPR West Line	$12,400,000
Metra	Universal Control Points	$12,400,000
Metra	CREATE Program P1 – Englewood Flyover	$12,246,463
Metra	Southeast Service Alternatives Analysis	$12,015,568
Metra	Auburn Park New Station	$11,500,000
Metra	Implement Passenger Info Display Systems and Train Info Management System	$10,858,450
Pace	Purchase StarCom 21 Radio System	$10,000,000

SYSTEMWIDE

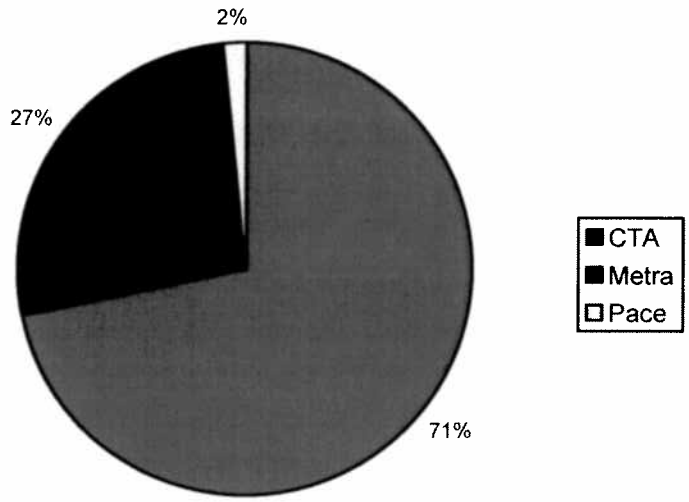
Projects over $10,000,000 by Service Board – Quantity and Budget

Service Board	Projects	Budget
CTA	9	$ 2,270,340,348
Metra	11	$ 839,709,041
Pace	3	$ 52,458,448
TOTAL	23	$ 3,162,507,837

Percentage of Total Projects

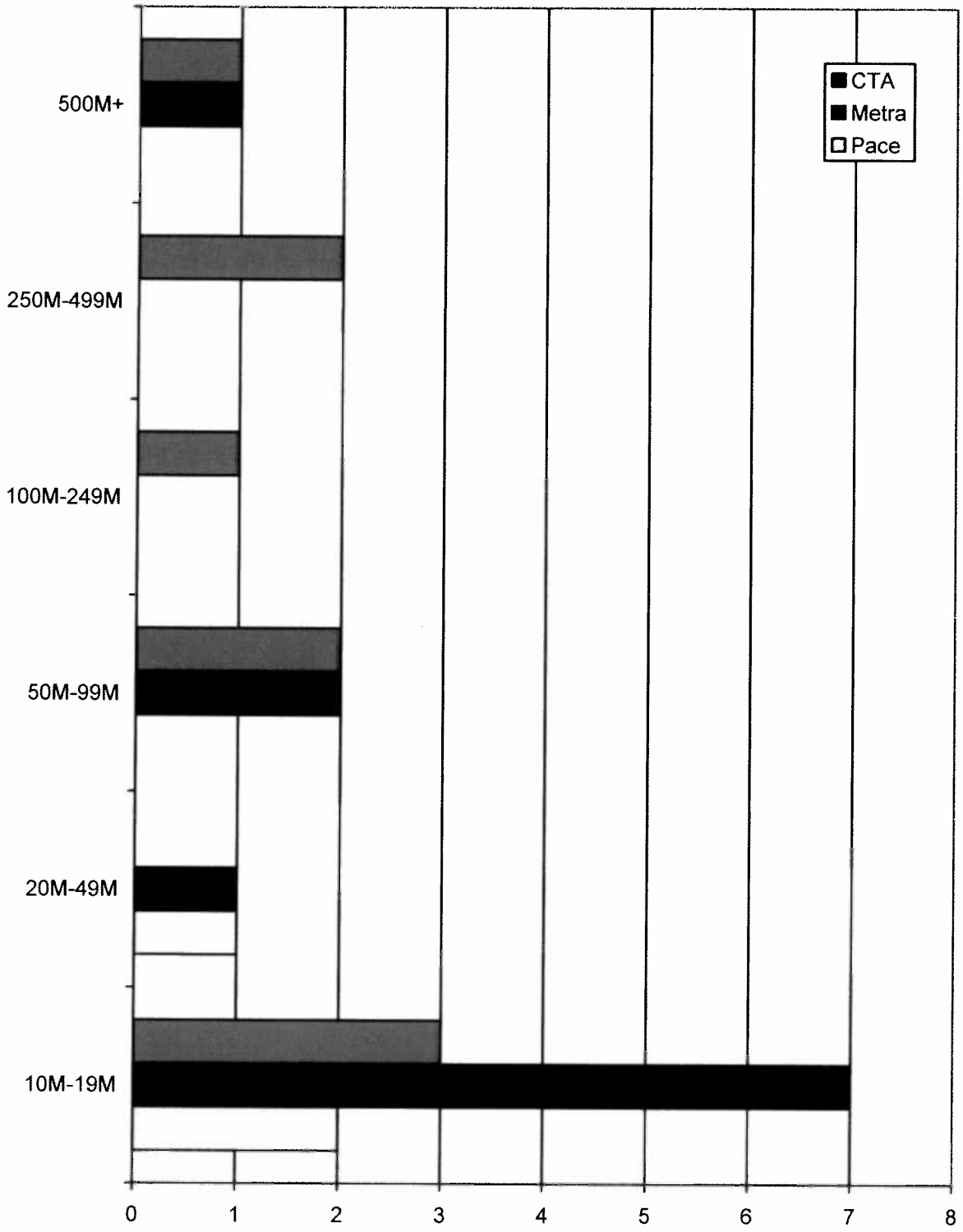


Percentage of Total Budget



SYSTEMWIDE

Projects over $10,00,000 by Service Board – Budget Range



SYSTEMWIDE

Projects over $10,000,000 by Budget Range

Projects over $500,000,000	2
Projects between $250,000,000 and $499,999,999	2
Projects between $100,000,000 and $249,999,999	1
Projects between $50,000,000 and $99,999,999	4
Projects between $20,000,000 and $49,000,000	2
Projects between $10,000,000 and $19,999,999	12

SYSTEMWIDE

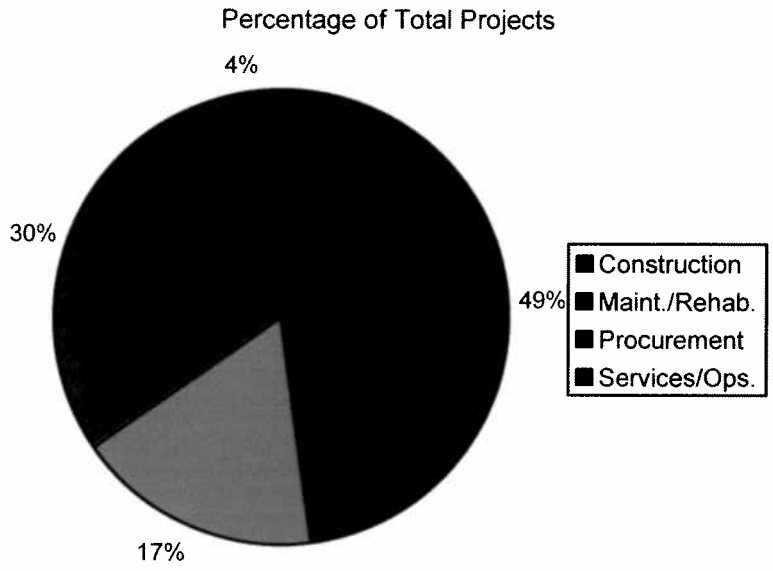
Projects over $10,000,000 by Service Board – Budget Range

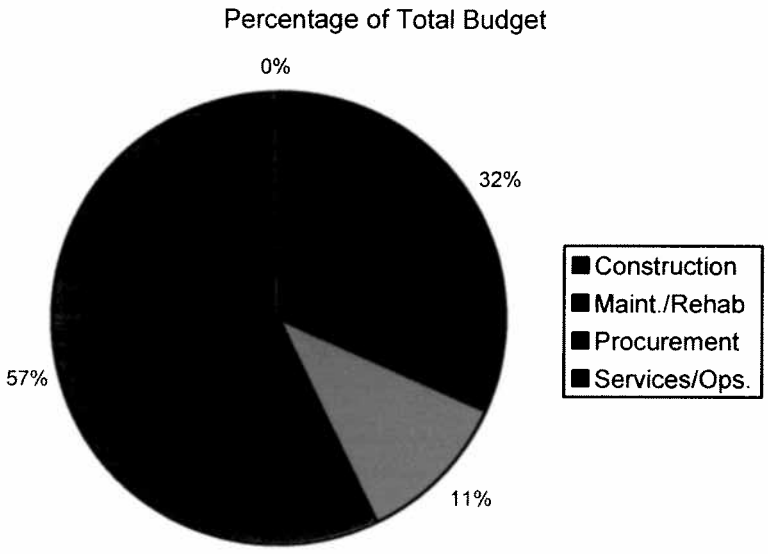
Budget Range	CTA	Metra	Pace
Projects over $500,000,000	1	1	0
Projects between $250,000,000 and $499,999,999	2	0	0
Projects between $100,000,000 and $249,999,999	1	0	0
Projects between $50,000,000 and $99,999,999	2	2	0
Projects between $20,000,000 and $49,999,999	0	1	1
Projects between $10,000,000 and $19,999,999	3	7	2

SYSTEMWIDE

Projects over $10,000,000 by Type of Project

Type of Project	Quantity	Combined Budget
Construction	11	$1,002,884,464
Maintenance / Rehabilitation	4	$350,041,537
Procurement	7	$1,797,566,268
Services / Operations	1	$12,015,568





CTA

Type of Project	Quantity	Total Budget
Construction	5	$808,382,406
Maintenance / Rehabilitation	1	$297,000,000
Procurement	3	$1,164,957,942
Services / Operations	0	$0
TOTAL	9	$2,270,340,348

Metra

Type of Project	Quantity	Total Budget
Construction	6	$194,502,058
Maintenance / Rehabilitation	2	$37,232,965
Procurement	2	$595,958,450
Services / Operations	1	$12,015,568
TOTAL	11	$839,709,041

Pace

Type of Project	Quantity	Total Budget
Construction	0	$0
Maintenance / Rehabilitation	1	$15,808,572
Procurement	2	$36,649,876
Services / Operations	0	$0
TOTAL	3	$52,458,448

CTA

Projects over $10,000,000

Service Board	Project Title	Budget
CTA	Replace Approximately 706 Rail Cars	$1,137,528,552
CTA	Dan Ryan Track Renewal	$440,000,000
CTA	Perform Rail Car Overhaul and Mid-Life Rehabilitation	$297,000,000
CTA	Replace/Upgrade Power Distribution and Signals – Dearborn/Congress/Kennedy	$243,122,557
CTA	Replace Existing Substations – Farwell/Armitage/Hill	$56,918,563
CTA	Loop Track Renewal	$53,026,306
CTA	Replace Purple Line Viaducts – Dempster/Greenleaf/Grove	$15,314,980
CTA	Purchase and Install Security Cameras – Stations and Yards	$14,086,667
CTA	Purchase and Install Rail Car Tracking System (RFID)	$13,342,723

PROJECT:	**Replace Approximately 706 Rail Cars**
SCOPE:	Purchase new rapid transit cars to replace the aging equipment currently in service. The entire 2200 and 2400 Series fleets and up to 370 of the 2600 Series cars will be retired and replaced by the 5000 Series cars.
BUDGET:	$1,137,528,552
SCHEDULE:	10 months behind schedule due to extended prototype testing and issues with component supplier; estimated completion February 2017.
HIGHLIGHTS:	CTA has withdrawn 52 cars from revenue service due to quality control issues involving cast journal bearing housings. RTA, CTA Rail Engineering, CTA Rail Operations, and CTA Safety have been proactively monitoring the situation since November 2011 to ensure quality in the production cars.

PROJECT:	**Dan Ryan Track Renewal**
SCOPE:	Systematically replace ties, fasteners, and renew structural elements that have deteriorated to a point at which they no longer provide adequate rail connection and track gage on the Dan Ryan branch of the Red Line from Cermak Road to 95th Street.
BUDGET:	$440,000,000
SCHEDULE:	On schedule; estimated completion January 2013.
HIGHLIGHTS:	CTA has completed the survey and engineering assessment of the line. Design is nearing completion and the construction contract is expected to be advertised for bid in summer 2012.

PROJECT:	**Perform Rail Car Overhaul and Mid-Life Rehabilitation**
SCOPE:	Major overhaul, refurbishment, and upgrade of 258 rapid transit cars. The 3200 Series cars have reached mid-life and are required to undergo a major overhaul to ensure safe and reliable operation for the remainder of their useful lives.
BUDGET:	$297,000,000
SCHEDULE:	On schedule; estimated completion January 2017
HIGHLIGHTS:	Specifications have been finalized and the project is under review by CTA upper management.

PROJECT:	**Replace/Upgrade Power Distribution and Signals – Dearborn/Congress/Kennedy**
SCOPE:	Provide for design and construction efforts to replace and upgrade traction power and signals on the Dearborn Subway, Congress, and Kennedy branches of the Blue Line.
BUDGET:	$243,122,557
SCHEDULE:	60 days behind schedule due to significant quantity of punch list items; estimated completion June 2012.
HIGHLIGHTS:	The project has reached substantial completion and CTA expects to complete punch list work this quarter.

PROJECT:	**Replace Several Substations and Upgrade Other Existing Substations**
SCOPE:	Replace aging and functionally obsolete components of substations systemwide, and construct new substations at Farwell, Armitage, and Hill to improve transit reliability. This project will enhance the performance, safety, and reliability of the traction power supply and distribution system for CTA rail service.
BUDGET:	$56,918,563
SCHEDULE:	On schedule; estimated completion January 2015.
HIGHLIGHTS:	Design is complete and the construction bids are currently being reviewed by CTA Infrastructure and Purchasing.

PROJECT:	**Loop Track Renewal**
SCOPE:	Systematically replace ties, fasteners, and renew structural elements that have deteriorated to a point at which they no longer provide adequate rail connection and track gage on the Wells Street and Van Buren Street legs of the Loop Elevated as well as the Hubbard Street and Kinzie Street curves on the Ravenswood-Loop Connector.
BUDGET:	$53,026,306
SCHEDULE:	On schedule; estimated completion January 2013.
HIGHLIGHTS:	CTA forces have completed structural renewal in advance of contractor work on elevated track. CTA is in coordination with the City of Chicago to manage street closures in coordination with special events and Wacker Drive Reconstruction.

PROJECT:	**Replace Purple Line Viaducts – Dempster/Greenleaf/Grove**
SCOPE:	Replace existing concrete center pier viaduct structures with full length steel spans at Dempster Street, Greenleaf Avenue, and Grove Street on the Purple Line in Evanston. Also repair retaining walls along Chicago Avenue.
BUDGET:	$15,314,980
SCHEDULE:	On schedule; estimated completion May 2013.
HIGHLIGHTS:	Caisson foundation work at all three locations and retaining wall repairs are complete. New bridges will be rolled in to place during two weekend track outages in June 2012.

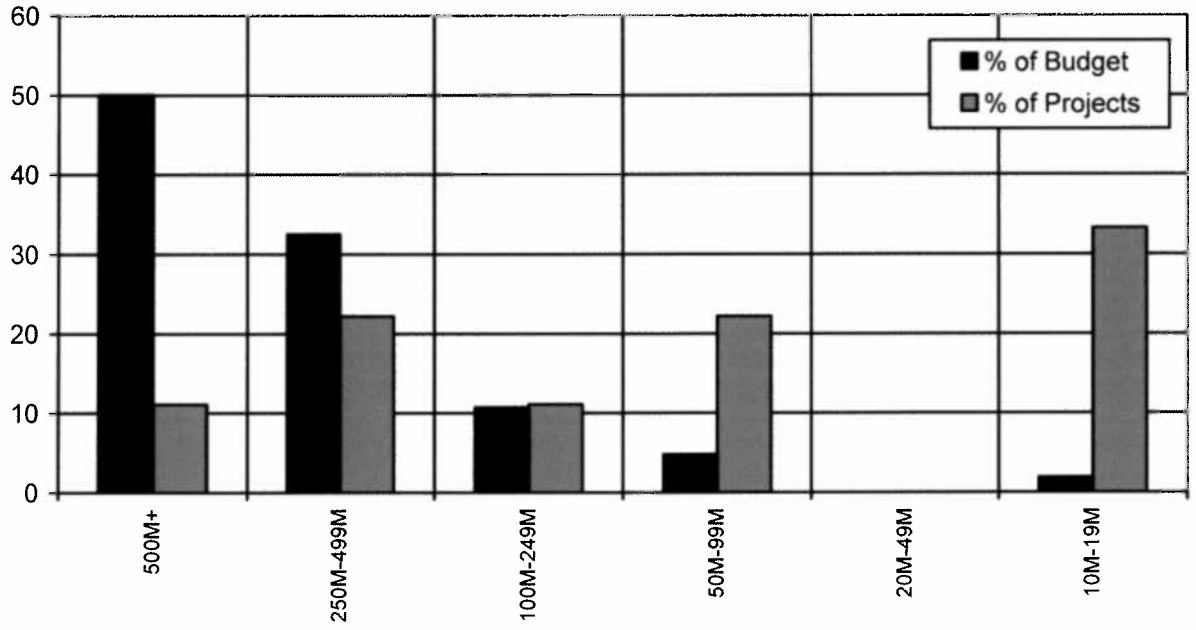
PROJECT:	**Purchase and Install Security Cameras – Stations and Yards**
SCOPE:	Purchase and install security cameras at rail stations and yards to improve security of transit assets and ensure safety of systems and customers. Implement security strategies to conduct targeted surveillance, control access, and stop intrusion. Support enhanced commend and control systems to facilitate incident response.
BUDGET:	$14,086,667
SCHEDULE:	On schedule; estimated completion April 2014.
HIGHLIGHTS:	CTA continues in-house master design and execution of contractor task orders for installation of camera networks and ancillary equipment to support individual camera installations.

PROJECT:	**Purchase and Install Rail Car Tracking System (RFID)**
SCOPE:	Provide for the purchase and installation of a train tracking system using a Radio Frequency Identification (RFID) system for tracking rail cars.
BUDGET:	$13,342,723
SCHEDULE:	On schedule; estimated completion April 2014.
HIGHLIGHTS:	CTA has developed a plan to split onboard railcar communications and fixed facility communications into separate implementation tracks. Installation of equipment will begin this quarter. Full deployment of train tracker signage will be ongoing through 2012.

CTA

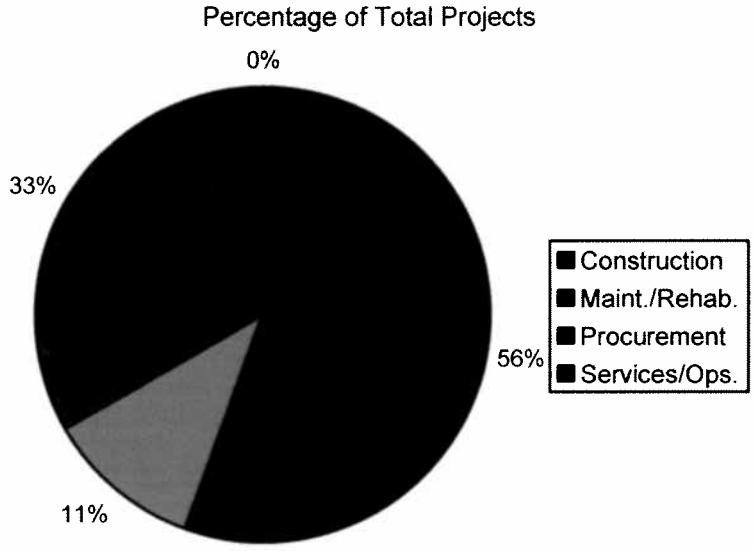
Project Budget by Percentage of Entire Budget and Percentage of Projects

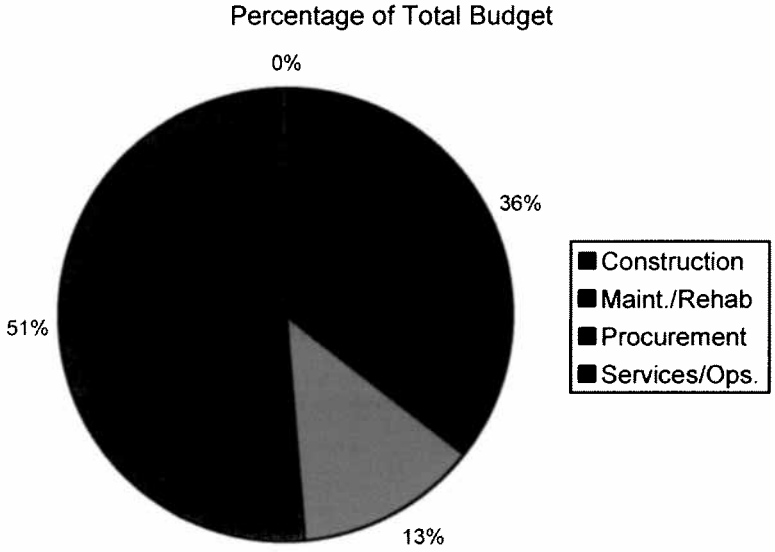
Budget	Quantity	% of Budget	% of Projects
Projects over $500,000,000	1	50.1	11.1
Projects between $250,000,000 and $499,999,999	2	32.5	22.2
Projects between $100,000,000 and $249,999,999	1	10.7	11.1
Projects between $50,000,000 and $99,999,999	2	4.8	22.2
Projects between $20,000,000 and $49,999,999	0	0	12.5
Projects between $10,000,000 and $19,999,999	3	1.9	33.3



CTA

Type of Project	Quantity	Total Budget
Construction	5	$808,382,406
Maintenance / Rehabilitation	1	$297,000,000
Procurement	3	$1,164,957,942
Services / Operations	0	$0





Metra

Projects over $10,000,000

Service Board	Project Title	Budget
Metra	Purchase 160 Bi-Level Multi-Unit Electric Commuter Cars	$585,100,000
Metra	Replace Bridges – UPR North Line	$88,222,063
Metra	Belmont Road Grade Separation	$57,626,223
Metra	Lake Street Interlocker	$24,832,965
Metra	Geneva Station Parking	$12,507,309
Metra	Station Area Upgrades – UPR West Line	$12,400,000
Metra	Universal Control Points	$12,400,000
Metra	CREATE Program P1 – Englewood Flyover	$12,246,463
Metra	Southeast Service Alternatives Analysis	$12,015,568
Metra	Auburn Park New Station	$11,500,000
Metra	Implement Passenger Info Display Systems and Train Info Management System	$10,858,450

PROJECT:	**Replace 160 Bi-Level Electric MU Commuter Cars**
SCOPE:	Purchase 160 new electric Highliner cars and spare parts to replace aging fleet on the Metra Electric District
BUDGET:	$585,100,000
SCHEDULE:	On schedule; estimated completion May 2015.
HIGHLIGHTS:	Delivery of prototype cars is expected in July 2012. Manufacturing plant in Rochelle, Illinois is under construction with hiring underway.

PROJECT:	**Replace Bridges – UPR North Line**
SCOPE:	Phase 1: Reconstruct north 11 bridges (Grace to Balmoral), retaining walls, and Ravenswood Station. Phase 2: Reconstruct south 11 bridges (Fullerton to Cornelia) and retaining walls.
BUDGET:	$88,222,063
SCHEDULE:	On schedule; estimated completion November 2019.
HIGHLIGHTS:	Construction continues for bridges and retaining walls at Sunnyside Avenue, Grace Street, and Berteau Avenue. Ravenswood Station work will begin this quarter. Environmental mitigation is ongoing for sound and vibration.

PROJECT:	**Belmont Road Grade Separation**
SCOPE:	Belmont Road will be depressed under the BNSF line between approximately Haddow Avenue to the north and Hitchcock Avenue to the south. Also involves the reconfiguration of the Warren Avenue, Burlington Avenue, Belmont Road intersection. Required adjustments for vehicular and pedestrian access to the Belmont Road Station.
BUDGET:	$57,626,223
SCHEDULE:	On schedule; estimated completion June 2013.
HIGHLIGHTS:	All three BNSF tracks are back in service, with the bridge complete and Belmont Road open to vehicular traffic. Construction is 75% complete.

PROJECT:	**Lake Street Interlocker**
SCOPE:	Renew special trackwork within the Lake Street Interlocking.
BUDGET:	$24,832,965
SCHEDULE:	On schedule; estimated completion December 2015.
HIGHLIGHTS:	Continue design work on Lake Street Interlocking machine, Union Pacific Railroad to install electrocode from Bridge A to NW Junction, Erie and Halsted. Double slip switches to be installed.

PROJECT:	**Geneva Station Parking**
SCOPE:	Facilitate the completion of a commuter parking deck serving the Geneva Station.
BUDGET:	$12,507,309
SCHEDULE:	On schedule; estimated completion December 2012.
HIGHLIGHTS:	Metra is finalizing a temporary parking plan with the City of Geneva to accommodate spaces displaced during construction.

PROJECT:	**Station Area Upgrades – UPR West Line**
SCOPE:	Make station area modifications to enable improvements to pedestrian traffic flow and safety at crossings.
BUDGET:	$12,400,000
SCHEDULE:	On schedule; estimated completion December 2012
HIGHLIGHTS:	Platform modifications and "Another Train Warning System" installations have been completed for all locations. Lombard underpass and Wheaton pedestrian overpass are both in design.

PROJECT:	**Universal Control Points**
SCOPE:	Purchase and install two universal crossovers.
BUDGET:	$12,400,000
SCHEDULE:	On schedule; estimated completion December 2012
HIGHLIGHTS:	Union Pacific Railroad continues construction of Lombard Control Point, including track and signal work and is continuing design for the Wheaton Control Point.

PROJECT:	**CREATE Program P1 – Englewood Flyover**
SCOPE:	Final design for the Englewood Flyover, which will carry Metra Rock Island District trains over the Norfolk Southern Railway near 63rd Street in Chicago. The flyover will consist of one double-track structure and an adjacent single track structure to carry a future third track.
BUDGET:	$12,246,463
SCHEDULE:	On schedule; estimated completion December 2012
HIGHLIGHTS:	This project is for the design phase only. The construction schedule has been creeping forward due to delays in securing construction funding and state rail agreements with IDOT. A construction contract is expected to be awarded in the summer of 2012 with a 28-month construction duration.

PROJECT:	**Southeast Service Alternatives Analysis**
SCOPE:	Partial funding to study passenger service in the Southeast Corridor utilizing UP/CSX freight tracks beginning at Balmoral Park near Crete. Service would extend north to join the Rock Island District tracks near Gresham Station and terminate at LaSalle Street Station in Chicago.
BUDGET:	$12,015,568
SCHEDULE:	On schedule; estimated completion April 2012.
HIGHLIGHTS:	Metra continues to identify and investigate available transportation alternatives, including discussions with public and stakeholders. A written study report will make recommendations to IDOT.

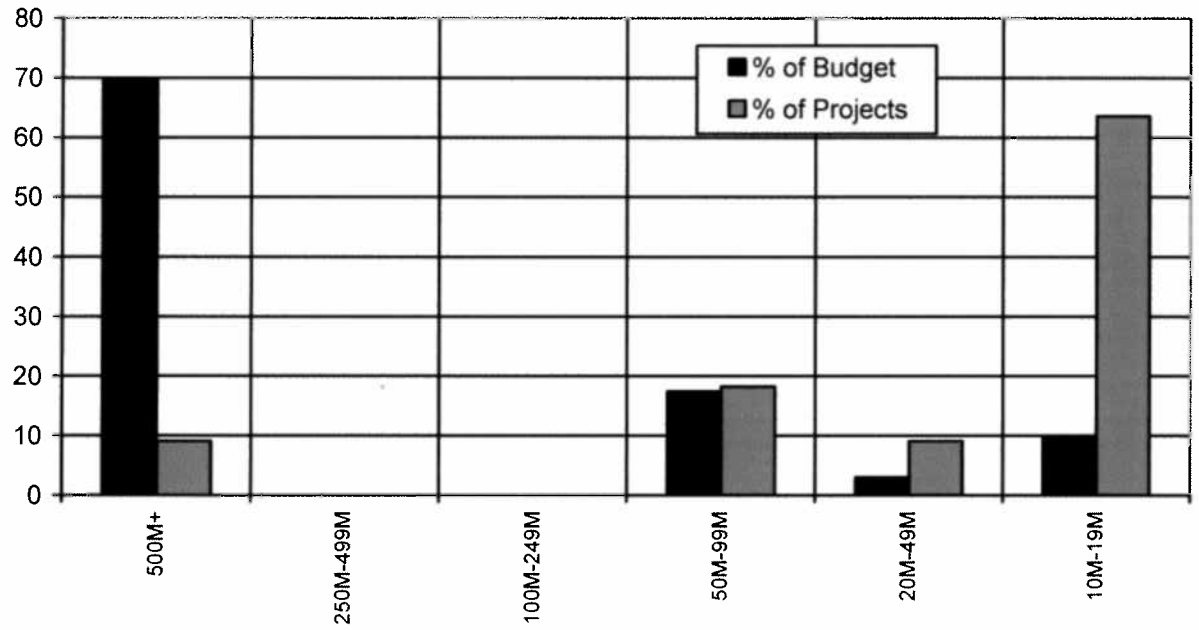
PROJECT:	**Auburn Park New Station**
SCOPE:	A new station on the Rock Island District in the Auburn Park area near 79th Street in Chicago, with two 8-car platforms, lighting, elevator access, sheltered waiting facilities, and two stair and elevator headhouse towers.
BUDGET:	$11,500,000
SCHEDULE:	Planning and design on schedule; estimated completion to be determined.
HIGHLIGHTS:	Design contract has been executed. This project will be the subject of a value engineering workshop with RTA upon completion of the 10% design.

PROJECT:	**Implement Passenger Information Displays and Train Information Management System**
SCOPE:	Install Passenger Information Displays at downtown terminals – Ogilvie Transportation Center, Chicago Union Station, LaSalle Street, Randolph Street, South Water Street, and Van Buren Street Stations. Also implement Global Positioning System.
BUDGET:	$10,858,450
SCHEDULE:	6 months behind schedule due to issues with software within the network; estimated completion July 2012.
HIGHLIGHTS:	Installation of onboard equipment for the Rock Island District and hardware on the remaining districts will be completed this quarter.

Metra

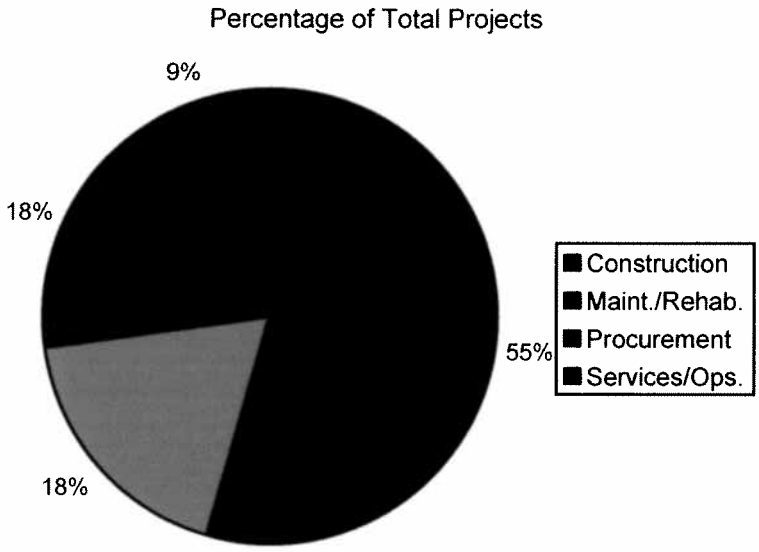
Project Budget by Percentage of Entire Budget and Percentage of Projects

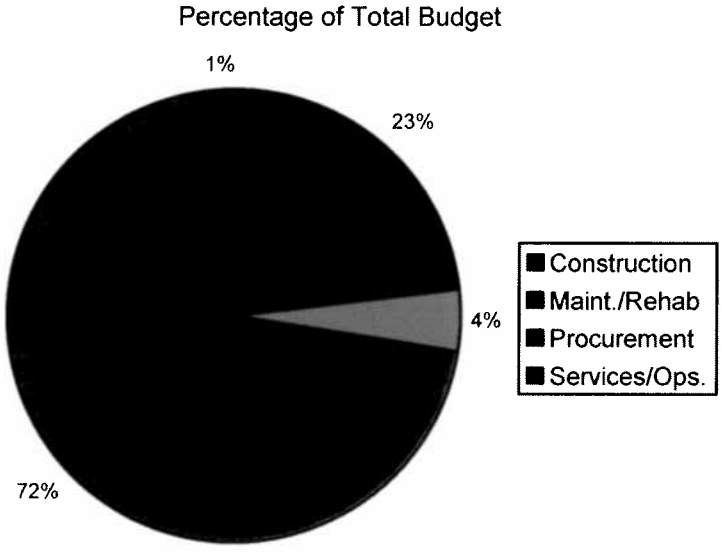
Budget	Quantity	% of Budget	% of Projects
Projects over $500,000,000	1	69.7	9.1
Projects between $250,000,000 and $499,999,999	0	0	0
Projects between $100,000,000 and $249,999,999	0	0	0
Projects between $50,000,000 and $99,999,999	2	17.4	18.2
Projects between $20,000,000 and $49,999,999	1	3.0	9.1
Projects between $10,000,000 and $19,999,999	7	10.0	63.6



Metra

Type of Project	Quantity	Total Budget
Construction	6	$194,502,058
Maintenance / Rehabilitation	2	$37,232,965
Procurement	2	$595,958,450
Services / Operations	1	$12,015,568





Pace

Projects over $10,000,000

Service Board	Project Title	Budget
Pace	Purchase 40' Fixed Route Buses	$26,649,876
Pace	Diesel Engine Retrofit	$15,808,572
Pace	Purchase StarCom 21 Radio System	$10,000,000

PROJECT:	**Purchase 40' Fixed Route Buses**
SCOPE:	Pace will procure 66 buses for fixed route service to replace existing 15-18 year equipment that has reached the end of its useful life.
BUDGET:	$26,649,876
SCHEDULE:	On schedule; estimated completion February 2013
HIGHLIGHTS:	Pace has executed a contract with ElDorado National and is preparing to provide Notice To Proceed. Improvements over existing buses include higher stainless steel content to prevent corrosion and an improved wheelchair restraint system.

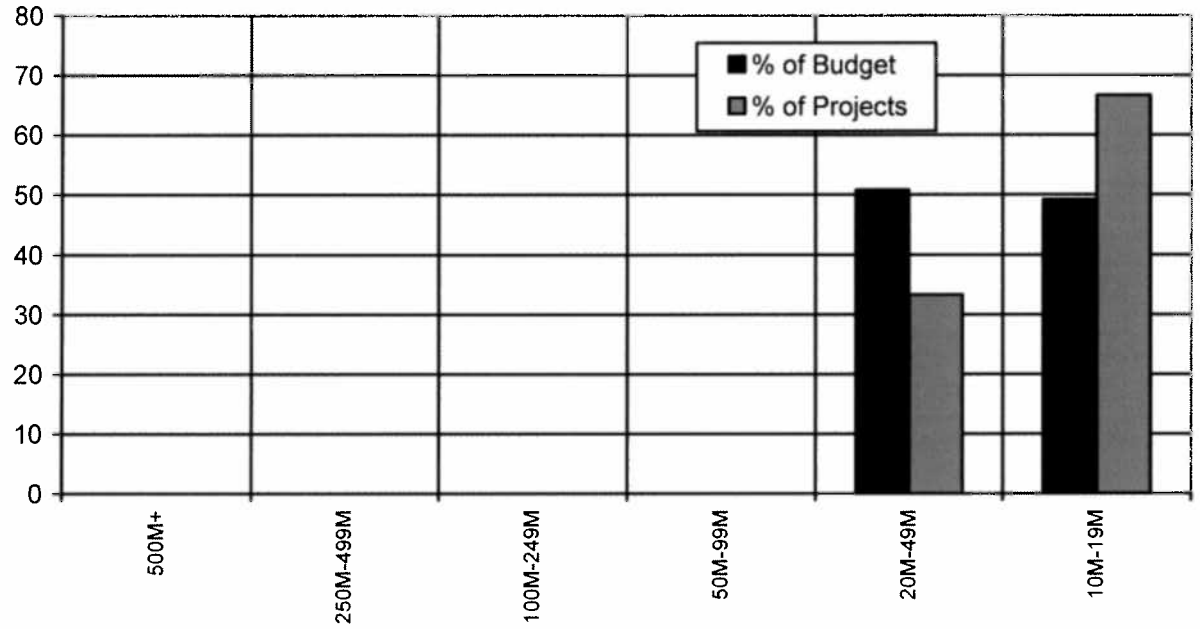
PROJECT:	**Diesel Engine Retrofit**
SCOPE:	Replacement of Detroit Diesel and Allison Transmission components on North American Bus Industries buses as a preventive measure to avert major mechanical failure and reduce engine exhaust emissions.
BUDGET:	$15,808,572
SCHEDULE:	7 months ahead of schedule due to efficient management of removing buses from service with affecting bus schedules; estimated completion April 2012.
HIGHLIGHTS:	Through this project, Pace will purchase up to 234 remanufactured engines and transmissions. The replacement cost for a brand new engine/transmission would be approximately double the cost of a remanufactured unit.

PROJECT:	**Purchase StarCom 21 Radio System**
SCOPE:	Replace Pace's two radio systems that provide links between vehicles and fixed-location operations such as dispatch, administration, and maintenance with a new, single communications system for voice and data.
BUDGET:	$10,000,000
SCHEDULE:	On schedule; estimated completion November 2013
HIGHLIGHTS:	The StarCom 21 Radio System is designed to transmit voice and data communications concurrently, and it is designed to accommodate the capacity required during an emergency situation; thus, this project enhances safety and security aspects of the Pace system.

Pace

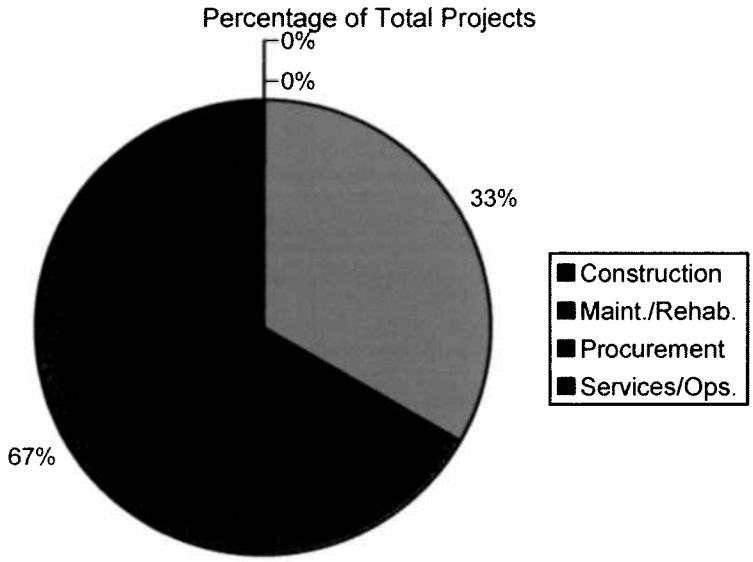
Project Budget by Percentage of Entire Budget and Percentage of Projects

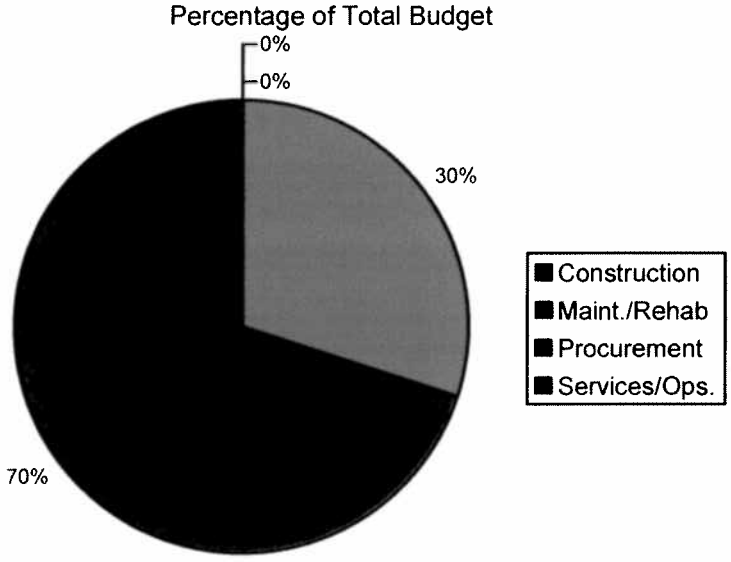
Budget	Quantity	% of Budget	% of Projects
Projects over $500,000,000	0	0	0
Projects between $250,000,000 and $499,999,999	0	0	0
Projects between $100,000,000 and $249,999,999	0	0	0
Projects between $50,000,000 and $99,999,999	0	0	0
Projects between $20,000,000 and $49,999,999	1	50.8	33.3
Projects between $10,000,000 and $19,999,999	2	49.2	66.7



Pace

Type of Project	Quantity	Total Budget
Construction	0	$0
Maintenance / Rehabilitation	1	$15,808,572
Procurement	2	$36,649,876
Services / Operations	0	$0





SECTION III
VALUE ENGINEERING

VALUE ENGINEERING

Value Engineering (VE) is defined as an organized effort to analyze the function of systems, equipment, facilities, procedures and supplies by a multi-disciplined group for the purpose of achieving the required function at the lowest total cost. Considerations are given to effective ownership consistent with requirements for performance, reliability, quality, maintenance and safety.

VE sometimes carries a reputation as "cost cutting," but this can give a misguided view of the actual intent of VE. Value is defined as:

$$\frac{\text{Function}}{\text{Cost}}$$

Value may be increased by cutting development cost, operating cost, or life cycle cost, provided that the cost reduction does not also create a reduction in function. Value may be increased by improving function, such as operations, durability, or even less tangible functions like public perception. Value is often improved by significant increases in functionality despite correspondingly low implementation cost impact.

The process for VE typically includes particular steps or phases, including:

- Project Identification
- VE Team Formation
- Information Gathering
- Function Identification and Cost Analysis
- Creative Development (or Brainstorming)
- Evaluation
- Development
- Presentation of Recommendations and Reporting

VE can be performed during planning, early design, or after bidding during the construction phase. Earlier VE studies have less information to utilize, but greater opportunity to capture value. Later VE studies often have a great deal of detailed information for the VE team, but the opportunity to increase value is decreased, and the cost of capturing that value may increase.

RTA implements its VE initiative on Service Board capital projects through its Project Management Oversight (PMO) program. Together with the PMO consulting teams, RTA and the Service Boards engage in value engineering workshops for selected projects, identifying, discussing, and refining VE opportunities. RTA VE recommendations are advisory only, presented to the Service Boards for acceptance or rejection at the Service Board's unilateral discretion.

CTA Dan Ryan Track Renewal

A VE study was conducted in December 2011 based on the 30% Design submittal for the Dan Ryan Track Renewal project. The renewal extends from the subway portal near 16th Street to the south end of 95th Street Station, and also includes a portion of the 18th Street Connector structure. The main purpose of the project is to restore the Dan Ryan branch of the Red Line to a state of good repair and eliminate slow zones. The renewal project includes:

- New track drainage
- New ballast
- New rail, ties, and fasteners
- Maintenance of transit in the corridor during construction

For the Dan Ryan Track Renewal project, the VE team was directed to examine:

- Use of recommendations to act as risk mitigation measures
- Increasing the volume of work that could be performed during track outages

By maximizing the efficiency of work performed during track outages, the overall construction cost would decrease, and because a higher quality end product would be delivered, the life cycle cost would also decrease.

The bulk of value captured pursuant to this VE study same through improving service for customers during proposed track outages. Improving service during track outages could be viewed as risk mitigation and would provide for lower overall construction cost. Other recommendations will reduce operating costs associated with temporary service during track outages.

Generally, for a track renewal project, cutting of capital cost through reduced scope or material with lower durability would be accompanied by a corresponding increase in maintenance and operating costs. Life cycle costs are not reduced or are increased by cutting up-front capital cost.

Following the Creative Development phase of the VE process, the VE team was able to sort out a few options based on past experience or previous evaluation. Certain ideas were removed from further consideration. Other VE ideas were eliminated from consideration after additional development or deferred for further investigation. Ultimately, 21 VE recommendations were presented by the VE team to CTA for consideration.

Recommendation No.	Potential Cost Savings	Design Team Action
1	$20,700 per week during construction phase	Accept
2	To be determined; requires additional analysis	Accept
3	To be determined; requires additional analysis	Investigate further
4	$74,711 per week during construction phase	Accept with modifications
5	Estimated savings to be developed by designers	Accept
6	None, but customer experience improved	Accept
7	Estimated to be less than $400,000	Reject
8	Estimated to be less than $400,000	Reject
9	Estimated to be less than $40,000	Reject
10	Estimated to be less than $400,000	Reject
11	To be determined; requires additional analysis	Reject
12	None, but customer experience improved	Accept
13	None, but customer experience improved	Accept
14	None, but customer experience improved	Accept
15	None, but ADA access improved	Accept
16	None, but public perception of project improved	Accept
17	None, but public perception of project improved	Investigate further
18	None, but local hiring impact improved	Accept
19	None, but community impact improved	Investigate further
20	None, but customer experience improved	Investigate further
21	None	Reject

The VE recommendations that the CTA design team has accepted and will incorporate into the project are directed to efficient operations during construction. Overall, these efficiencies reduced the project budget by 14% without increasing life cycle costing. Many other recommendations have minimal cost impact, but otherwise improve the project through customer experience, ADA access, or improved public relations.

Metra Healy Station Rehabilitation

A VE study was conducted in February 2012 to improve the 30% Design for the Healy Station Rehabilitation project that consists of reconstruction of the inbound and outbound stations, repainting of the bridge over Fullerton Avenue, and removal of the pedestrian crossing. The objective of the study was to identify opportunities and recommend concepts that may improve value in terms of capital cost improvements and improved constructability while providing the basic functional requirements of the project.

A four-day workshop to develop VE ideas according to a VE job plan, which guided the search for high value areas in the project and included procedures for developing alternative solutions for consideration while considering efficiency. The job plan involved six phases:

- Design Information
- Function Identification and Cost Analysis
- Creation and Listing of Ideas
- Evaluation
- Development
- Presentation and Reporting

Certain functional categories used by the VE team to create and brainstorm new ideas for potential improvement to the project included:

- Project Policies and Directives
- General Project Constraints
- General Project Conditions and Considerations
- Site Review Comments and Other Observations

The VE study produced 19 ideas, of which four were determined to be design suggestions; however, ideas were evaluated according to criteria that included:

- Capital Cost
- Construction Schedule
- Maintenance/Life Cycle Cost
- Customer Satisfaction
- Coordination Issues
- Maintenance of Passenger Traffic

During evaluation of the initially developed 19 ideas, advantages and disadvantages of each idea were discussed and analyzed to determine the highest-ranking ideas. Ideas found not to warrant additional study were discarded. Those that represented the greatest potential for cost savings or improvement to the project were moved forward for further development.

The VE team ultimately categorized eight of the ideas as recommendations for the Metra design team to consider. The eight developed recommendations maintain the required functions while improving overall costs, constructability, maintenance requirements, and meeting current and projected passenger movements.

Recommendation No.	Potential Cost Savings
1	$33,000
2	$38,000
3	$351,000
4	$39,000
6	$23,000
7	$313,000
8	$6,000
16	$392,000

Note: Recommendation Nos. 5, 9-15, and 17-19 were not considered for further analysis after initial evaluation.

The Metra design team has been presented with the RTA recommendations and is currently in the review process in advance of its 60% design submittal.

Proposed Future Value Engineering Efforts

CTA:

- Rehabilitate North Main Line – Purple Line Track
- Rehabilitate North Main Line Stations – Red Line
- Renew Track and Structure – Congress & Jefferson
- Rehabilitate Rail Stations – Dan Ryan

Metra:

- Auburn Park New Station – Rock Island District
- 91st Street Station Rehabilitation – Rock Island District
- 59th Street Station Rehabilitation – Metra Electric District
- River Forest Station Rehabilitation – Union Pacific West Line

Pace:

- Northwest Cook Bus Garage

SUMMARY

Considering that the projects reviewed in the PMO report for the First Quarter 2012 amounted to 78% of the total budget for all active projects, it can be said that project management activities for the region were exemplary. 95% of the state-funded projects were on budget, 5% were under budget, and 0% were over budget. During the same period, 85% of the projects were on schedule, 10% were ahead of schedule, and only 5% were behind schedule. 86% of the projects were without any change orders, leaving 14% of the projects with at least one change order. Of those change orders, 99% came from decisions by the Service Boards to add value to the project. 1% were due to unforeseen conditions, and 0% were due to errors or omissions. Similarly, for the entire collection of capital projects reviewed, 79% were on schedule, 9% were ahead of schedule, and only 12% were behind schedule.

Service Board efforts to maintain a state of good repair are therefore proceeding well, limited only by the amount of available funding. In addition, a substantial Value Engineering experience was formulated and executed by the Service Boards and RTA, together netting significant positive results.

1056

Regional Transportation Authority

REPORT ON
PROJECT MANAGEMENT OVERSIGHT (PMO)

NOVEMBER 2012

prepared by

Finance and Performance Management
Programming, Oversight, and Compliance Division

PREFACE

With this submission of the RTA Project Management Oversight Report, RTA PMO examined all "Illinois Jobs Now!" state-funded projects and all systemwide projects with budgets of $10 million or more. All information was collected by first-hand interviews, project meetings, and documented submissions from Service Board project managers. These 34 projects together represent $3,277,291,926 worth of construction, maintenance, and procurements. When compared to the current total capital budget for this period of $4,067,847,326, the result is RTA oversight of over 81% of the net budget for active projects across all Service Boards.

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SECTION I
"ILLINOIS JOBS NOW!" STATE-FUNDED PROJECTS

SYSTEMWIDE

"Illinois Jobs Now!" State-Funded Projects

Service Board	Project Title	Budget
CTA	Dan Ryan Track Renewal	$440,000,000
CTA	Replace Existing Substations – Farwell/Armitage/Hill	$66,546,338
CTA	Loop Track Renewal	$53,026,306
CTA	Replace Purple Line Viaducts – Dempster/Greenleaf/Grove	$15,314,980
CTA	Purchase and Install Security Cameras – Stations and Yards	$14,086,667
CTA	Purchase and Install Rail Car Tracking System (RFID)	$13,342,723
CTA	Systemwide Station Upgrades	$5,419,346
CTA	Renew 63rd/Ashland Station	$3,910,988
Metra	Replace 160 Bi-Level Electric MU Commuter Cars	$585,100,000
Metra	Auburn Park New Station – Rock Island District	$11,500,000
Metra	Cicero Avenue Station – BNSF	$6,500,000
Metra	Hazel Crest Station – Metra Electric District	$5,500,000
Metra	Flossmoor Station – Metra Electric District	$5,000,000
Metra	Geneva Parking Deck – UPR West Line	$3,500,000
Metra	Fox River Grove Station – UPR Northwest Line	$2,000,000
Metra	Design and Engineer Healy Station – MWD North Line	$500,000
Pace	Purchase StarCom 21 Radio System	$10,000,000
Pace	Purchase Paratransit Buses for Suburban Dial-A-Ride Service	$9,000,000
Pace	Purchase 40' Fixed Route Buses	$6,000,000
Pace	Purchase Paratransit Buses for ADA City Service	$5,000,000
Pace	Construct Toyota Park Transportation Center	$2,000,000

Note: Budgets represent only state-funded portion of overall project scope.

Dan Ryan Track Renewal

CTA Project #TBD

Description:

Renew track components and eliminate slow zones on the Dan Ryan branch of the Red Line between 18th Street and 95th Street. Also improve station facilities along the entire line.

Status:

Construction proposals were received and evaluated on the basis of technical capacity and project financials. The contractor has received Notice to Proceed and has started pre-construction activity.

Budget:

The project is on budget. The selected contractor's price was less than CTA's estimate.

	Budget	Obligated	Expended	Expended %
Project Total	$440,000,000	$0	$0	0%

Schedule:

The project is on schedule with the extended closure of the Dan Ryan branch set to begin in May 2013. The contractor has committed to CTA's re-opening milestone of October 2013.

Milestone	Baseline Schedule	Actual (A) / Forecast
Survey Complete	December 2011	November 2011 A
Construction Bidding	July 2012	July 2012 A
Notice to Proceed	September 2012	September 2012 A
Begin Extended Closure	May 2013	May 2013
Resume Dan Ryan Service	October 2013	October 2013
Substantial Completion	July 2014	July 2014

Highlights:

CTA advertised this project as a Request for Proposals rather than an Invitation for Bid. As such CTA was able to evaluate proposals based on project financials as well as contractor financial capacity. Additionally, CTA solicited requests for value engineering proposals. Currently, three proposals are being evaluated. If accepted, the proposals will amount to an estimated reduction in construction contract amount of approximately $5 million.

During the extended closure of the Dan Ryan branch, CTA is implementing replacement service on the Green Line as well as some bus routes. A new bus turnaround is being construction at Garfield Station on the Green Line to serve express service from closed Red Line stations. Additionally, track improvements are being made on the Green Line to reduce train headways to accommodate the additional demand that will be required.

Traction Power Upgrades at Farwell, Armitage, and Hill

CTA Project #68539

Description:

Construct new traction power substations at three locations: Farwell, Armitage, and Hill. Upgrade switch rooms at Orleans and Weed Street and install new feeders and sectioning.

Status:

The project is in the pre-construction stage. Bids were received in May 2012 and CTA awarded the construction contract in June 2012.

Budget:

Due to higher than expected construction contract bids, the project budget was increased by $9.65 million. The budget also includes utility and CTA force account work.

	Budget	Obligated	Expended	Expended %
Project Total	$66,546,338	$61,616,273	$1,463,995	2%

Schedule:

The project is behind the baseline schedule due to additional duration required to update original design. The contract bids were received and the contract awarded in June 2012.

Milestone	Baseline Schedule	Actual (A) / Forecast
Advertise for Bids	February 2012	March 2012 A
Construction Bids	March 2012	May 2012 A
Notice to Proceed	May 2012	August 2012 A
Substantial Completion	August 2014	January 2015

Highlights:

This project will enhance the performance, safety, and reliability of the traction power supply and distribution system for CTA rail service. In addition to the new substations at Farwell, Armitage, and Hill, the project includes modifications to circuit breaker houses to improve sectioning of the third rail system and replacement of power distribution cabling.

Despite higher than estimated construction bids, CTA was able to revise the project budget without reducing the contingency budget for the state-funded capital program.

Loop Track Renewal

CTA Project #68546

Description:

Replacement of Track on the Loop Elevated including the Wells and Van Buren sides of the Loop and the junctions at Lake/Wells (Tower 18) and Wabash/Van Buren (Tower 12). The project also includes replacement of track in the Hubbard and Kinzie Curves north of Merchandise Mart Station as well as selected structural repairs.

Status:

The project is under construction. The contractor has completed trackwork on the Wells Street side of the Loop. The contractor is actively working on the renewal of track in the Kinzie curves and on the Van Buren side of the Loop. Preparations are being made for the renewal of Tower 12 (Wabash/Van Buren).

Budget:

The project is on budget. Change orders being processed are within the project contingency amount and are due to unforeseen conditions.

	Budget	Obligated	Expended	Expended %
Project Total	$53,026,306	$51,626,958	$21,323,215	40%

Schedule:

The project is on schedule. Track outages are scheduled for various weekends. The schedule for substantial completion has been revised to mid-2013 to coordinate with Chicago Department of Transportation repair work on the Wells Street Bridge.

Milestone	Baseline Schedule	Actual (A) / Forecast
Contract Award	July 2011	July 2011 A
Notice to Proceed	August 2011	August 2011 A
Substantial Completion	January 2013	May 2013

Highlights:

This project will renew track components for a lifespan of 18 to 25 years and prevent slow zones on the elevated loop. CTA is working diligently with the City of Chicago to coordinate street closures between this project and CDOT's Wacker Drive Reconstruction. CTA is also working with CDOT to coordinate the outage of the Wells Street Bridge with the replacement of special trackwork at Tower 18 (Lake/Wells) scheduled to occur in 2013.

Replace Purple Line Viaducts: Dempster, Greenleaf, Grove

CTA Project #68547

Description:

Replace Viaducts at three locations on the Purple Line in Evanston: Dempster, Greenleaf, and Grove Streets. The existing viaducts were failing; shoring had been installed. Replacement will remove restrictions and the need for frequent inspection and repair.

Status:

The project is under construction. All three bridges are in revenue service. Roll-in of the Greenleaf bridge occurred on June 15-17. Roll-ins at Dempster and Grove were on June 29-30. The contractor is completing abutments and retaining walls.

Budget:

The project is on budget.

	Budget	Obligated	Expended	Expended %
Project Total	$15,314,980	$14,367,444	$11,082,921	72%

Schedule:

The project is ahead of schedule and has reached substantial completion.

Milestone	Baseline Schedule	Actual (A) / Forecast
Notice to Proceed	August 2011	August 2011 A
Bridge Roll-in	June 2012	June 2012 A
Substantial Completion	May 2013	September 2012 A

Highlights:

The new bridges have a single span which eliminated the center pier from the roadway and rows of piers from the sidewalks.

Although CTA allowed for three line cuts, one for each bridge, the contractor used only two line cuts, saving not only time but lessening disruption of revenue service to CTA ridership.

CTA forces took advantage of the line cuts for the bridge roll-ins to efficiently perform maintenance work over the entire Evanston branch of the Purple Line.

The project is being completed ahead of schedule and within budget.

Purchase and Install Security Cameras – Stations and Yards

CTA Project #68543

Description:

Installation of a security camera network throughout CTA facilities to harden security of transit assets and ensure safety of systems and customers. The network will also support enhanced command and control systems to facilitate incident response.

Status:

Continuing master plan development at rail stations for the deployment of cameras, communication devices, and infrastructure. Work is ongoing at Red Line North stations.

Budget:

The project is on budget.

	Budget	Obligated	Expended	Expended %
Project Total	$14,086,667	$12,910,146	$4,844,151	34%

Schedule:

The project is on schedule. Implementation work will be divided into 24 installation location groupings through April 2014.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	March 2012	March 2012 A
Notice to Proceed	April 2012	April 2012 A
Substantial Completion	April 2014	April 2014

Highlights:

Together with Project #68542, implementation is being coordinated with CTA Infrastructure projects to minimize impact of construction on revenue service. Dan Ryan Red Line stations will be upgraded during the extended line closure.

Purchase and Install Rail Car Tracking System (RFID)

CTA Project #68542

Description:

Develop and implement a train tracking system using Radio Frequency Identification (RFID) technology to provide real-time train positioning data. This upgrade will result in faster, more efficient, and more accurate tracking of trains.

Status:

Continuing master plan development at rail stations for the deployment of train tracking signs and infrastructure. Prototype train tracker displays are installed at Morgan Green Line and Oakton Yellow Line. Work is ongoing at Red Line North stations.

Budget:

The project is on budget.

	Budget	Obligated	Expended	Expended %
Project Total	$13,342,723	$8,883,252	$1,143,563	9%

Schedule:

The project is on schedule. Implementation work will be divided into 24 installation location groupings through April 2014.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	March 2012	March 2012 A
Notice to Proceed	April 2012	April 2012 A
Substantial Completion	April 2014	April 2014

Highlights:

Together with Project #68543, implementation is being coordinated with CTA Infrastructure projects to minimize impact of construction on revenue service. Dan Ryan Red Line stations will be upgraded during the extended line closure.

Systemwide Station Upgrades

CTA Project #68541

Description:

The scope of this project involves facilities upgrades to stations throughout the CTA rail system, including repair or replacement of station entrances, stairs, roofs, and canopies. Improvements to subway stations include repairs to mezzanine walls, floors, and lighting, street level access, and platform level lighting and painting.

Status:

Construction work is underway at Cumberland Blue Line station improvements. Design is complete for Forest Park Blue Line station. Review of requirements for landmark status at Central Purple Line station.

Budget:

The project is on budget.

	Budget	Obligated	Expended	Expended %
Project Total	$5,419,346	$2,572,863	$801,964	15%

Schedule:

The project is behind schedule due to a change in the design strategy to perform the work in-house rather than utilize outside consultants, compounded by seasonal construction constraints.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	September 2012	May 2013
Substantial Completion	May 2013	April 2014

Highlights:

Although the project is behind schedule, performing the design work in-house may reduce the overall design costs and potentially allow the project to be completed under budget.

Renew 63rd/Ashland Station

CTA Project #68540

Description:

This project will upgrade the CTA Green Line station at 63rd and Ashland, including repairs to the station house, roofs, canopies, elevators, escalators, stairs, painting, and landscaping.

Status:

The roof and station upgrade contractors have received Notice to Proceed and are beginning construction phase activities. Design continues on stair replacement.

Budget:

The project is on budget with in-house design serving to reduce the overall cost.

	Budget	Obligated	Expended	Expended %
Project Total	$3,910,988	$2,945,707	$103,306	3%

Schedule:

The project is on schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	June 2012	June 2012 A
Notice to Proceed	August 2012	August 2012 A
Substantial Completion	February 2013	February 2013

Highlights:

63rd/Ashland station is expected to receive increased ridership during the extended closure of the Dan Ryan branch of the Red Line during its construction phase. The renewal of 63rd/Ashland is expected to be complete prior to the extended closure with the station equipped to handle the extra capacity.

Replace 160 Bi-Level Electric MU Commuter Cars

Metra Project # 3113

Description:

Purchase 160 new electric multiple unit "Highliner" Cars for the Metra Electric District. The new cars will replace the existing 40 year old cars to reduce maintenance and increase reliability.

Status:

The project is in the manufacturing phase for the Production Cars. The Prototype Cars have been completed and were delivered to Metra in September 2012. Carbody shells and parts for the Production Cars are being fabricated.

Budget:

The project is on Budget. Change Orders have been approved for $16,000,000 for Positive Train Control and $962,000 for toilet system changes.

	Budget	Obligated	Expended	Expended %
Project Total	$585,100,000	$585,095,133	$279,923,747	48%

Schedule:

The recent Change Order added 61 days to the project schedule; with that change the project is on schedule. Delivery of the first production cars from the Rochelle facility is anticipated for November 2012.

Milestone	Baseline Schedule	Actual (A) / Forecast
Notice to Proceed	October 2010	October 2010 A
Prototype Car Delivery	September 2012	September 2012 A
Prototype Car Acceptance	September 2012	September 2012 A
1st Base Car Delivery	December 2012	November 2012
80 Cars Complete	February 2014	February 2014
160 Cars Complete	May 2015	July 2015

Highlights:

The rail car manufacturer, Nippon Sharyo, has opened its manufacturing facility in Rochelle, Illinois. Final assembly has begun and tooling for carbody manufacturing is being installed and tested. Projected permanent employment is 250+.

Final assembly of production cars is being done in Rochelle. Carbody shells for cars #81 to #160 will be manufactured in Rochelle.

Auburn Park New Station

Metra Project #4484

Description:

The Auburn Park Station will be a new station stop within the Metra rail system. The design scope includes environmental assessments as well as the development of three alternate concepts for design. The scope may be enhanced if additional construction funding is secured.

Status:

Planning activities required in advance of design are complete, and the 18-month design process started in October 2012. A Value Engineering study is anticipated to take place between November 2012 and December 2012.

Budget:

Current State Bond funding will afford a basic station, and will not fully fund construction of the station enhancements currently envisioned.

	Budget	Obligated	Expended	Expended %
Project Total	$11,500,000	$1,266,821	$0	0%

Schedule:

The design phase is expected to take 18 months. Construction IFB is expected to take four months, and construction duration is expected to be thirteen months.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Completion	April 2014	April 2014
Notice to Proceed	August 2014	August 2014
Substantial Completion	September 2015	September 2015

Highlights:

This project has the potential for cost issues given the unknown geotechnical and potential environmental conditions associated with this site.

Current State Bond funding will afford a basic station, but will not fully fund construction of the station enhancements currently envisioned. Senator Collins is working to secure additional funds.

Metra and RTA agree that this will be a strong candidate for Value Engineering analysis.

Cicero Avenue Station

Metra Project #2880

Description:

Project scope includes demolition and reconstruction of the existing platform, canopy, and shelter to improve ADA accessibility and general improvement to a state of good repair.

Status:

A groundbreaking ceremony was held in August 2012 and the contractor has received Notice to Proceed.

Budget:

The project is on budget with no currently anticipated change orders.

	Budget	Obligated	Expended	Expended %
Project Total	$6,500,000	$4,363,246	$0	0%

Schedule:

The baseline schedule has been adjusted to reflect additional duration required for IDOT concurrence.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	August 2011	August 2011 A
Construction Bidding	January 2012	January 2012 A
Notice to Proceed	May 2012	October 2012 A
Substantial Completion	March 2013	October 2013

Highlights:

Reconstruction of the Cicero Station on the BNSF line will improve ADA accessibility but also restore a state of good repair to a station facility that had extended well beyond its useful life.

Hazel Crest Station

Metra Project #4483

Description:

The project scope includes the rehabilitation of the station and entrances, and the addition of an elevator. The project will raise the depot, currently at street-level, to allow space for vendors and restrooms at street level. Metra's State Bond funding will not be applied to the new vendor spaces, however, design will allow for such improvements by the City of Hazel Crest in the future.

Status:

30% design review is in process. 60% design is expected in December 2012.

Budget:

Current funding authorization includes $500,000 for design and $4,500,000 for construction. An additional $500,000 for construction is included in the pending 2011 State Bond Request.

	Budget	Obligated	Expended	Expended %
Project Total	$5,500,000	$300,000	$18,145	0.03%

Schedule:

The design duration is expected to be nine and one-half months, construction IFB is expected to be four months. The planned construction duration is ten months.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Completion	February 2013	February 2013
Notice to Proceed	June 2013	June 2013
Substantial Completion	April 2014	April 2014

Highlights:

$500,000 additional construction budget is included in the 2011 State Bond Request, which has not yet been approved.

Flossmoor Station

Metra Project #4473

Description:

Project includes demolition and replacement of the existing station as well as extending the platform to a standard 6-car platform. The design includes reusing pier foundations and elevator access. If the budget allows, this project may also lengthen the canopy roof to match the new platform. The canopy extension is being bid as an Alternate.

Status:

Metra received and opened construction bids. Pre-construction activity will begin in early 2013, with the start of construction anticipated in Spring 2013.

Budget:

Estimates are in-line with current construction funding authorizations.

	Budget	Obligated	Expended	Expended %
Project Total	$5,000,000	$0	$0	0%

Schedule:

The baseline schedule has been adjusted to reflect additional duration required for IDOT concurrence.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	April 2011	August 2011 A
Construction Bidding	March 2012	March 2012 A
Notice to Proceed	April 2013	April 2013
Substantial Completion	April 2014	April 2014

Highlights:

Metra has specified composite planks for the new platforms. Because these panels weigh significantly less than precast panels, this innovative product is expected to afford reduced installation duration and long-term maintenance costs, offer an increased service life, and allow for quicker and safer installation, thereby reducing safety risk and impact to ridership during construction.

The design also includes cosmetic repairs to the Flossmoor Road Bridge as requested by the Village of Flossmoor. These repairs will be completed as part of the Flossmoor Station construction contract; however, an alternate funding source will be applied to this scope.

Geneva Parking Deck

Metra Project #3864

Description:

This project includes the addition of a third level (approximately 180 spaces) to the existing Geneva Station Parking Deck, which was built during Phase I of the project. Construction will be bid and managed by the City of Geneva in coordination with Metra's Construction Manager.

Status:

The project was presented to the Metra Board at its October meeting for IGA approval. The project will be advertised for bid.

Budget:

Estimates are in-line with the project budget.

	Budget	Obligated	Expended	Expended %
Project Total	$3,500,000	$0	$0	0%

Schedule:

Construction duration is expected to be seven months (completion anticipated by the end of 2013). The baseline schedule has been adjusted.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	August 2011	August 2011 A
Notice to Proceed	May 2013	May 2013
Substantial Completion	December 2013	December 2013

Highlights:

Metra's proposed solution to the parking displacement issue is to establish temporary parking lots by leasing vacant lots nearby. Shuttle service will be provided. Additional cost associated with the temporary parking will be accommodated within the current project budget. This plan will be vetted through Geneva, then presented to RTA and IDOT.

Fox River Grove Station

Metra Project #4487

Description:

The portion of the project scope being funded through the State Bond program ($2M) includes replacement of an existing shelter, construction of an addition shelter along the platform, and site access improvements. The project also includes platform work which will be funded through Metra's routine platform maintenance budget (approximately $1M).

Status:

Notice to Proceed has been granted.

Budget:

Estimates are in line with the project budget (State Bond funding plus Metra's additional $1M maintenance funds).

	Budget	Obligated	Expended	Expended %
Project Total	$2,000,000	$2,000,000	$0	0%

Schedule:

The project is on schedule with anticipated construction duration of ten months.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Completion	March 2011	March 2011 A
Notice to Proceed	October 2012	October 2012 A
Substantial Completion	August 2013	August 2013

Highlights:

Capacity of the station will double as this project will expand platform lengths from four cars to eight cars. The existing warming house will be replaced with a new, larger waiting area to accommodate the expanded station capacity.

Design and Engineer Healy Station

Metra Project #4471

Description:

This project includes the elimination of the existing pedestrian crossing, rehabilitation of inbound platform access and shelter facilities, construction of a new ADA-compliant ramp to the outbound platform, and rehabilitation of the outbound shelter.

Status:

90% design is complete. 100% design is expected in December 2012.

Budget:

Metra has received design funding, but notes that construction funding has not been approved ($4M in 2011 State Bond Funding Request).

	Budget	Obligated	Expended	Expended %
Project Total	$500,000	$500,000	$176,662	35%

Schedule:

The bidding process is expected to be approximately four months and construction duration is expected to be eleven months; however, these time frames cannot begin until construction funding is secured.

Milestone	Baseline Schedule	Actual (A) / Forecast
Design Complete	January 2012	January 2012
Notice to Proceed	TBD	TBD
Substantial Completion	TBD	TBD

Highlights:

The $4M construction budget is included in the 2011 State Bond Funding Request, which has not yet been approved.

There is political interest (State Representative) in timely project completion.

Purchase StarCom 21 Radio System

Pace Project #4509

Description:

Replace voice and data radio system approaching 15 years old that has reached the end of its useful life with new system to increase voice and data capacity and coverage across the entire region.

Status:

Equipment and radio orders have been placed with 95% recieved. Pace is waiting on frequency permits, and will perform a mini-fleet test of the system in November 2012. After the test, installation on buses will begin.

Budget:

The project is currently within budget.

	Budget	Obligated	Expended	Expended %
Project Total	$10,000,000	$9,849,840	$512,040	5%

Schedule:

The project is 4-6 weeks behind schedule but Pace expects to catch up prior to completion.

Milestone	Baseline Schedule	Actual (A) /Forecast
Contract Award	December 2011	December 2011 A
Design Approval	March 2012	March 2012 A
Voice System Installation	August 2012	August 2012 A
Data System Cutover	September 2013	September 2013
Project Complete	November 2013	November 2013

Highlights:

By utilizing the existing shared StarCom 21 network, Pace will realize ongoing cost savings. System coverage, response times, and reliability will improve. Separated voice and radio communications will result in zero data loss while talking on voice system.

Purchase Paratransit Buses for Suburban Dial-A-Ride Service

Pace Project #4562

Description:

Purchase new 15-passenger Paratransit buses. An anticipated five-year contract for a minimum quantity of 137 buses and a maximum of 432. State Bond funding will provide for 110 buses. The contract will include fabrication and delivery as well as inspection services.

Status:

Bids were opened in October 2012. The contract is being prepared for Pace Board approval.

Budget:

The project is on budget with zero expenditures.

	Budget	Obligated	Expended	Expended %
Project Total	$9,000,000	$0	$0	0%

Schedule:

The project is on schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Procurement Bidding	October 2012	October 2012 A

Highlights:

The new buses will feature an improved wheelchair restraint system as well as some improved fuel economy to reduce overall operating costs.

Purchase 40' Fixed Route Buses

Pace Project #4501

Description:

Purchase new 40' Fixed Route Bus Procurement Project for Pace Suburban Bus Service. The contract will include fabrication and delivery of buses and inspection services.

Status:

There are 40 buses on the assembly line (13 from State Bond funding and 27 from other grants). Pace will take delivery of the first buses during the fourth quarter of 2012.

Budget:

The project is on budget with zero expenditures.

	Budget	Obligated	Expended	Expended %
Project Total	$6,000,000	$5,253,463	$0	0%

Schedule:

The project is on schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Contract Award	January 2012	January 2012 A
First Bus Delivery	October 2012	October 2012 A
13 Bus Delivery Complete	February 2013	February 2013

Highlights:

The new buses will replace the existing 15-18 year old buses to reduce maintenance and increase reliability and comfort, providing cleaner, newer equipment to riders. An improved wheelchair restraint system will be installed within these vehicles and will positively impact the population with disabilities that uses fixed route services. Pace maintenance staff will have an easier and more cost effective platform to work with. The new equipment will also reduce maintenance and operations work associated with the fleet, and will also allow Pace Operations to realize improved fuel efficiencies associated with operating these vehicles.

Purchase Paratransit Buses for ADA City Service

Pace Project #4561

Description:

Purchase new 11-passenger Paratransit buses. An anticipated five-year contract for 630 buses. State Bond funding will provide for 72 buses. The contract will include fabrication and delivery as well as inspection services.

Status:

The contract is advertised for bid with expected bid opening in March 2013.

Budget:

The project is on budget with zero expenditures.

	Budget	Obligated	Expended	Expended %
Project Total	$5,000,000	$0	$0	0%

Schedule:

The project is on schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Procurement Bidding	March 2013	March 2013

Highlights:

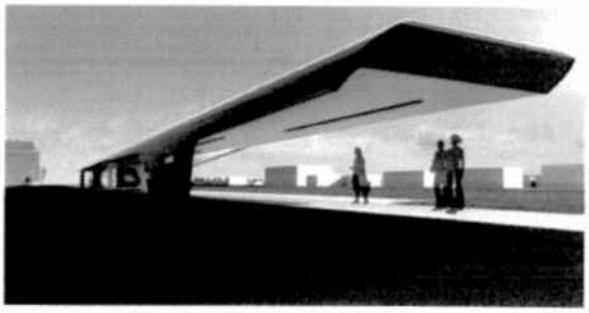
The new buses will feature an improved wheelchair restraint system as well as some improved fuel economy to reduce overall operating costs.

Toyota Park Transportation Center

Pace Project #4529

Description:

Construct new bus turnaround and passenger facility near Toyota Park in the Village of Bridgeview.



Status:

90% design is complete and under review. 100% design is expected in the fourth quarter of 2012.

Budget:

The project is on budget with zero expenditures.

	Budget	Obligated	Expended	Expended %
Project Total	$2,000,000	$0	$0	0%

Schedule:

The project is on schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Construction Bidding	January 2013	January 2013

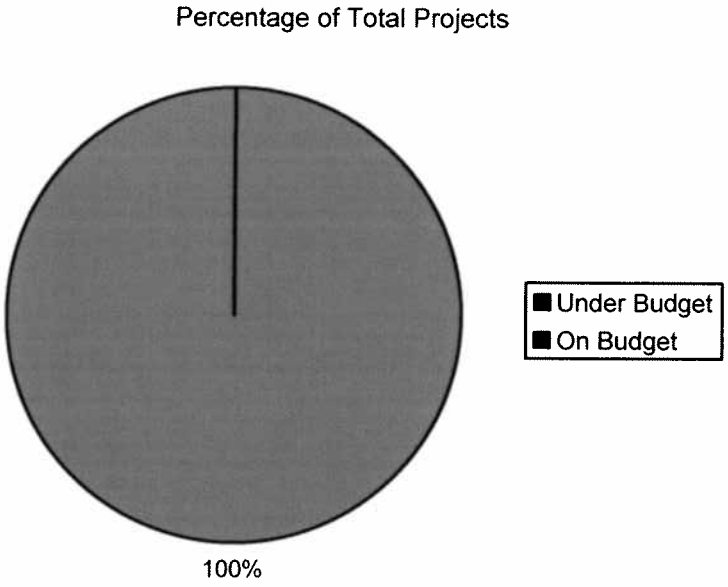
Highlights:

State Bond funding is providing for the construction phase only. Design services are funded and managed by the Village of Bridgeview.

SYSTEMWIDE

"Illinois Jobs Now!" State-Funded Projects – Budget Performance

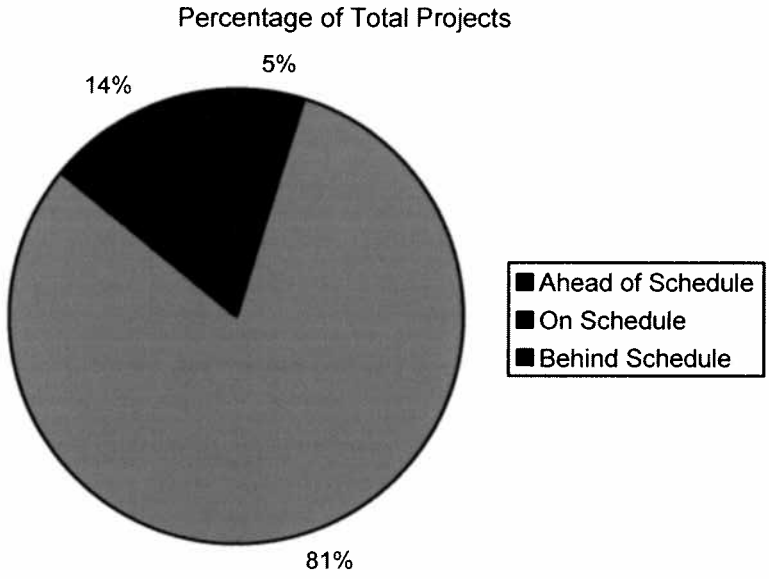
Reason	Quantity
Under Budget	0
On Budget	21
Over Budget	0



SYSTEMWIDE

"Illinois Jobs Now!" State-Funded Projects – Schedule Performance

Reason	Quantity
Ahead of Schedule	1
On Schedule	17
Behind Schedule	3

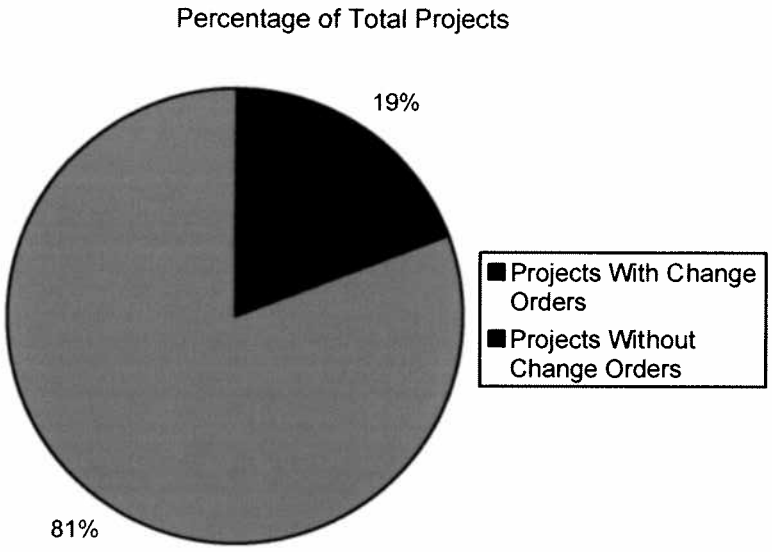


SYSTEMWIDE

"Illinois Jobs Now!" State-Funded Projects – Change Orders

Reason	Quantity
Projects With Change Orders	4
Projects Without Change Orders	17

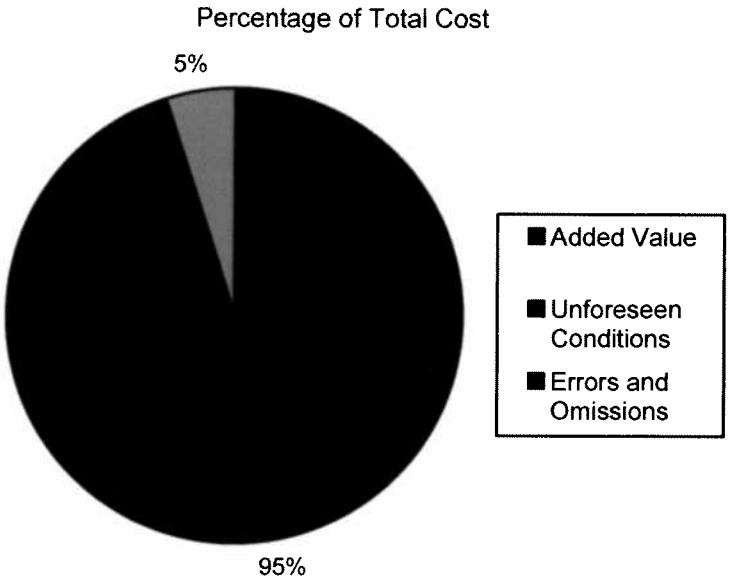
Note: Projects may have executed multiple change orders.



SYSTEMWIDE

"Illinois Jobs Now!" State-Funded Projects – Change Order Reasons

Reason	Quantity	Cost
Added Value	5	$20,187,627
Unforeseen Conditions	3	$1,063,926
Errors and Omissions	0	$0
TOTAL	8	$21,251,553



The majority of change order cost for these projects has been to add value to the project, particularly regarding the federally-mandated implementation of Positive Train Control (PTC) for Metra's procurement of 160 Electric Highliner Cars. For these change orders, the added value should not be misconstrued as scope creep, as the opportunity to add PTC capability during initial fabrication is more efficient than a later retrofit.

Unforeseen conditions have included unanticipated subgrade materials and extensive subsurface damage on existing structures on the CTA Purple Line Viaduct project. These conditions could not have been detected prior to construction. Additionally, coordination with the City of Chicago's replacement of the Wells Street Bridge led to a change order for the Loop Track Renewal project; however, this coordination will reduce construction risk and also minimize disruption to CTA rail service while work is being performed.

SECTION II
SYSTEMWIDE PROJECTS OVER $10,000,000

SYSTEMWIDE

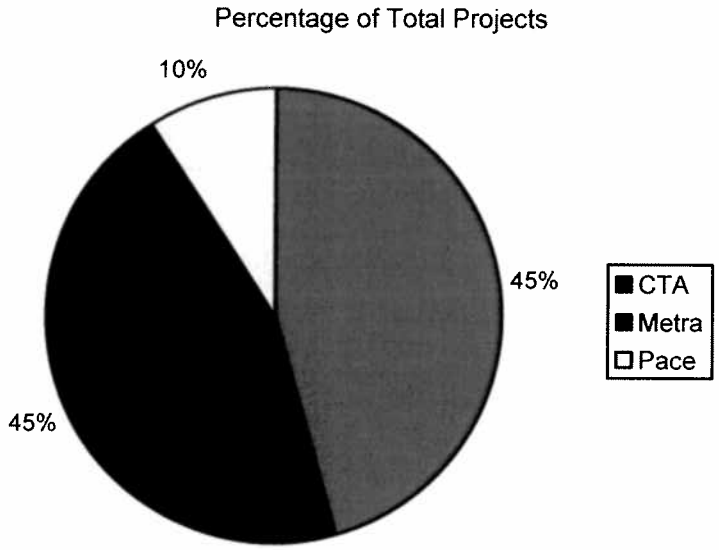
Projects over $10,000,000

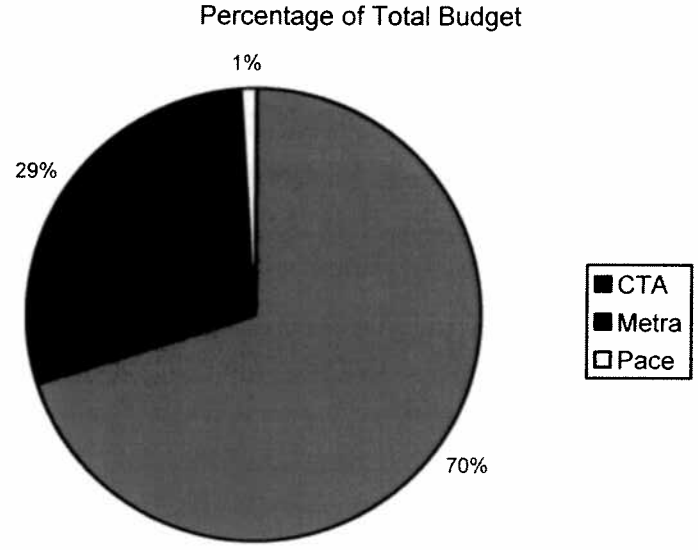
Service Board	Project Title	Budget
CTA	Replace Approximately 706 Rail Cars	$1,137,528,552
Metra	Purchase 160 Bi-Level Multi-Unit Electric Commuter Cars	$585,100,000
CTA	Dan Ryan Track Renewal	$440,000,000
CTA	Perform Rail Car Overhaul and Mid-Life Rehabilitation	$297,900,000
CTA	Reconstruct Wilson Station	$203,000,000
Metra	Replace Bridges, 18th to 55th – Rock Island District	$113,301,218
Metra	Replace Bridges – UPR North Line	$92,956,971
Metra	Belmont Road Grade Separation	$57,626,223
CTA	Replace Existing Substations – Farwell/Armitage/Hill	$66,546,338
CTA	Loop Track Renewal	$53,026,306
Pace	Purchase 40' Fixed Route Buses	$26,649,876
Metra	Lake Street Interlocker	$24,832,965
CTA	Replace Purple Line Viaducts – Dempster/Greenleaf/Grove	$15,314,980
CTA	Perform Mid-Life Bus Overhaul	$14,450,197
CTA	Purchase and Install Security Cameras – Stations and Yards	$14,086,667
CTA	Purchase and Install Rail Car Tracking System (RFID)	$13,342,723
Metra	Geneva Station Parking	$12,507,309
Metra	CREATE Program P1 – Englewood Flyover	$12,246,463
Metra	Auburn Park New Station	$11,500,000
Metra	47th Street Yard Improvements	$11,044,804
Metra	Peterson Ridge New Station	$10,000,000
Pace	Purchase StarCom 21 Radio System	$10,000,000

SYSTEMWIDE

Projects over $10,000,000 by Service Board – Quantity and Budget

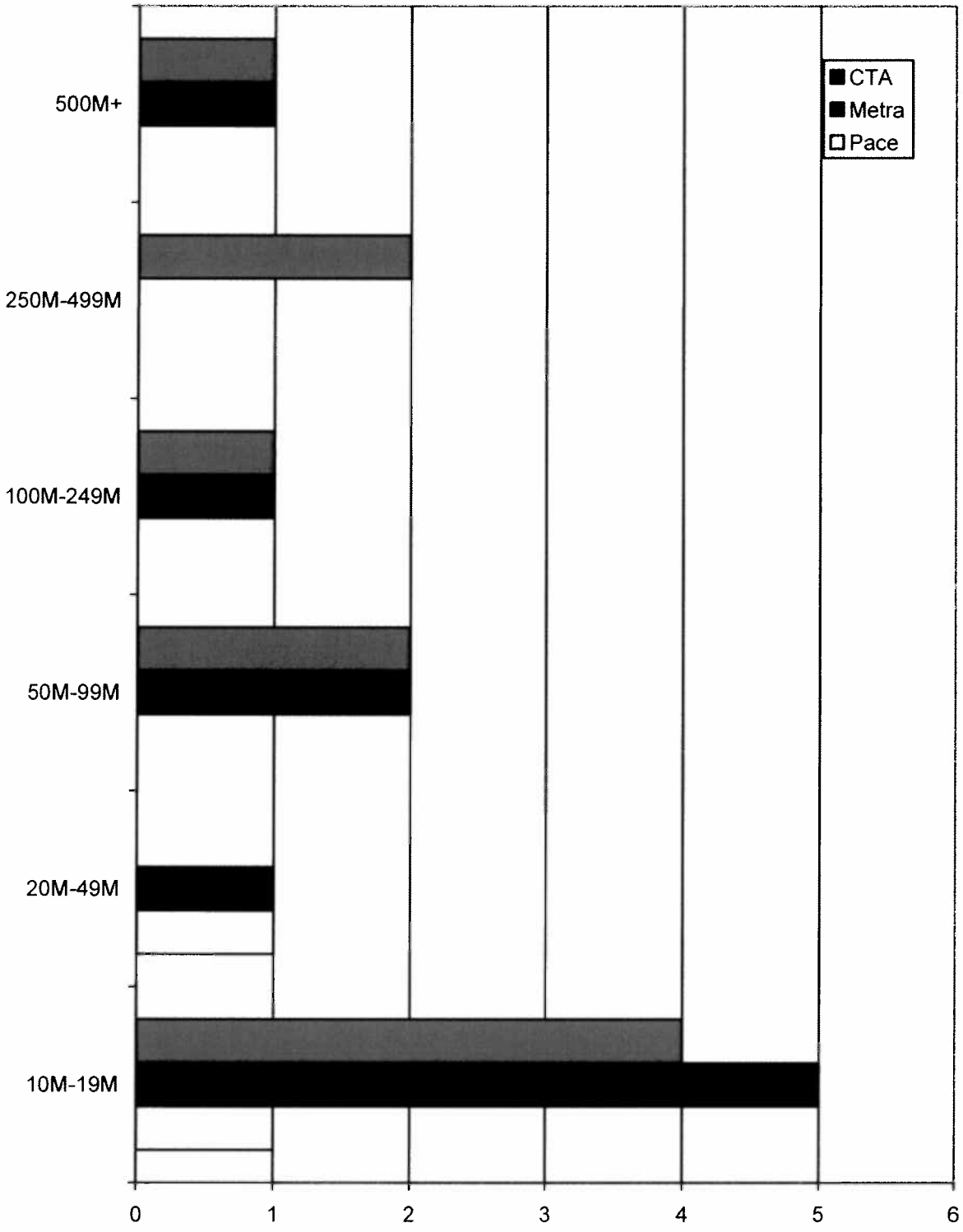
Service Board	Projects	Budget
CTA	10	$ 2,255,195,763
Metra	10	$ 931,115,953
Pace	2	$ 36,649,876
TOTAL	22	$ 3,222,961,592





SYSTEMWIDE

Projects over $10,00,000 by Service Board – Budget Range



SYSTEMWIDE

Projects over $10,000,000 by Budget Range

Projects over $500,000,000	2
Projects between $250,000,000 and $499,999,999	2
Projects between $100,000,000 and $249,999,999	2
Projects between $50,000,000 and $99,999,999	4
Projects between $20,000,000 and $49,000,000	2
Projects between $10,000,000 and $19,999,999	10

SYSTEMWIDE

Projects over $10,000,000 by Service Board – Budget Range

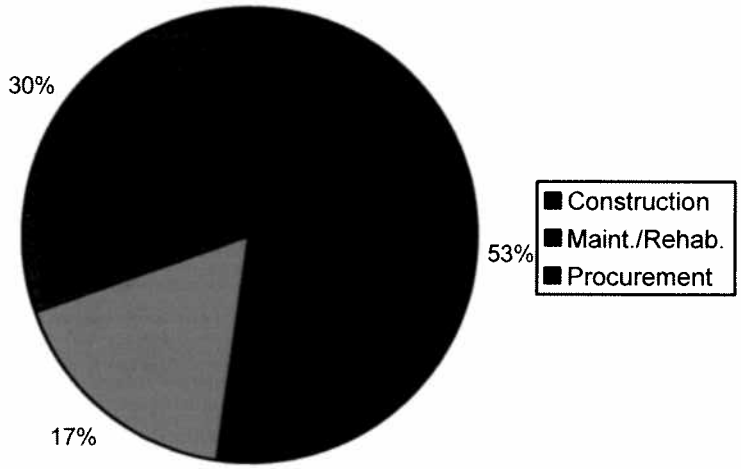
Budget Range	CTA	Metra	Pace
Projects over $500,000,000	1	1	0
Projects between $250,000,000 and $499,999,999	2	0	0
Projects between $100,000,000 and $249,999,999	1	1	0
Projects between $50,000,000 and $99,999,999	2	2	0
Projects between $20,000,000 and $49,999,999	0	1	1
Projects between $10,000,000 and $19,999,999	4	5	1

SYSTEMWIDE

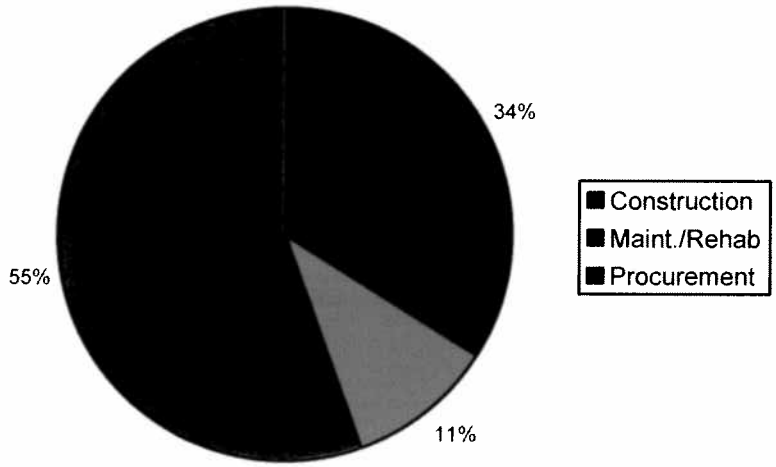
Projects over $10,000,000 by Type of Project

Type of Project	Quantity	Combined Budget
Construction	12	$1,088,025,808
Maintenance / Rehabilitation	4	$348,227,966
Procurement	6	$1,786,707,818

Percentage of Total Projects



Percentage of Total Budget



CTA

Type of Project	Quantity	Total Budget
Construction	5	$777,887,624
Maintenance / Rehabilitation	2	$312,350,197
Procurement	3	$1,164,957,942
TOTAL	10	$2,255,195,763

Metra

Type of Project	Quantity	Total Budget
Construction	7	$310,138,184
Maintenance / Rehabilitation	2	$35,877,769
Procurement	1	$585,100,000
TOTAL	10	$931,115,953

Pace

Type of Project	Quantity	Total Budget
Construction	0	$0
Maintenance / Rehabilitation	0	$0
Procurement	2	$36,649,876
TOTAL	2	$36,649,876

CTA

Projects over $10,000,000

Service Board	Project Title	Budget
CTA	Replace Approximately 706 Rail Cars	$1,137,528,552
CTA	Dan Ryan Track Renewal	$440,000,000
CTA	Perform Rail Car Overhaul and Mid-Life Rehabilitation	$297,900,000
CTA	Reconstruct Wilson Station	$203,000,000
CTA	Replace Existing Substations – Farwell/Armitage/Hill	$66,546,338
CTA	Loop Track Renewal	$53,026,306
CTA	Replace Purple Line Viaducts – Dempster/Greenleaf/Grove	$15,314,980
CTA	Perform Mid-Life Bus Overhaul	$14,450,197
CTA	Purchase and Install Security Cameras – Stations and Yards	$14,086,667
CTA	Purchase and Install Rail Car Tracking System (RFID)	$13,342,723

PROJECT:	**Replace Approximately 706 Rail Cars**
SCOPE:	Purchase new rapid transit cars to replace the aging equipment currently in service. The entire 2200 and 2400 Series fleets and up to 370 of the 2600 Series cars will be retired and replaced by the 5000 Series cars.
BUDGET:	$1,137,528,552
SCHEDULE:	10 months behind schedule due to late delivery of prototype cars and additional testing for quality control; estimated completion February 2017.
HIGHLIGHTS:	The new 5000 Series rail cars are in service on multiple CTA lines and are expected to reduce maintenance costs and improve reliability of service. Operator training is ongoing.

PROJECT:	**Dan Ryan Track Renewal**
SCOPE:	Systematically replace ties, fasteners, and renew structural elements that have deteriorated to a point at which they no longer provide adequate rail connection and track gage on the Dan Ryan branch of the Red Line from Cermak Road to 95th Street.
BUDGET:	$440,000,000
SCHEDULE:	On schedule; estimated completion July 2014.
HIGHLIGHTS:	Pre-construction activities are underway. CTA plans to complete construction during a 5-month line closure from Cermak Road to 95th Street. As opposed to ongoing weekend line cuts, this method is estimated to save approximately $74 million in cost and 43 months of schedule.

PROJECT:	**Perform Rail Car Overhaul and Mid-Life Rehabilitation**
SCOPE:	Major overhaul, refurbishment, and upgrade of 258 rapid transit cars. The 3200 Series cars have reached mid-life and are required to undergo a major overhaul to ensure safe and reliable operation for the remainder of their useful lives.
BUDGET:	$297,900,000
SCHEDULE:	On schedule; estimated completion January 2017
HIGHLIGHTS:	In addition to overhaul and rehabilitation, this project will convert the existing 3200 Series rail cars to operate using AC traction power. This modification will allow these cars to be compatible and coupled with the new 5000 Series cars.

PROJECT:	**Reconstruct Wilson Station**
SCOPE:	The reconstruction of Wilson Station on the Red Line will include significant structure, viaduct, and track system improvements in addition to providing ADA accessibility.
BUDGET:	$203,000,000
SCHEDULE:	On schedule; estimated completion October 2015.
HIGHLIGHTS:	The current design calls for Wilson Station to be converted into a transfer station between Red Line and Purple Line Express trains. The historic Gerber Building at the corner of Wilson Avenue and Broadway will be preserved and restored as part of the overall project.

PROJECT:	**Replace Several Substations and Upgrade Other Existing Substations**
SCOPE:	Replace aging and functionally obsolete components of substations systemwide, and construct new substations at Farwell, Armitage, and Hill to improve transit reliability. This project will enhance the performance, safety, and reliability of the traction power supply and distribution system for CTA rail service.
BUDGET:	$66,546,338
SCHEDULE:	Behind schedule due to additional duration required to update original design; estimated completion January 2015.
HIGHLIGHTS:	Pre-construction activities are underway. Although bids received were higher than the engineer's estimate, CTA was able to maintain the project budget without expending contingency funding.

PROJECT:	**Loop Track Renewal**
SCOPE:	Systematically replace ties, fasteners, and renew structural elements that have deteriorated to a point at which they no longer provide adequate rail connection and track gage on the Wells Street and Van Buren Street legs of the Loop Elevated as well as the Hubbard Street and Kinzie Street curves on the Ravenswood-Loop Connector.
BUDGET:	$53,026,306
SCHEDULE:	On schedule; estimated completion date extended 4 months to coordinate with Chicago Department of Transportation Wells Street Bridge project; estimated completion May 2013.
HIGHLIGHTS:	The contractor has completed the majority of track renewal work along the Wells Street and Van Buren legs of the project area. Coordination of Tower 18 renewal with CDOT work will minimize impact on service.

PROJECT:	**Replace Purple Line Viaducts – Dempster/Greenleaf/Grove**
SCOPE:	Replace existing concrete center pier viaduct structures with full length steel spans at Dempster Street, Greenleaf Avenue, and Grove Street on the Purple Line in Evanston. Also repair retaining walls along Chicago Avenue.
BUDGET:	$15,314,980
SCHEDULE:	8 months ahead of schedule due to aggressive scheduling by the prime contractor; actual completion September 2012.
HIGHLIGHTS:	New steel viaducts were rolled into place during two weekends in June 2012. All roll-ins were completed on time and without impact to revenue service or construction schedule. The project is substantially complete, under budget and ahead of schedule.

PROJECT:	**Perform Mid-Life Bus Overhaul**
SCOPE:	Buses placed into service in 2006 will receive an overhaul to return them to a state of good repair throughout their standard bus life of 12 years.
BUDGET:	$14,450,197
SCHEDULE:	On schedule; estimated completion February 2014.
HIGHLIGHTS:	Specifications for bus overhaul have been finalized. Proposals will be evaluated in the third quarter of 2012 with a contract possibly awarded.

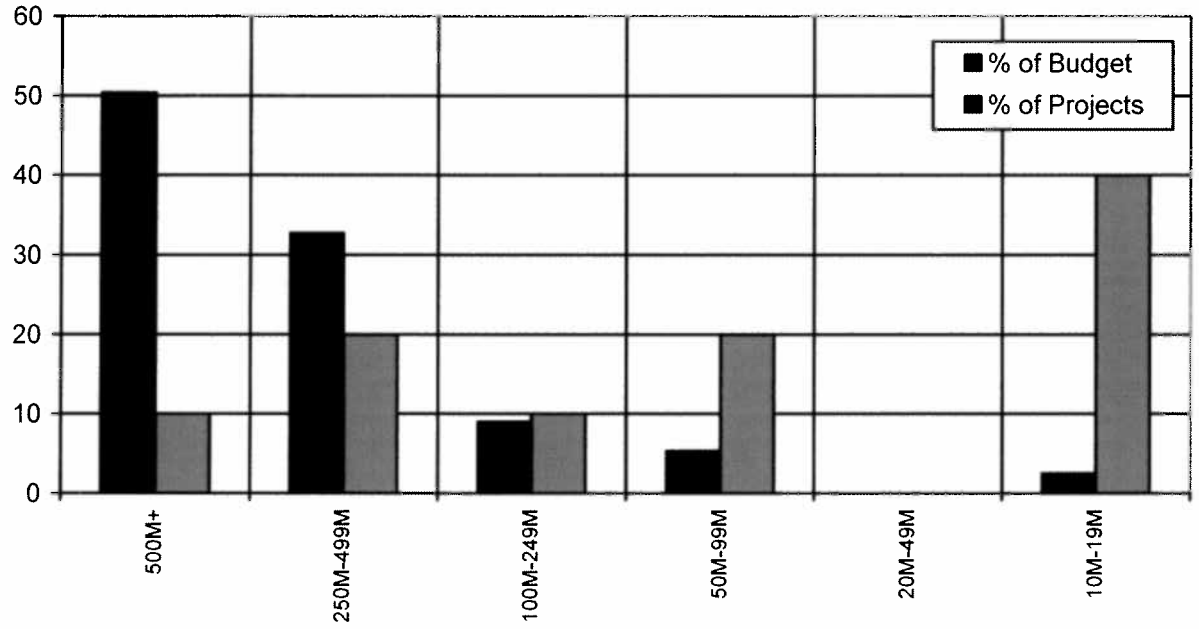
PROJECT:	**Purchase and Install Security Cameras – Stations and Yards**
SCOPE:	Purchase and install security cameras at rail stations and yards to improve security of transit assets and ensure safety of systems and customers. Implement security strategies to conduct targeted surveillance, control access, and stop intrusion. Support enhanced commend and control systems to facilitate incident response.
BUDGET:	$14,086,667
SCHEDULE:	On schedule; estimated completion April 2014.
HIGHLIGHTS:	Together with the Rail Car Tracking System project, CTA Technology is taking advantage of closures associated with station rehabilitation and track renewal projects to minimize impact on revenue service.

PROJECT:	**Purchase and Install Rail Car Tracking System (RFID)**
SCOPE:	Provide for the purchase and installation of a train tracking system using a Radio Frequency Identification (RFID) system for tracking rail cars.
BUDGET:	$13,342,723
SCHEDULE:	On schedule; estimated completion April 2014.
HIGHLIGHTS:	Together with the Security Camera Installation project, CTA Technology is taking advantage of closures associated with station rehabilitation and track renewal projects to minimize impact on revenue service.

CTA

Project Budget by Percentage of Entire Budget and Percentage of Projects

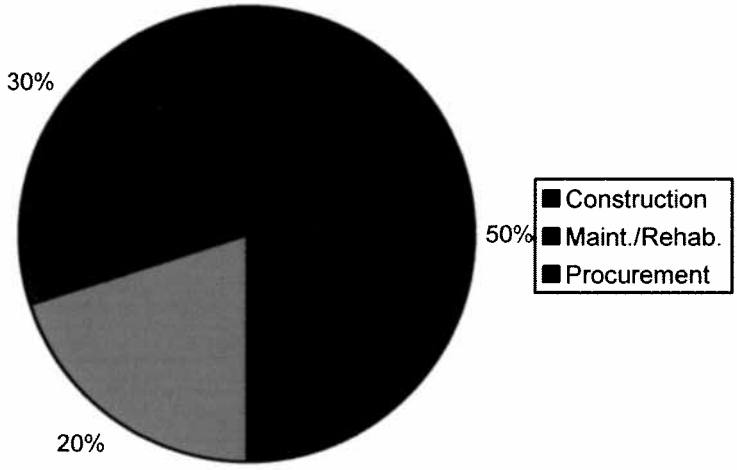
Budget	Quantity	% of Budget	% of Projects
Projects over $500,000,000	1	50.4	10.0
Projects between $250,000,000 and $499,999,999	2	32.7	20.0
Projects between $100,000,000 and $249,999,999	1	9.0	10.0
Projects between $50,000,000 and $99,999,999	2	5.3	20.0
Projects between $20,000,000 and $49,999,999	0	0	0
Projects between $10,000,000 and $19,999,999	4	2.6	40.0



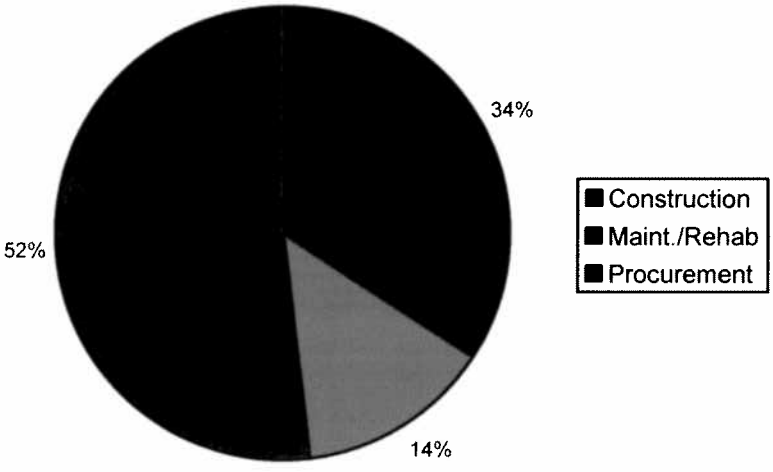
CTA

Type of Project	Quantity	Total Budget
Construction	5	$777,887,624
Maintenance / Rehabilitation	2	$312,350,197
Procurement	3	$1,164,957,942

Percentage of Total Projects



Percentage of Total Budget



Metra

Projects over $10,000,000

Service Board	Project Title	Budget
Metra	Purchase 160 Bi-Level Multi-Unit Electric Commuter Cars	$585,100,000
Metra	Replace Bridges, 18th to 55th – Rock Island District	$113,301,218
Metra	Replace Bridges – UPR North Line	$92,956,971
Metra	Belmont Road Grade Separation	$57,626,223
Metra	Lake Street Interlocker	$24,832,965
Metra	Geneva Station Parking	$12,507,309
Metra	CREATE Program P1 – Englewood Flyover	$12,246,463
Metra	Auburn Park New Station	$11,500,000
Metra	47th Street Yard Improvements	$11,044,804
Metra	Peterson Ridge New Station	$10,000,000

PROJECT:	**Replace 160 Bi-Level Electric MU Commuter Cars**
SCOPE:	Purchase 160 new electric Highliner cars and spare parts to replace aging fleet on the Metra Electric District
BUDGET:	$585,100,000
SCHEDULE:	On schedule; estimated completion July 2015.
HIGHLIGHTS:	Nippon Sharyo Manufacturing facility in Rochelle, Illinois is complete and production of rail cars is underway. Metra and Nippon Sharyo project management teams are working through minor quality control issues with no impact on schedule or budget. Delivery of first two cars to Metra was completed in September 2012.

PROJECT:	**Replace Bridges, 18th to 55th Streets – Rock Island District**
SCOPE:	Project funding provides for the replacement of bridges between 18th Street and 55th Street, and will also include new track and signal systems.
BUDGET:	$113,301,218
SCHEDULE:	On schedule; estimated completion December 2012.
HIGHLIGHTS:	Bridges will be constructed on adjacent right-of-way so that rail traffic is not disrupted. The project will also raise the railroad embankment to increase vertical clearances over roadways.

PROJECT:	**Replace Bridges – UPR North Line**
SCOPE:	Phase 1: Reconstruct north 11 bridges (Grace to Balmoral), retaining walls, and Ravenswood Station. Phase 2: Reconstruct south 11 bridges (Fullerton to Cornelia) and retaining walls.
BUDGET:	$92,956,971
SCHEDULE:	On schedule; estimated completion November 2019.
HIGHLIGHTS:	Construction continues for bridges and retaining walls from Grace Street to Berteau Avenue. Work on the new Ravenswood Station has also started and is on schedule.

PROJECT:	**Belmont Road Grade Separation**
SCOPE:	Belmont Road will be depressed under the BNSF line between approximately Haddow Avenue to the north and Hitchcock Avenue to the south. Also involves the reconfiguration of the Warren Avenue, Burlington Avenue, Belmont Road intersection. Required adjustments for vehicular and pedestrian access to the Belmont Road Station.
BUDGET:	$57,626,223
SCHEDULE:	On schedule; estimated completion June 2013.
HIGHLIGHTS:	Roadway and station construction continues. The rail bridge is complete and Belmont Road is open to vehicle traffic.

PROJECT:	**Lake Street Interlocker**
SCOPE:	Renew special trackwork within the Lake Street Interlocking.
BUDGET:	$24,832,965
SCHEDULE:	On schedule; estimated completion December 2015.
HIGHLIGHTS:	Continue design work on Lake Street Interlocking machine, Union Pacific Railroad to install electrocode from Bridge A to NW Junction, Erie and Halsted. Double slip switches to be installed.

PROJECT:	**Geneva Station Parking**
SCOPE:	Facilitate the completion of a commuter parking deck serving the Geneva Station. Add a third level to the existing two-level parking structure.
BUDGET:	$12,507,309
SCHEDULE:	Planning and design on schedule; estimated completion December 2013.
HIGHLIGHTS:	Metra is finalizing a temporary parking plan with the City of Geneva to accommodate spaces displaced during construction. Construction is expected to begin in Spring 2013.

PROJECT:	**CREATE Program P1 – Englewood Flyover**
SCOPE:	Final design for the Englewood Flyover, which will carry Metra Rock Island District trains over the Norfolk Southern Railway near 63rd Street in Chicago. The flyover will consist of one double-track structure and an adjacent single track structure to carry a future third track.
BUDGET:	$12,246,463
SCHEDULE:	On schedule; estimated completion December 2012.
HIGHLIGHTS:	This project is for the design phase only. The bid phase of the project as a whole is complete with an apparent low bid for the construction phase of $92,435,836. Completion of construction is expected near the end of 2014.

PROJECT:	**Auburn Park New Station**
SCOPE:	A new station on the Rock Island District in the Auburn Park area near 79th Street in Chicago, with two 8-car platforms, lighting, elevator access, sheltered waiting facilities, and two stair and elevator headhouse towers.
BUDGET:	$11,500,000
SCHEDULE:	Planning and design on schedule; estimated completion September 2015.
HIGHLIGHTS:	The design contract has been executed. This project will be the subject of a value engineering workshop with RTA upon completion of the conceptual design.

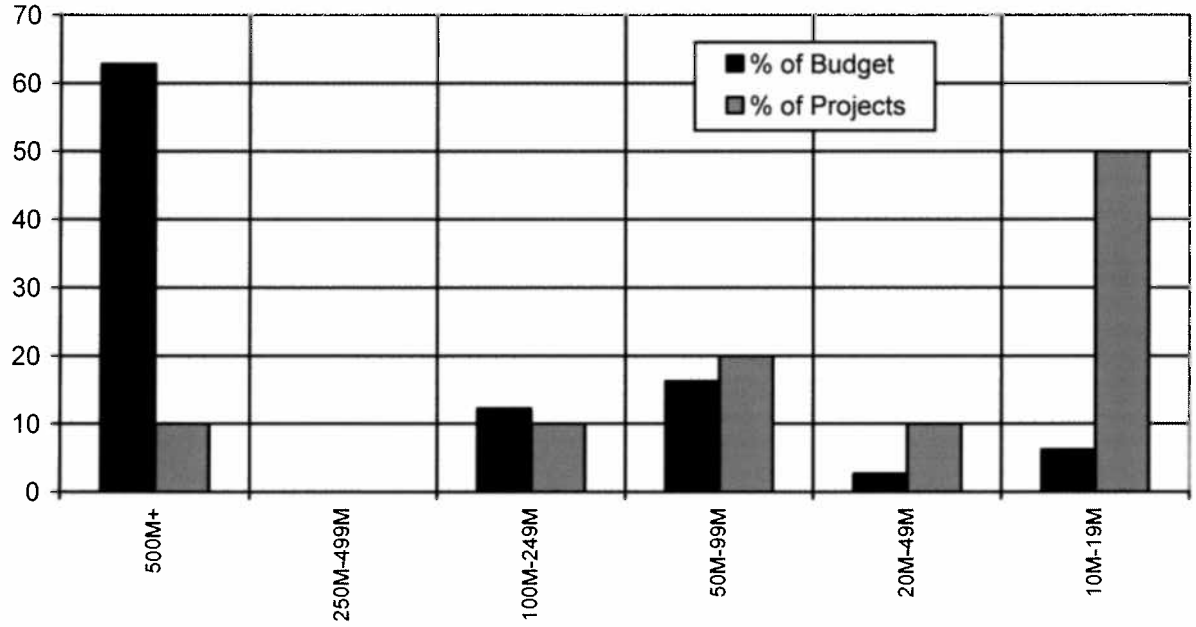
PROJECT:	**47th Street Yard Improvements**
SCOPE:	Part of an ongoing program to make improvements to facilities at the 47th Street Yard and Shops.
BUDGET:	$11,044,804
SCHEDULE:	On schedule; estimated completion December 2012.
HIGHLIGHTS:	Highest priority improvements include a new ventilation system in the diesel shop. Electrical and paving work is complete. The project is in the bidding phase for the ventilation component of the project.

PROJECT:	**Peterson Ridge New Station**
SCOPE:	Construction of a new passenger station on the Union Pacific-North Line near Peterson Avenue and Ridge Avenue in Chicago.
BUDGET:	$10,000,000
SCHEDULE:	Planning and design on schedule; estimated completion to be determined.
HIGHLIGHTS:	The project is currently in the very early stages. Metra is working with the Union Pacific Railroad to generate project concept plans and a design schedule.

Metra

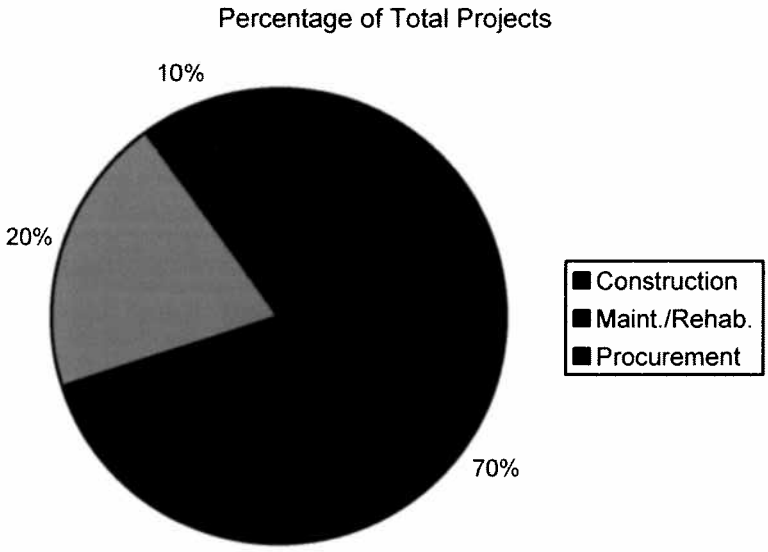
Project Budget by Percentage of Entire Budget and Percentage of Projects

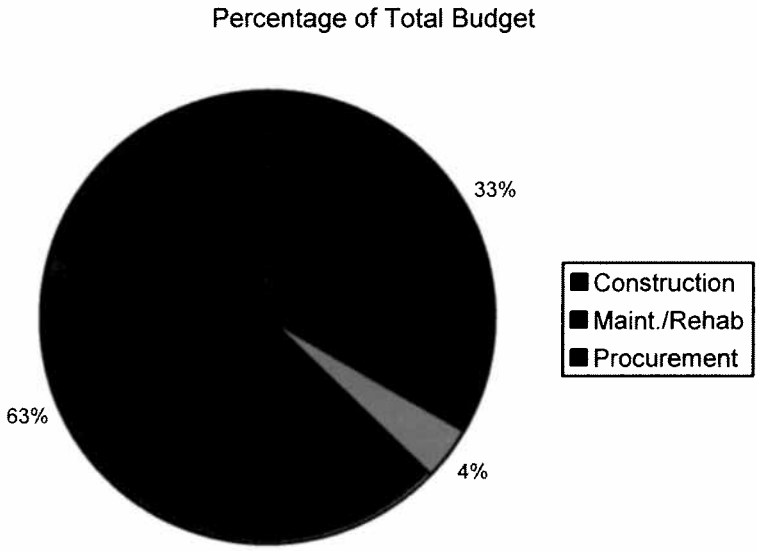
Budget	Quantity	% of Budget	% of Projects
Projects over $500,000,000	1	62.8	10.0
Projects between $250,000,000 and $499,999,999	0	0	0
Projects between $100,000,000 and $249,999,999	1	12.2	10.0
Projects between $50,000,000 and $99,999,999	2	16.2	20.0
Projects between $20,000,000 and $49,999,999	1	2.7	10.0
Projects between $10,000,000 and $19,999,999	5	6.1	50.0



Metra

Type of Project	Quantity	Total Budget
Construction	7	$310,138,184
Maintenance / Rehabilitation	2	$35,877,769
Procurement	1	$585,100,100





Pace

Projects over $10,000,000

Service Board	Project Title	Budget
Pace	Purchase 40' Fixed Route Buses	$26,649,876
Pace	Purchase StarCom 21 Radio System	$10,000,000

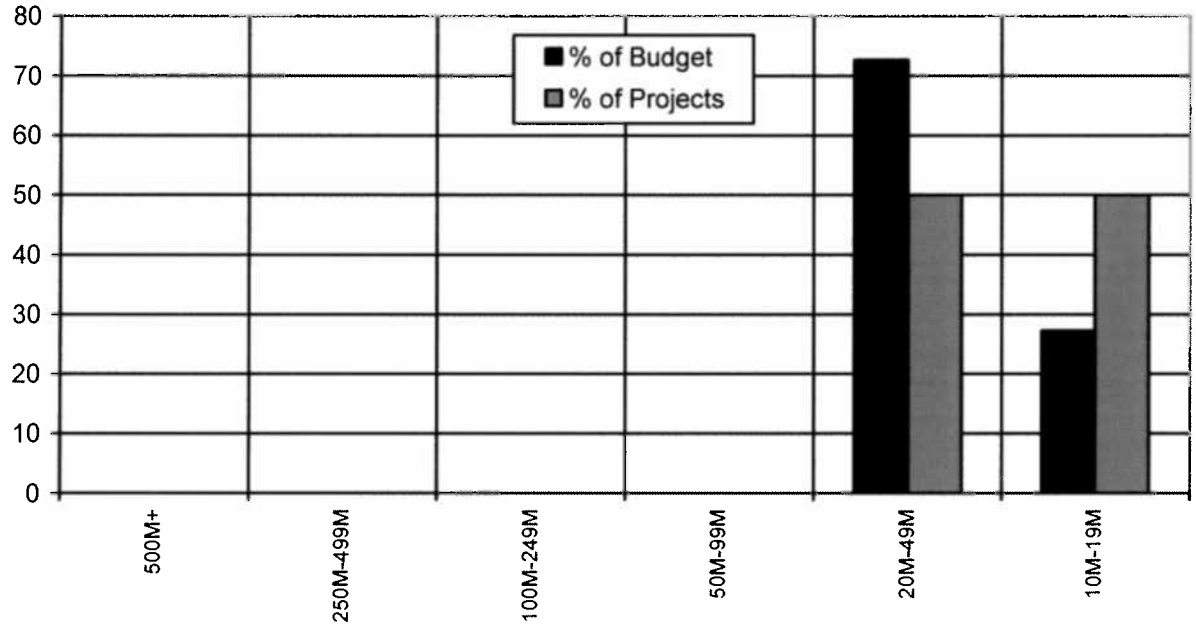
PROJECT:	**Purchase 40' Fixed Route Buses**
SCOPE:	Pace will procure buses for fixed route service to replace existing 15-18 year equipment that has reached the end of its useful life.
BUDGET:	$26,649,876
SCHEDULE:	On schedule; estimated completion February 2013
HIGHLIGHTS:	The overall contract value was approved for a total of $167,974,976 and up to 416 new buses. However, the current obligated amount using available funding for the first year's order only provided $26,649,876 for the first 69 buses. Assembly of the first 40 of 69 is ongoing.

PROJECT:	**Purchase StarCom 21 Radio System**
SCOPE:	Replace Pace's two radio systems that provide links between vehicles and fixed-location operations such as dispatch, administration, and maintenance with a new, single communications system for voice and data.
BUDGET:	$10,000,000
SCHEDULE:	Behind schedule; estimated completion November 2013
HIGHLIGHTS:	The increased capacity and efficiency of the new radio system will allow for communication over voice and data channels, even during emergency situations when system demand is at its maximum.

Pace

Project Budget by Percentage of Entire Budget and Percentage of Projects

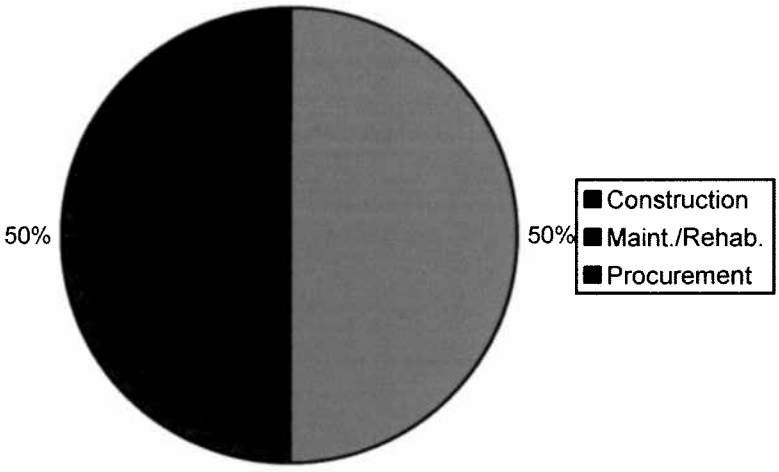
Budget	Quantity	% of Budget	% of Projects
Projects over $500,000,000	0	0	0
Projects between $250,000,000 and $499,999,999	0	0	0
Projects between $100,000,000 and $249,999,999	0	0	0
Projects between $50,000,000 and $99,999,999	0	0	0
Projects between $20,000,000 and $49,999,999	1	72.7	50.0
Projects between $10,000,000 and $19,999,999	1	27.3	50.0



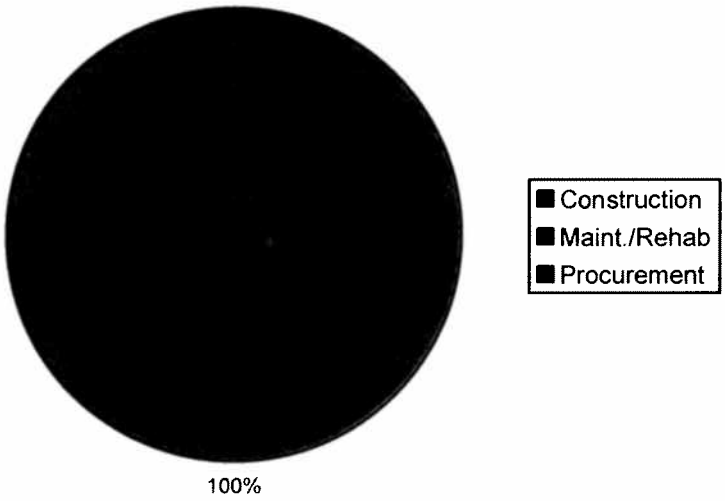
Pace

Type of Project	Quantity	Total Budget
Construction	0	$0
Maintenance / Rehabilitation	0	$0
Procurement	2	$36,649,876

Percentage of Total Projects



Percentage of Total Budget



SECTION III
VALUE ENGINEERING

VALUE ENGINEERING

Value Engineering (VE) is defined as an organized effort to analyze the function of systems, equipment, facilities, procedures and supplies by a multi-disciplined group for the purpose of achieving the required function at the lowest total cost. Considerations are given to effective ownership consistent with requirements for performance, reliability, quality, maintenance and safety.

VE sometimes carries a reputation as "cost cutting," but this can give a misguided view of the actual intent of VE. Value is defined as:

$$\frac{\text{Function}}{\text{Cost}}$$

Value may be increased by cutting development cost, operating cost, or life cycle cost, provided that the cost reduction does not also create a reduction in function. Value may be increased by improving function, such as operations, durability, or even less tangible functions like public perception. Value is often improved by significant increases in functionality despite correspondingly low implementation cost impact.

The process for VE typically includes particular steps or phases, including:

- Project Identification
- VE Team Formation
- Information Gathering
- Function Identification and Cost Analysis
- Creative Development (or Brainstorming)
- Evaluation
- Development
- Presentation of Recommendations and Reporting

VE can be performed during planning, early design, or after bidding during the construction phase. Earlier VE studies have less information to utilize, but greater opportunity to capture value. Later VE studies often have a great deal of detailed information for the VE team, but the opportunity to increase value is decreased, and the cost of capturing that value may increase.

RTA implements its VE initiative on Service Board capital projects through its Project Management Oversight (PMO) program. Together with the PMO consulting teams, RTA and the Service Boards engage in value engineering workshops for selected projects, identifying, discussing, and refining VE opportunities. RTA VE recommendations are advisory only, presented to the Service Boards for acceptance or rejection at the Service Board's unilateral discretion.

CTA Dan Ryan Track Renewal

RTA and IDOT participated in the first Value Engineering sessions for the Dan Ryan Track Renewal project in December 2011. There, CTA developed its plan for implementation of the project involving an extended five-month line closure rather than multiple weekend closures. This plan incorporated means for maintaining transit service in the corridor so that rail customers would not be overly impacted by the extended closure.

Overall, by opting for the extended closure, the project budget is approximately $74 million lower than it would have been if CTA had limited the contractor to weekend closures to perform the track work. Additionally, the construction schedule was reduced by a duration of 43 months. Moreover, construction risk is mitigated, as the contractor need not be concerned with returning the right-of-way to service every Monday morning after weekend closures.

In addition to the value realized by the extended closure plan, CTA solicited value engineering proposals from its prospective bidders on the construction contract. The prime contractor submitted 16 value engineering proposals. Of these, CTA will move forward with three for a potential reduction in the construction budget of up to $5 million. These three proposals involve a substitution of conduit material ($1.4 million), a smaller than expected volume of special waste on the project site ($3.1 million), and an early finish for the extended line closure with testing performed instead during single track occurrences ($0.5 million).

Extensive preparations are underway to ensure that these benefits are not offset by excessive inconvenience to Red Line ridership. A $17 million program to restore a state of good repair on the Green Line and enhance bus substitution is underway. Also, other currently ongoing infrastructure projects, like the renewal of 63rd/Ashland station and the Loop Track Renewal, will also improve the alternative service options provided during the extended closure.

In sum, the Dan Ryan Track Renewal project has been extensively analyzed by RTA, CTA, and the contractor, with significant preparations made to ensure the project is completed safely and on schedule as foremost priorities, with as much cost savings as possible. RTA will continue to closely oversee this project to ensure these goals are achieved and that the value derived from the project is maximized.

Upcoming Value Engineering Efforts

CTA Wilson Transfer Station – CTA has requested that RTA PMO perform a Value Engineering study on the design for the reconstruction of Wilson Station on the Red Line. The scope of this project involves the complete reconstruction of the station facility, including street level stationhouses, platforms, and stairs, with the addition of accessible features, such as elevators and ramps. A new auxiliary entrance and a new viaduct over Broadway Street north of Wilson Avenue will also be constructed, and the track alignment will be streamlined. With double island platforms planned for the new station, CTA will be able to add a Purple Line stop at Wilson, allowing for transfer between the Red and Purple Lines.

Metra Auburn Park New Station – As Metra moves forward with the conceptual design, RTA PMO will be involved in a Value Engineering study during the project's early design phases. This project involves the construction of a new passenger station near 79th Street in Chicago on the Rock Island District. Metra is hopeful to secure additional funding in addition to the state-bond appropriation, and the VE effort is also intended to provide for a comprehensive facility.

SUMMARY

Considering that the projects reviewed in the PMO report amounted to 81% of the total budget for all active projects, it can be said that project management activities for the region were exemplary. 100% of the state-funded projects are on budget. During the same period, 81% of the projects were on schedule, 5% were ahead of schedule, and 14% were behind schedule. 86% of the projects were without any change orders, leaving 14% of the projects with at least one change order. Of those change orders, 95% came from decisions by the Service Boards to add value to the project. 5% were due to unforeseen conditions, and none were due to errors or omissions. Similarly, for the entire collection of capital projects reviewed, 86% were on schedule, 5% were ahead of schedule, and only 9% were behind schedule. Additionally, Value Engineering in the period resulted in potential cost savings, with further efforts anticipated in the next period.

Service Board efforts to maintain a state of good repair are therefore proceeding well, limited only by the amount of available funding.

105c

Regional Transportation Authority

REPORT ON
PROJECT MANAGEMENT OVERSIGHT (PMO)

JUNE 2013

prepared by

Finance and Performance Management
Programming, Oversight, and Compliance Division

PREFACE

With this submission of the RTA Project Management Oversight Report, RTA PMO examined all "Illinois Jobs Now!" state-funded projects and all systemwide projects with budgets of $10 million or more. All information was collected by first-hand interviews, project meetings, and documented submissions from Service Board project managers. These 40 projects together represent $3,335,341,369 worth of construction, maintenance, and procurements. When compared to the current total capital budget for this period of $4,125,896,769, the result is RTA oversight of over 81% of the net budget for active projects across all Service Boards.

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SECTION I
"ILLINOIS JOBS NOW!" STATE-FUNDED PROJECTS

SYSTEMWIDE

"Illinois Jobs Now!" State-Funded Projects

Service Board	Project Title	Budget
CTA	Red Line South Reconstruction	$415,238,579
CTA	Wilson Transfer Station	$169,959,391
CTA	Replace Existing Substations – Farwell/Armitage/Hill	$66,546,338
CTA	Loop Track Renewal	$53,026,306
CTA	Perform Rail Car Overhaul and Mid-Life Rehabilitation	$48,941,186
CTA	North Red Line Stations – Sheridan and Bryn Mawr	$24,000,000
CTA	Perform Mid-Life Bus Overhaul	$14,581,690
CTA	Purchase and Install Security Cameras – Stations and Yards	$14,086,667
CTA	Purchase and Install Rail Car Tracking System (RFID)	$13,342,723
CTA	Purple Line Express Track Renewal	$12,000,000
CTA	Milwaukee Blue Line Track Renewal	$8,121,827
CTA	Systemwide Station Upgrades	$5,419,346
CTA	Renew 63rd/Ashland Station	$3,910,988
Metra	Replace 160 Bi-Level Electric MU Commuter Cars	$585,100,000
Metra	Auburn Park New Station – Rock Island District	$11,500,000
Metra	Cicero Avenue Station – BNSF	$6,500,000
Metra	Calumet Station – Metra Electric District	$5,500,000
Metra	Hazel Crest Station – Metra Electric District	$5,500,000
Metra	Flossmoor Station – Metra Electric District	$5,000,000
Metra	Geneva Parking Deck – UPR West Line	$3,500,000
Metra	Fox River Grove Station – UPR Northwest Line	$2,000,000
Metra	Design and Engineer Healy Station – MWD North Line	$500,000
Pace	Purchase StarCom 21 Radio System	$10,000,000
Pace	Purchase Paratransit Buses for Suburban Dial-A-Ride Service	$9,000,000
Pace	Purchase 40' Fixed Route Buses	$6,000,000
Pace	Purchase Paratransit Buses for ADA City Service	$5,000,000
Pace	Construct Toyota Park Transportation Center	$2,000,000

Note: Budgets represent only state-funded portion of overall project scope.

Red Line South Reconstruction

CTA Project #68453

Description:

Renew track components and drainage to eliminate slow zones on the Dan Ryan branch of the Red Line between 18th Street and 95th Street. Also improve station facilities along the entire line including installation of elevators.

Status:

Construction is underway. The line closure began on May 19, 2013. The Track Contractor has stockpiled all materials and removed the existing track and is preparing the track subgrade. The station upgrade contractor has done the selective demolition to begin work on the structures that will accommodate the new elevators being installed.

Budget:

The project is on budget. The selected contractor's price was less than CTA's estimate.

	Budget	Obligated	Expended	Expended %
Project Total	$415,238,579	$339,061,503	$14,737,967	4%

Schedule:

The extended closure of the Dan Ryan branch began on May 19, 2013. The contractors have committed to CTA's re-opening milestone of October 2013. The project is on schedule.

Milestone	Baseline Schedule	Actual (A) / Forecast
Construction Bidding	July 2012	July 2012 A
Notice to Proceed	September 2012	October 2012 A
Begin Extended Closure	May 2013	May 2013 A
Resume Dan Ryan Service	October 2013	October 2013
Substantial Completion	July 2014	July 2014

Highlights:

CTA advertised this project as a Request for Proposals rather than an Invitation for Bid.

The decision to reconstruct the track and modify stations during a single 5-month outage is estimated to have saved 4 years of construction time.

Wilson Transfer Station

CTA Project #8457

Description:

Replace the existing Wilson Street Station and elevated structure from Montrose Avenue to Leland Avenue with a new four track station with platforms between the express and local tracks. The architectural facades of the buildings under the structure will be preserved.

Status:

The construction bid packages was advertised. Addendum No. 3 was issued June 12, 2013 with bids due July 2, 2013. Environmental clearance was expected in April 2013 but has not yet been received.

Budget:

Budget information is for the state-funded portion.

	Budget	Obligated	Expended	Expended %
Project Total	$169,959,391	$15,800,000	$0	0%

Schedule:

The construction bid package was advertised. A Pre-Bid Meeting/Site Visit was held Wednesday, May 15, 2013. Addendum No. 3 was issued June 12, 2013. The bids are due July 2, 2013. Environmental clearance was expected in April 2013 but has not yet been received due to the diligence required with respect to the two historic landmark buildings.

Milestone	Baseline Schedule	Actual (A) / Forecast
Environmental Clearance	April 2013	September 2013 A
Advertise for Bids	April 2013	May 2013 A
Notice to Proceed	September 2013	September 2013
Substantial Completion	August 2017	August 2017

Highlights:

RTA performed a Value Engineering review of the station design and made several recommendations, many of which were able to be incorporated into the construction documents and are expected to reduce the possibility of construction change orders.

The project will be phased so that the station will remain open with only one track out of service at a time.

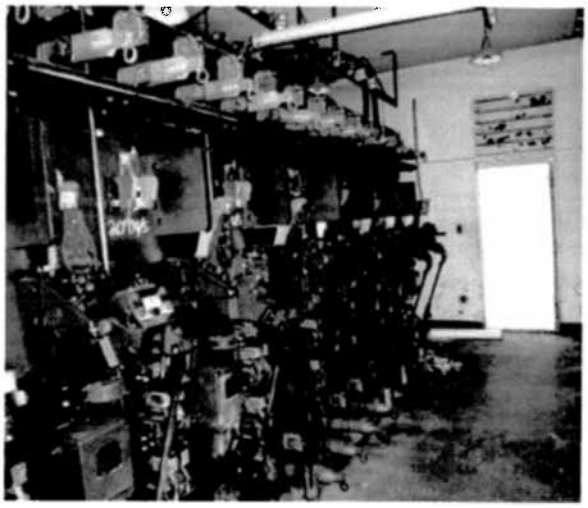
The terra cotta facades on two buildings under the structure will be preserved and reinstalled. One building will be rebuilt for commercial use. Proposals are being sought from developers for Transit Oriented Development.

Traction Power Upgrades at Farwell, Armitage, and Hill

CTA Project #68539

Description:

Construct new traction power substations at three locations: Farwell, Armitage, and Hill. Upgrade switch rooms at Orleans and Weed Street and install new feeders and sectioning.



Status:

The project is in the construction phase. Work is being progressed at all three locations and at the manufacturer of the new switchgear.

Budget:

Due to higher than expected construction contract bids, the project budget was increased from $56.9 million to $66.5 million. The budget also includes utility and CTA force account work.

	Budget	Obligated	Expended	Expended %
Project Total	$66,546,338	$66,595,402	$4,017,703	6%

Schedule:

The project has recovered from being behind schedule.

Milestone	Baseline Schedule	Actual (A) / Forecast
Advertise for Bids	February 2012	March 2012 A
Construction Bids	March 2012	May 2012 A
Notice to Proceed	May 2012	August 2012 A
Substantial Completion	November 2014	November 2014

Highlights:

This project will enhance the performance, safety, and reliability of the traction power supply and distribution system for CTA rail service. In addition to the new substations at Farwell, Armitage, and Hill, the project includes modifications to circuit breaker houses to improve sectioning of the third rail system and replacement of power distribution cabling.

Despite higher than estimated construction bids, CTA was able to revise the project budget without reducing the contingency budget for the state-funded capital program.

Loop Track Renewal

CTA Project #68546

Description:

Replacement of Track on the Loop Elevated including the Wells and Van Buren sides of the Loop and the junctions at Lake/Wells (Tower 18) and Wabash/Van Buren (Tower 12). The project also includes replacement of track in the Hubbard and Kinzie Curves north of Merchandise Mart Station as well as selected structural repairs.

Status:

The project is in construction with the major work completed. The contractor completed all trackwork during 2012 as originally scheduled except for Tower 18. Tower 18 was rescheduled to 2013 to coincide with the replacement of the Wells Street Bridge.

Budget:

The project is on budget. Change orders were within the project contingency amount and are associated with Wells Street Bridge coordination.

	Budget	Obligated	Expended	Expended %
Project Total	$53,026,306	$51,717,332	$37,638,437	71%

Schedule:

The project was completed on schedule except for the work at Tower 18 and at the Hubbard and Kinzie curves. The schedule for substantial completion was revised to mid-2013 to coordinate with Chicago Department of Transportation (CDOT) Wells Street Bridge span replacement project, which was completed in two 9-day outages in 2013. CTA completed renewal of Tower 18 and the Hubbard and Kinzie curves in the four weekends that were coincident with the CDOT outages of the Wells Street Bridge.

Milestone	Baseline Schedule	Actual (A) / Forecast
Contract Award	July 2011	July 2011 A
Notice to Proceed	August 2011	August 2011 A
Substantial Completion (Milestone A-1)	January 2013	December 2012 A
Tower 18 Completion	May 2013	May 2013 A
Substantial Completion	May 2013	May 2013 A

Highlights:

This project renewed track components for a lifespan of 18 to 25 years and removes slow zones on the elevated loop. CTA worked with the City of Chicago to coordinate street closures between this project and CDOT's Wacker Drive Reconstruction. CTA also worked with CDOT to coordinate the simultaneous outage of the Wells Street Bridge with the replacement of special trackwork at Tower 18 (Lake/Wells) that eliminated the disruptive effect of four independent weekend outages.

Rail Car Overhaul and Mid-Life Rehabilitation

CTA Project #68537

Description:

An ongoing rail car overhaul program will provide for a mid-life overhaul on 2600 Series rail cars and a ¾-life overhaul on 3200 Series rail cars.

Status:

Purchase requisitions for long lead time parts are being prepared. Kits for the 2600 Series overhaul have been approved. RTA continues to provide concurrence when appropriate on the contracts to provide for these items.

Budget:

The project is on budget. This funding represents the first year of multi-year overhaul program.

	Budget	Obligated	Expended	Expended %
Project Total	$48,941,186	$15,563,193	$82,019	0.2%

Schedule:

The project is on schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Finalize Technical Specifications	January 2013	January 2013 A
Notice to Proceed	December 2013	December 2013
Substantial Completion	July 2017	July 2017

Highlights:

In addition to the purchase of new rail cars, CTA has embarked on an aggressive rail car overhaul program to restore these cars to a state of good repair. By completing these required overhauls as they are intended to be scheduled, their comfort, quality, and service lives will improve. Moreover, as more cars are cycled through the overhaul, unscheduled maintenance will be significantly reduced.

North Red Line Stations – Sheridan and Bryn Mawr

CTA Project #68458

Description:

Improvements will be made to Sheridan and Bryn Mawr Stations on the north Red Line to provide safe and dry conditions and aesthetic improvements. Various components will be renewed, including lighting, roofs and canopies, platform decking, painting, and accessibility features. Viaduct repairs at Bryn Mawr may also be included.

Status:

CTA is currently drafting the Project Management Plan and a task order for design to its General Engineering Consultant.

Budget:

The project is on budget. This funding is part of a larger program for station improvements on the CTA North Main Line.

	Budget	Obligated	Expended	Expended %
Project Total	$24,000,000	$2,960,000	$0	0%

Schedule:

The project is on schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	February 2014	February 2014
Notice to Proceed	June 2014	June 2014
Substantial Completion	February 2015	February 2015

Highlights:

Sheridan and Bryn Mawr, which are among the oldest stations in the CTA system, exhibit signs of deterioration, having reached the end of their useful lives. Both are located on structure built in the 1920s.

Perform Mid-Life Bus Overhaul

CTA Project #68536

Description:

Buses placed into service in 2006 will receive an overhaul and be returned to a state of good repair. Current State Bond funds will provide for overhaul of the first 80 of 1,030 New Flyer buses that comprise the 1000 Series.

Status:

CTA completed a pilot program to overhaul buses in-house before executing a contract with an outside vendor. This contract has been executed, and full production of the first six buses is underway.

Budget:

The project is on budget. This funding represents the first year of multi-year overhaul program.

	Budget	Obligated	Expended	Expended %
Project Total	$14,581,690	$433,661	$7,338	0.1%

Schedule:

The project is on schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Overhaul Contract Award	January 2013	January 2013 A
Start Production	May 2013	May 2013 A
Substantial Completion	October 2014	October 2014

Highlights:

In addition to the overhaul scope, the program will include retrofit of diesel particulate filters. Pending further tests, conventional wet cell batteries may be replaced with dry cell, longer life absorbent glass mat batteries that allow for immediate starts, decreasing idling time.

Purchase and Install Security Cameras – Stations and Yards

CTA Project #68543

Description:

Installation of a security camera network throughout CTA facilities to harden security of transit assets and ensure safety of systems and customers. The network will also support enhanced command and control systems to facilitate incident response.

Status:

Work is complete at south side stations on the Green Line that are being utilized as alternative service options to the closed Dan Ryan branch. Work is ongoing on the Dan Ryan branch as the contractor takes advantage of the line closure.

Budget:

The project is on budget.

	Budget	Obligated	Expended	Expended %
Project Total	$14,086,667	$15,465,949	$6,982,612	50%

Schedule:

The project is on schedule. Implementation work will be divided into installation location groupings through April 2014.

Milestone	Baseline Schedule	Actual (A) /Forecast
Notice to Proceed	April 2012	April 2012 A
Substantial Completion	December 2014	December 2014

Highlights:

Together with Project #68542, implementation is being coordinated with CTA Infrastructure projects to minimize impact of construction on revenue service.

Purchase and Install Rail Car Tracking System (RFID)

CTA Project #68542

Description:

Develop and implement a train tracking system using Radio Frequency Identification (RFID) technology to provide real-time train positioning data. This upgrade will result in faster, more efficient, and more accurate tracking of trains.

Status:

Work is complete at south side stations on the Green Line that are being utilized as alternative service options to the closed Dan Ryan branch. Work is ongoing on the Dan Ryan branch as the contractor takes advantage of the line closure.

Budget:

The project is on budget.

	Budget	Obligated	Expended	Expended %
Project Total	$13,342,723	$13,342,723	$10,287,577	77%

Schedule:

The project is on schedule. Implementation work will be divided into installation location groupings through April 2014.

Milestone	Baseline Schedule	Actual (A) /Forecast
Notice to Proceed	April 2012	April 2012 A
Substantial Completion	December 2014	December 2014

Highlights:

Together with Project #68543, implementation is being coordinated with CTA Infrastructure projects to minimize impact of construction on revenue service.

Purple Line Express Track Renewal

CTA Project #68459

Description:

This project will renew aging and deteriorated track components. Activities include tie replacement, partial or complete replacement of running rail, and renewal of certain special trackwork locations.

Status:

Permits have been received from the City of Evanston for CTA force account work, which is currently underway.

Budget:

The project is on budget.

	Budget	Obligated	Expended	Expended %
Project Total	$12,000,000	$9,128,660	$0	0%

Schedule:

The project is on schedule. No contracts have been executed because the work is being performed by CTA forces.

Milestone	Baseline Schedule	Actual (A) /Forecast
Project Start	June 2013	June 2013 A
Project Complete	May 2016	May 2016

Highlights:

The project is not a complete renewal, but a heavy maintenance scheme until additional funding is secured for complete track replacement. Currently, 34% of Evanston Express track is subject to slow zone and 38% of track on the Evanston branch between Howard and Linder is subject to slow zone. This project will mitigate slow zones while a more permanent solution is developed.

Milwaukee Blue Line Track Renewal

CTA Project #68460

Description:

Track improvements between Damen Station and the Kimball/Milwaukee Subway on the O'Hare branch of the Blue Line will include replacement of ties, fasteners, and associated track material. Running rail will also be transposed, and additional work includes footwalk, third rail, signal equipment, and structural modifications.

Status:

30% Design was completed in April 2013. CTA is evaluating proposals received pursuant to an advertised RFQ.

Budget:

The project is on budget.

	Budget	Obligated	Expended	Expended %
Project Total	$8,121,827	$926,630	$0	0%

Schedule:

The project is on schedule. The 30% Design Submittal was prepared by CTA's General Engineering Consultant prior to advertising the design-build contract to complete the project.

Milestone	Baseline Schedule	Actual (A) /Forecast
30% Design	April 2013	April 2013 A
Notice to Proceed	August 2013	August 2013
Substantial Completion	December 2014	December 2014

Highlights:

Timber ties have deteriorated in many areas, resulting in loose rail fastening systems. Slow zones have been imposed periodically in recent years, requiring remedial measures by CTA maintenance forces. Absent this project, future slow zones can be expected within the project limits.

Major track renewals have occurred north and south of this segment, improving travel times from downtown Chicago to O'Hare. This project will fill a gap in that trip.

Systemwide Station Upgrades

CTA Project #68541

Description:

The scope of this project involves facilities upgrades to stations throughout the CTA rail system, including repair or replacement of stairs, roofs, and canopies. Improvements to subway stations include repairs to mezzanine walls, floors, and lighting, street level access, and platform level lighting and painting.

Status:

Design is complete for the roof and canopy replacement portion of the work. Task orders for work by a job order contractor are being issued.

Budget:

The project is on budget.

	Budget	Obligated	Expended	Expended %
Project Total	$5,419,346	$2,611,436	$1,129,733	21%

Schedule:

The project is behind schedule due to a change in the design strategy to perform the work in-house rather than utilize outside consultants, compounded by seasonal construction constraints.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete – Roofs and Canopies	September 2012	May 2013 A
Design Complete – Stairs	March 2012	November 2013
Substantial Completion – Roofs and Canopies	May 2013	April 2014
Substantial Completion – Stairs	November 2013	October 2014

Highlights:

Although the project is behind schedule, performing the design work in-house may reduce the overall design costs and potentially allow the project to be completed under budget.

Renew 63rd/Ashland Station

CTA Project #68540

Description:

This project will upgrade the CTA Green Line station at 63rd and Ashland, including repairs to the station house, roofs, canopies, elevators, escalators, stairs, painting, and landscaping.

Status:

Roof replacement is substantially complete. Upgrades to the stationhouse are ongoing.

Budget:

The project is on budget; however, an unforeseen condition discovered upon removal of the existing stair, which requires repair prior to new stair installation, may add extra cost.

	Budget	Obligated	Expended	Expended %
Project Total	$3,910,988	$3,351,224	$1,627,723	42%

Schedule:

The project is on schedule, and the unforeseen condition will not impact it.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	June 2012	June 2012 A
Notice to Proceed	August 2012	August 2012 A
Substantial Completion	February 2013	February 2013

Highlights:

63rd/Ashland station is expected to receive increased ridership during the extended closure of the Dan Ryan branch of the Red Line during its construction phase. The renewal of 63rd/Ashland is expected to be complete prior to the extended closure with the station equipped to handle the extra capacity.

Replace 160 Bi-Level Electric MU Commuter Cars

Metra Project # 3113

Description:

Purchase 160 new electric multiple unit "Highliner" Cars for the Metra Electric District. The new cars will replace the existing 40 year old cars to reduce maintenance and increase reliability.

Status:

The project is in the manufacturing phase. Prototype Cars were delivered in September 2012. To date, 30 Production cars have been delivered. A total of 32 new Highliner cars are in revenue service.

Budget:

The project is on Budget.

	Budget	Obligated	Expended	Expended %
Project Total	$585,100,000	$585,076,301	$392,939,556	67%

Schedule:

The project is on schedule.

Milestone	Baseline Schedule	Actual (A) / Forecast
Notice to Proceed	October 2010	October 2010 A
Prototype Car Delivery	September 2012	September 2012 A
Prototype Car Acceptance	September 2012	October 2012 A
1st Base Car Delivery	December 2012	November 2012 A
80 Cars Complete	February 2014	February 2014
160 Cars Complete	May 2015	July 2015

Highlights:

The rail car manufacturer, Nippon Sharyo, opened its manufacturing facility in Rochelle, Illinois in 2012 and is now adding a shop to fabricate parts. The Rochelle facility is doing final assembly and testing of the Highliner cars. Tooling for carbody manufacturing is installed and tested; carbody manufacturing is ready to begin. Projected permanent employment at Rochelle is 250+.

Final assembly of all Highliner Production cars is being done in Rochelle. Carbody shells for cars #81 to #160 (80 cars) will be manufactured in Rochelle. For the last 80 cars, Rochelle will complete these cars from carbody shell construction through final assembly and testing.

Auburn Park New Station

Metra Project #4484

Description:

The Auburn Park Station will be a new station stop within the Metra rail system. The design scope includes environmental assessments as well as the development of three alternate concepts for design. The scope may be enhanced if additional construction funding is secured (see Cost below).

Status:

Eighteen month Design Process. Design is currently 8% complete. Anticipate a Value Engineering study to take place late summer 2013.

Budget:

Current State Bond funding will afford a basic station, and will not fully fund construction of the station enhancements currently envisioned. Senator Collins is working to secure additional funds.

	Budget	Obligated	Expended	Expended %
Project Total	$11,500,000	$1,266,821	$66,047	1%

Schedule:

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Completion	TBD	
Notice to Proceed	TBD	
Substantial Completion	TBD	

Highlights:

Metra and RTA agree that this will be a strong candidate for VE Analysis. Currently discussing entrance options with community leaders. A VE decision will be made once the design concepts have been narrowed down and design is at 10% complete.

Cicero Avenue Station

Metra Project #2880

Description:

Project scope includes demolition and reconstruction of the existing platform, canopy, and shelter to improve ADA accessibility.

Status:

Notice of Award was provided in August 2012. The project is currently under Construction with 22% complete.

Budget:

The Engineer's estimate is on budget.

	Budget	Obligated	Expended	Expended %
Project Total	$6,500,000	$4,363,246	$1,076,725	17%

Schedule:

The project is currently on schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	August 2011	August 2011 A
Construction Bidding	January 2012	January 2012 A
Notice to Proceed	May 2012	September 2012 A
Substantial Completion	March 2013	February 14

Highlights:

Currently under construction and is 22% complete. Initial staging is complete, the temporary inbound platform is in service, and Phase I work is in progress.

Calumet Station

Metra Project #

Description:

Rehabilitation of the Calumet Station, including entrances, replacement of the platform, platform shelters and lighting. New warming house and new South entrance.

Status:

Currently in design (using Metra funds). Design is 90% complete. 90% Design review meeting is June 19th 2013.

Budget:

	Budget	Obligated	Expended	Expended %
Project Total	$5,500,000	$0	$0	0%

Schedule:

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	Sept 2013	
Construction Bidding	TBD	
Notice to Proceed	TBD	
Substantial Completion	TBD	

Highlights:

Due to staging restrictions imposed by crossover locations, Calumet construction cannot begin until after Flossmoor is complete. The goal is to bid and construct this work at the same time as Hazel Crest. Pending construction funding approval.

Hazel Crest Station

Metra Project #4483

Description:

The project scope includes the rehabilitation of the station and entrances, and the addition of an elevator. The project will raise the Depot, currently at street level, to allow space for vendors and restrooms at street level. Metra's State Bond funding will not be applied to the new vendor spaces, however, design will allow for such improvements by the City of Hazel Crest in the future.

Status:

90% Design review meeting held 5/30/13. 100% Design anticipated to be complete mid-August 2013.

Budget:

Current funding authorization includes $500,000 for design and $4,500,000 for construction. An additional $500,000 for construction is included in the pending 2011 State Bond Request.

	Budget	Obligated	Expended	Expended %
Project Total	$5,000,000	$277,879	$82,858	2%

Schedule:

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Completion	February 2013	August 2013
Notice to Proceed	June 2013	TBD
Substantial Completion	April 2014	TBD

Highlights:

Due to staging restrictions imposed by crossover locations, Hazel Crest construction cannot begin until after Flossmoor is complete. The goal is to bid and construct this work at the same time as the Calumet station project.

Flossmoor Station

Metra Project #4473

Description:

Project includes demolition and replacement of the existing station as well as extending the platform to a standard 6-car platform. The design includes reusing pier foundations and elevator access. If budget allows, this project may also lengthen the canopy roof to match the new platform. The canopy extension is being bid as an Alternate.

Status:

Out for re-bid. Original contractor selected went bankrupt. Re-bid opening is June 25, 2013.

Budget:

Estimates are in-line with current construction funding authorizations.

	Budget	Obligated	Expended	Expended %
Project Total	$5,000,000	$923,857	$0	0%

Schedule:

The schedule has been revised due to the original contractor going bankrupt.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	April 2011	August 2011 A
Construction Bidding	March 2012	June 2013 A
Notice to Proceed	July 2012	TBD
Substantial Completion	April 2013	TBD

Highlights:

Construction will start this season and will finish next year mid-summer.

Geneva Parking Deck

Metra Project #3864

Description:

This project includes the addition of a third level (approximately 180 spaces) to the existing Geneva Station Parking Deck, which was built during Phase I of the project. Construction will be bid and managed by the City of Geneva in coordination with Metra's Construction Manager.

Status:

Original bids were rejected; Contractor prices were over the engineer's estimate and none of the bidders met the DBE percentage. Project to be re-bid in 2013.

Budget:

Estimates are in-line with the project budget.

	Budget	Obligated	Expended	Expended %
Project Total	$3,500,000	$0	$0	0%

Schedule:

Metra anticipates an approximate three month period for IFB. Construction duration is expected to be seven months.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	August 2011	August 2011 A
Construction Bidding	January 2012	Re-bid 2013
Notice to Proceed	May 2012	TBD
Substantial Completion	December 2012	TBD

Highlights:

Construction Funding approval is still needed. Construction for this project is being managed by Geneva.

Fox River Grove Station

Metra Project #4487

Description:

The portion of the project scope being funded through the State Bond program ($2M) includes replacement of an existing shelter, construction of an additional shelter along the platform, and site access improvements. The project also includes platform work which will be funded through Metra's routine platform maintenance budget (approximately $1M).

Status:

Under construction; 58% complete.

Budget:

Estimates are in line with the project budget (State Bond funding plus Metra's additional $1M maintenance funds).

	Budget	Obligated	Expended	Expended %
Project Total	$2,000,000	$2,000,000	$967,083	48%

Schedule:

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Completion	March 2011	March 2011 A
Notice to Proceed	October 2012	October 2012 A
Substantial Completion	October 2013	September 2013

Highlights:

The project is under construction and is 58% complete. One warming shelter is complete and ready for winter use.

Design and Engineer Healy Station

Metra Project #4471

Description:

This project includes the elimination of the existing at-grade railway crosswalk, rehabilitation of inbound platform access and shelter facilities, construction of a new ADA-compliant ramp to the outbound platform, and rehabilitation of the outbound shelter.

Status:

100% Design complete 3/31/13. Currently awaiting construction funding.

Budget:

Metra has received design funding, but notes that construction funding has not been approved ($4M in 2011 State Bond Funding Request). Metra is requesting an additional $500K in the 2013 request.

	Budget	Obligated	Expended	Expended %
Project Total	$500,000	$500,000	$201,852	40%

Schedule:

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Complete	May 2012	March 2013A
Notice to Proceed	September 2012	TBD
Substantial Completion	August 2013	TBD

Highlights:

Construction funding is still pending. Once funding is received, this project will go out for bid.

Purchase StarCom 21 Radio System

Pace Project #4509

Description:

Replace voice and data radio system approaching 15 years old that has reached the end of its useful life with new system to increase voice and data capacity and coverage across the entire region.

Status:

The overall project is 75% complete. Installation of onboard equipment in buses is 50% complete. Eight of thirteen communications towers are complete.

Budget:

The project is currently within budget.

	Budget	Obligated	Expended	Expended %
Project Total	$10,000,000	$9,849,840	$5,171,701	52%

Schedule:

The project is slightly behind schedule due to location issues for communications towers, but Pace expects the contractor to recover prior to completion with no impact to the schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Contract Award	December 2011	December 2011 A
Design Approval	March 2012	March 2012 A
Voice System Installation	August 2012	August 2012 A
Data System Cutover	September 2013	September 2013
Project Complete	November 2013	November 2013

Highlights:

By utilizing the existing shared StarCom 21 network, Pace will realize ongoing cost savings. System coverage, response times, and reliability will improve. Separated voice and radio communications will result in zero data loss while talking on voice system.

Purchase Paratransit Buses for Suburban Dial-A-Ride Service

Pace Project #4562

Description:

Purchase new 15-passenger Paratransit buses. An anticipated five-year contract for a minimum quantity of 137 buses and a maximum of 432. State Bond funding will provide for 110 buses. The contract will include fabrication and delivery as well as inspection services.

Status:

Bids were opened in October 2012 and the contract was awarded in May 2013. Production will start in July 2013 and is expected to be complete by December 2013.

Budget:

The project is on budget with zero expenditures.

	Budget	Obligated	Expended	Expended %
Project Total	$9,000,000	$7,336,536	$0	0%

Schedule:

The project is on schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Procurement Bidding	October 2012	October 2012 A
Contract Award	May 2013	May 2013 A
Last Bus Delivery	January 2014	January 2014

Highlights:

The new buses will feature an improved wheelchair restraint system as well as some improved fuel economy to reduce overall operating costs.

Purchase 40' Fixed Route Buses

Pace Project #4501

Description:

Purchase new 40' Fixed Route Bus Procurement Project for Pace Suburban Bus Service. The contract will include fabrication and delivery of buses and inspection services.

Status:

Delivery of the buses funded by the state grant is complete. These new buses are in service.

Budget:

The project was completed on budget.

	Budget	Obligated	Expended	Expended %
Project Total	$6,000,000	$5,253,463	$5,083,254	85%

Schedule:

The project was completed on schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Contract Award	January 2012	January 2012 A
First Bus Delivery	October 2012	October 2012 A
13 Bus Delivery Complete	February 2013	February 2013 A

Highlights:

The new buses will replace the existing 15-18 year old buses to reduce maintenance and increase reliability and comfort, providing cleaner, newer equipment to riders. An improved wheelchair restraint system will be installed within these vehicles and will positively impact the population with disabilities that uses fixed route services. Pace maintenance staff will have an easier and more cost effective platform to work with. The new equipment will also reduce maintenance and operations work associated with the fleet, and will also allow Pace Operations to realize improved fuel efficiencies associated with operating these vehicles.

Purchase Paratransit Buses for ADA City Service

Pace Project #4561

Description:

Purchase new 11-passenger Paratransit buses. An anticipated five-year contract for 630 buses. State Bond funding will provide for 72 buses. The contract will include fabrication and delivery as well as inspection services.

Status:

The contract for manufacture of these buses was advertised. The bid period is closed. Pace received 4 bids.

Budget:

The project is on budget with zero expenditures.

	Budget	Obligated	Expended	Expended %
Project Total	$5,000,000	$0	$0	0%

Schedule:

The project is on schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Procurement Bidding	March 2013	March 2013 A
Contract Award	May 2013	May 2013 A
Last Bus Delivery	January 2014	January 2014

Highlights:

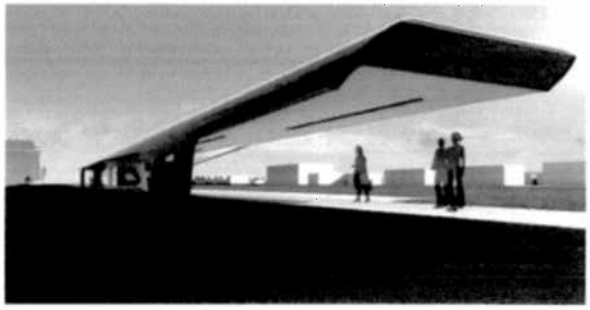
The new buses will feature an improved wheelchair restraint system as well as some improved fuel economy to reduce overall operating costs.

Toyota Park Transportation Center

Pace Project #4529

Description:

Construct new bus turnaround and passenger facility near Toyota Park in the Village of Bridgeview.



Status:

The project was advertised for bid in April 2013, and the bid period is now complete. Pace expects to award a contract in third quarter 2013.

Budget:

The project is on budget with zero expenditures.

	Budget	Obligated	Expended	Expended %
Project Total	$2,000,000	$0	$0	0%

Schedule:

The project is on schedule.

Milestone	Baseline Schedule	Actual (A) /Forecast
Design Completion	December 2012	December 2012 A
Construction Bidding	May 2013	April 2013 A
Notice to Proceed	August 2014	August 2014
Substantial Completion	TBD	

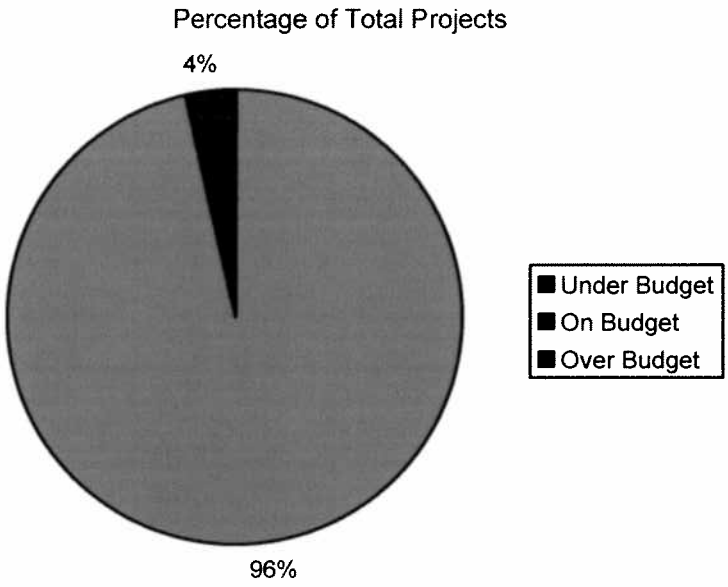
Highlights:

State Bond funding is providing for the construction phase only. Design services are funded and managed by the Village of Bridgeview.

SYSTEMWIDE

"Illinois Jobs Now!" State-Funded Projects – Budget Performance

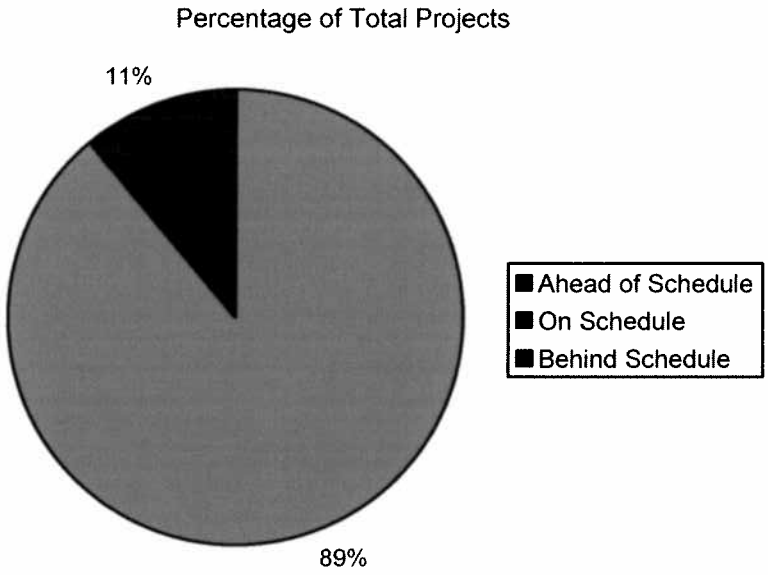
Reason	Quantity
Under Budget	0
On Budget	26
Over Budget	1



SYSTEMWIDE

"Illinois Jobs Now!" State-Funded Projects – Schedule Performance

Reason	Quantity
Ahead of Schedule	0
On Schedule	24
Behind Schedule	3

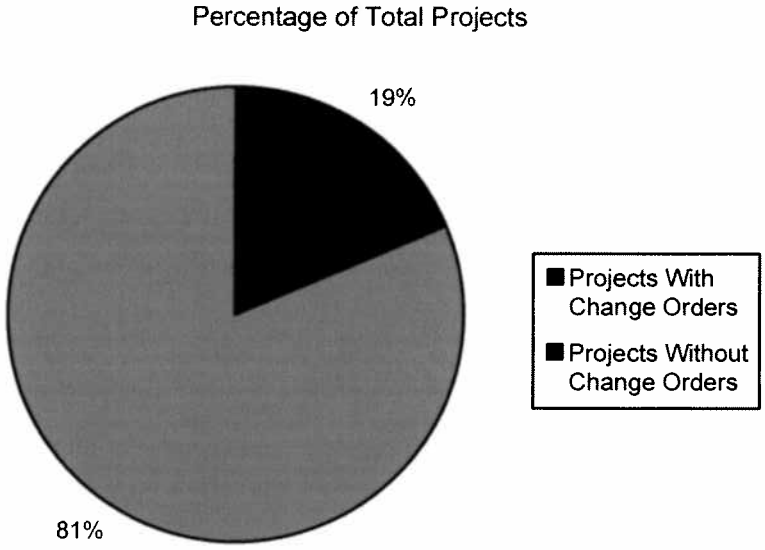


SYSTEMWIDE

"Illinois Jobs Now!" State-Funded Projects – Change Orders

Reason	Quantity
Projects With Change Orders	5
Projects Without Change Orders	22

Note: Some projects may have executed multiple change orders.



SYSTEMWIDE

"Illinois Jobs Now!" State-Funded Projects – Change Order Reasons

Reason	Quantity	Cost
Added Value	5	$20,187,627
Unforeseen Conditions	3	$1,063,926
Errors and Omissions	0	$0
Value Engineering	2	($4,550,000)
TOTAL	10	$16,701,553

The majority of change order cost for these projects has been to add value to the project, particularly regarding the federally-mandated implementation of Positive Train Control (PTC) for Metra's procurement of 160 Electric Highliner Cars. For these change orders, the added value should not be misconstrued as scope creep, as the opportunity to add PTC capability during initial fabrication is more efficient than a later retrofit.

Unforeseen conditions have included unanticipated subgrade materials and extensive subsurface damage on existing structures on the CTA Purple Line Viaduct project. These conditions could not have been detected prior to construction.

Coordination with the City of Chicago's replacement of the Wells Street Bridge led to a change order for the Loop Track Renewal project; however, this coordination reduced construction risk by allowing work at Tower 18 to be completed during the track closures that project required.

Two new change orders were executed in the last six months; however, both of these were on the Red Line South Reconstruction, and both were for value engineering items that were approved by the CTA design team. The first change order involved the substitution of conduit material, and the second involved removal of existing ballast, which was to be treated as special waste; however some ballast was found not to require such special treatment. Together, these changes reduced the construction contract by $4,550,000.

SECTION II
SYSTEMWIDE PROJECTS OVER $10,000,000

SYSTEMWIDE

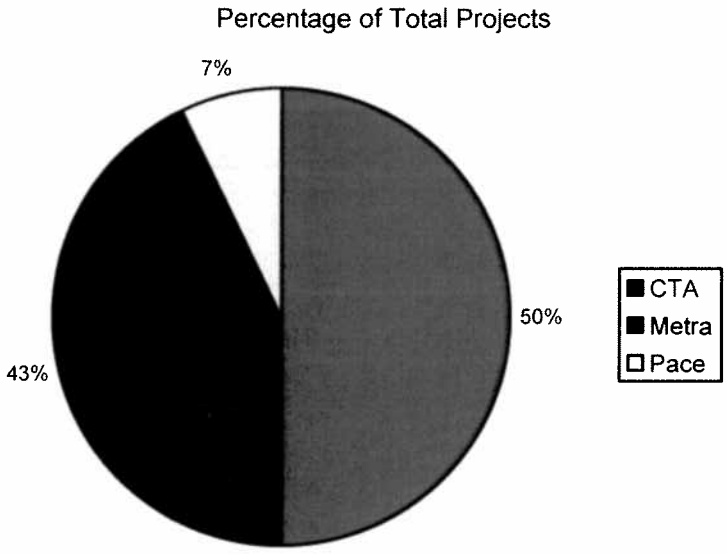
Projects over $10,000,000

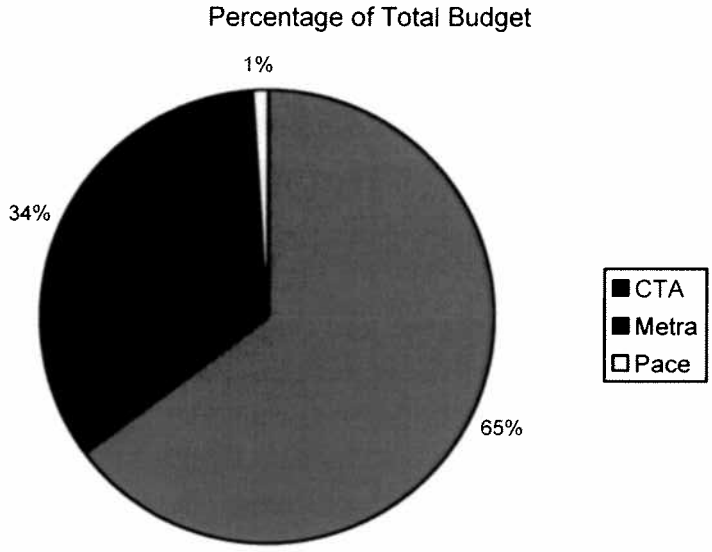
Service Board	Project Title	Budget
CTA	Replace Approximately 714 Rail Cars	$1,137,528,552
Metra	Purchase 160 Bi-Level Multi-Unit Electric Commuter Cars	$585,100,000
CTA	Red Line South Reconstruction	$415,238,579
CTA	Wilson Transfer Station	$206,050,539
Metra	Englewood Flyover (CREATE Program P1)	$136,864,268
Metra	Replace Bridges, 18th to 55th – Rock Island District	$113,311,444
Metra	Replace Bridges – UP North	$104,965,959
CTA	North Red Line Station Improvements	$86,000,000
CTA	Replace Existing Substations – Farwell/Armitage/Hill	$66,546,338
Metra	Belmont Road Grade Separation	$56,810,399
CTA	Loop Track Renewal	$53,026,306
CTA	Perform Rail Car Overhaul and Mid-Life Rehabilitation	$48,941,186
Metra	Positive Train Control	$36,092,753
Metra	Lake Street Interlocker	$26,832,965
Pace	Purchase 40' Fixed Route Buses	$26,649,876
CTA	Milwaukee/Blue Line Track Renewal	$24,121,827
CTA	North Red Line Stations – Sheridan and Bryn Mawr	$24,000,000
Metra	Car Rehabilitation - Amerail	$18,500,000
CTA	Perform Mid-Life Bus Overhaul	$14,450,197
CTA	Purchase and Install Security Cameras – Stations and Yards	$14,086,667
CTA	Purchase and Install Rail Car Tracking System (RFID)	$13,342,723
Metra	A5 Interlocker	$12,763,777
Metra	Station Area Upgrades – UP West	$12,400,000
CTA	Purple Line Express Track Renewal	$12,000,000
Metra	Auburn Park New Station	$11,500,000
Metra	47th Street Yard Improvements	$11,255,187
CTA	Loyola Red Line Station Improvements	$10,000,000
Pace	Purchase StarCom 21 Radio System	$10,000,000

SYSTEMWIDE

Projects over $10,000,000 by Service Board – Quantity and Budget

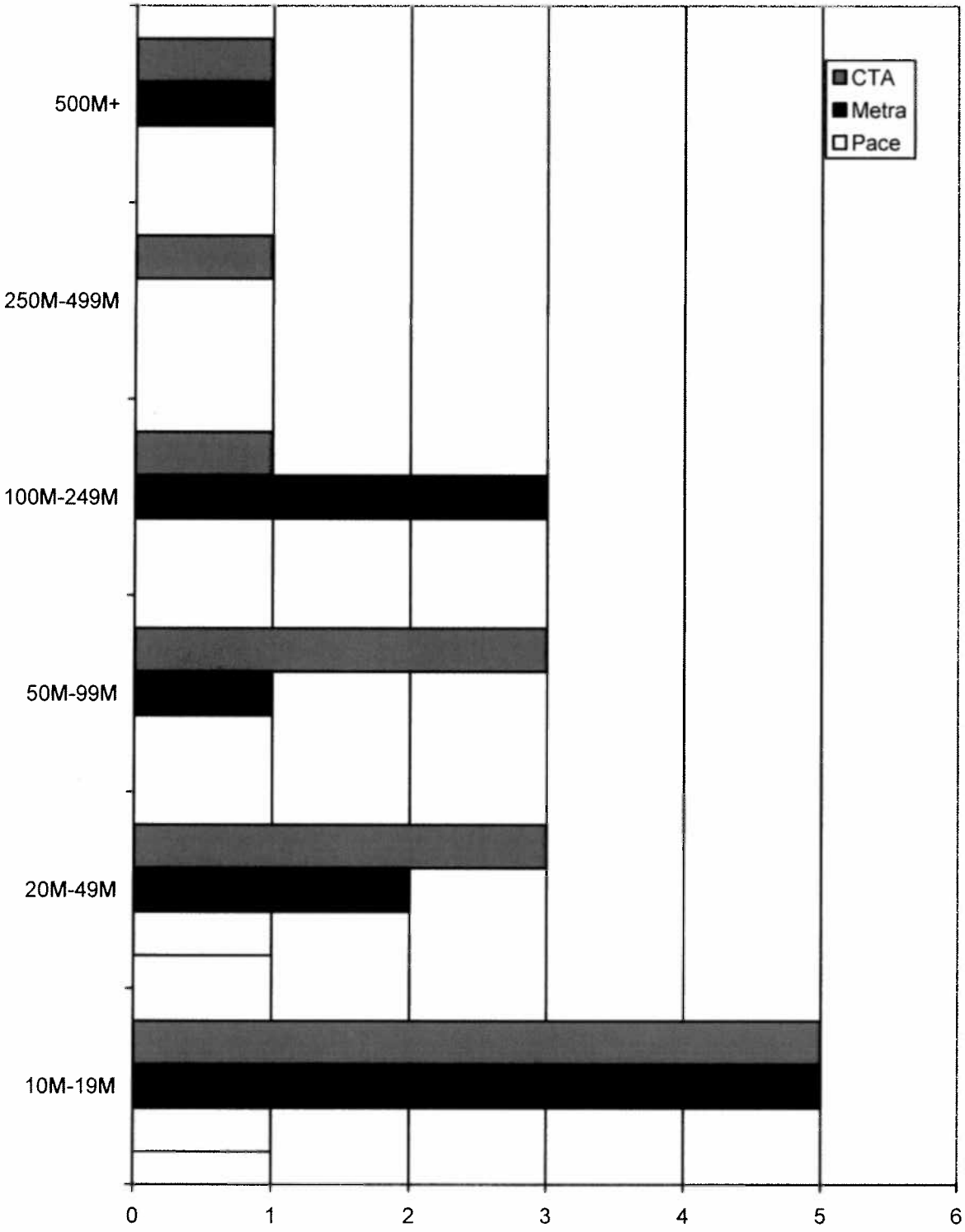
Service Board	Projects	Budget
CTA	14	$ 2,125,332,914
Metra	12	$ 1,126,396,752
Pace	2	$ 36,649,876
TOTAL	28	$ 3,288,379,542





SYSTEMWIDE

Projects over $10,00,000 by Service Board – Budget Range



SYSTEMWIDE

Projects over $10,000,000 by Budget Range

Projects over $500,000,000	2
Projects between $250,000,000 and $499,999,999	1
Projects between $100,000,000 and $249,999,999	4
Projects between $50,000,000 and $99,999,999	4
Projects between $20,000,000 and $49,000,000	6
Projects between $10,000,000 and $19,999,999	11

SYSTEMWIDE

Projects over $10,000,000 by Service Board – Budget Range

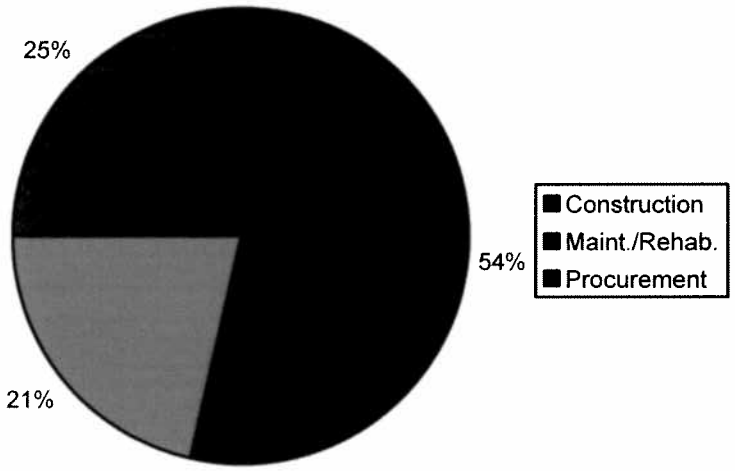
Budget Range	CTA	Metra	Pace
Projects over $500,000,000	1	1	0
Projects between $250,000,000 and $499,999,999	1	0	0
Projects between $100,000,000 and $249,999,999	1	3	0
Projects between $50,000,000 and $99,999,999	3	1	0
Projects between $20,000,000 and $49,999,999	3	2	1
Projects between $10,000,000 and $19,999,999	5	5	1

SYSTEMWIDE

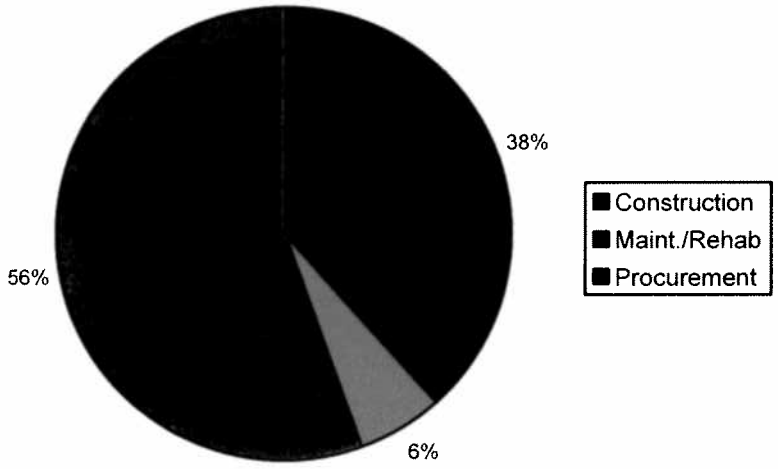
Projects over $10,000,000 by Type of Project

Type of Project	Quantity	Combined Budget
Construction	15	$1,258,090,846
Maintenance / Rehabilitation	6	$207,488,125
Procurement	7	$1,822,800,571

Percentage of Total Projects



Percentage of Total Budget



CTA

Type of Project	Quantity	Total Budget
Construction	8	$810,983,589
Maintenance / Rehabilitation	3	$149,391,383
Procurement	3	$1,164,957,942
TOTAL	14	$2,125,332,914

Metra

Type of Project	Quantity	Total Budget
Construction	7	$447,107,257
Maintenance / Rehabilitation	3	$58,096,742
Procurement	2	$621,192,753
TOTAL	12	$1,238,059,035

Pace

Type of Project	Quantity	Total Budget
Construction	0	$0
Maintenance / Rehabilitation	0	$0
Procurement	2	$36,649,876
TOTAL	2	$36,649,876

CTA

Projects over $10,000,000

Service Board	Project Title	Budget
CTA	Replace Approximately 714 Rail Cars	$1,137,528,552
CTA	Red Line South Reconstruction	$415,238,579
CTA	Wilson Transfer Station	$206,050,539
CTA	North Red Line Station Improvements	$86,000,000
CTA	Replace Existing Substations – Farwell/Armitage/Hill	$66,546,338
CTA	Loop Track Renewal	$53,026,306
CTA	Perform Rail Car Overhaul and Mid-Life Rehabilitation	$48,941,186
CTA	Milwaukee Blue Line Track Renewal	$24,121,827
CTA	North Red Line Stations – Sheridan and Bryn Mawr	$24,000,000
CTA	Perform Mid-Life Bus Overhaul	$14,450,197
CTA	Purchase and Install Security Cameras – Stations and Yards	$14,086,667
CTA	Purchase and Install Rail Car Tracking System (RFID)	$13,342,723
CTA	Purple Line Express Track Renewal	$12,000,000
CTA	Loyola Red Line Station Improvements	$10,000,000

PROJECT:	**Replace Approximately 714 Rail Cars**
SCOPE:	Purchase new rapid transit cars to replace the aging equipment currently in service. The entire 2200 and 2400 Series fleets and up to 370 of the 2600 Series cars will be retired and replaced by the 5000 Series cars.
BUDGET:	$1,137,528,552
SCHEDULE:	On schedule; estimated completion November 2015.
HIGHLIGHTS:	CTA has accepted 426 new rail cars. Acceptance of additional cars was temporarily postponed due to a welding issue, but new cars are being accepted again. CTA and Bombardier, the rail car manufacturer, resolved the problem together with no impact to the project schedule.

PROJECT:	**Red Line South Reconstruction**
SCOPE:	Track renewal includes replacement of deteriorated track components, including rail, ties, fasteners, ballast, sub-ballast, and subgrade over more than 100,000 feet of track. Stations within the project limits will also be rehabilitated, to include painting, lighting, windows, platform decking, roofs and canopies, and accessibility features. Structural, signal, and traction power elements will be upgraded as well.
BUDGET:	$415,238,579
SCHEDULE:	On schedule; estimated completion July 2014.
HIGHLIGHTS:	The five-month Dan Ryan line closure is underway and on schedule with no major issues. Two change orders are for value engineering items. The track contractor and station contractor, despite being separate entities, have coordinated their work together successfully, and are also working with the CTA Technology contractor that is upgrading security cameras and train tracker displays.

PROJECT:	**Wilson Transfer Station**
SCOPE:	Wilson Station on the Red Line will be completely reconstructed. The new facility will feature entrances on both the north and south sides of Wilson Avenue, as well as an auxiliary entrance at Sunnyside Avenue, all of which will be accessible. CTA will also preserve historical building elements.
BUDGET:	$206,050,539
SCHEDULE:	On schedule; estimated completion August 2017.
HIGHLIGHTS:	Along with the station facility, over 2000 feet of track structure will be completely rebuilt. Replacing the existing single island platform with double platforms will allow for transfers between Red Line and Purple Line trains. Additionally, the structure over Broadway Street will be reconstructed to eliminate all column bases and piers in the street right-of-way.

PROJECT:	**North Red Line Station Improvements**
SCOPE:	Rehabilitate seven (7) stations on the North Main Line. Rehab includes station, track and viaduct improvements. The seven stations are: Jarvis, Morse, Granville, Thorndale, Berwyn, Argyle and Lawrence.
BUDGET:	$86,000,000
SCHEDULE:	On schedule; estimated completion July 2013.
HIGHLIGHTS:	This interim improvement project allowed CTA to make the capital repairs necessary on the included stations, which are some of the oldest on the CTA system. The project is $2 million under budget.

PROJECT:	**Traction Power Upgrades at Farwell, Armitage, and Hill**
SCOPE:	Replace aging and functionally obsolete components of substations systemwide, and construct new substations at Farwell, Armitage, and Hill to improve transit reliability. This project will enhance the performance, safety, and reliability of the traction power supply and distribution system for CTA rail service.
BUDGET:	$66,546,338
SCHEDULE:	On schedule; estimated completion November 2014.
HIGHLIGHTS:	This project was previously behind schedule, but the contractor submitted a recovery schedule and is now on track to complete the project on time. DBE involvement to date is 49%; the original goal was 25%.

PROJECT:	**Loop Track Renewal**
SCOPE:	Systematically replace ties, fasteners, and renew structural elements that have deteriorated to a point at which they no longer provide adequate rail connection and track gage on the Wells Street and Van Buren Street legs of the Loop Elevated as well as the Hubbard Street and Kinzie Street curves on the Ravenswood-Loop Connector.
BUDGET:	$53,026,306
SCHEDULE:	Substantially completed in May 2013.
HIGHLIGHTS:	Work at Tower 18, the junction over Lake Street and Wells Street, was completed during the required closure for the Chicago Department of Transportation's Wells Street Bridge replacement. This coordination reduced the customer impact of the CTA work.

PROJECT:	**Perform Rail Car Overhaul and Mid-Life Rehabilitation**
SCOPE:	To reduce maintenance costs, 2600 Series cars are undergoing a 3/4 life overhaul and 3200 Series cars will receive a mid-life overhaul. The project budget represents only the first year of a multi-year overhaul program.
BUDGET:	$48,941,186
SCHEDULE:	On schedule; estimated completion July 2017.
HIGHLIGHTS:	CTA had previously considered converting the traction power system on the 3200 Series cars to make them compatible with the new 5000 Series cars currently being received; however, after discussing this concept with rail engineering staff from New York City Transit, CTA decided otherwise. In the NYCT experience with a similar effort, the costs ultimately outweighed the benefits.

PROJECT:	**Milwaukee Blue Line Track Renewal**
SCOPE:	Elevated track on the Blue Line O'Hare branch between Damen Station and the abutment of the Kimball/Milwaukee Subway will be renewed. Additional work includes footwalk, third rail, signal equipment, and structural modifications.
BUDGET:	$24,121,827
SCHEDULE:	On schedule; estimated completion December 2014.
HIGHLIGHTS:	This project is being implemented with an innovative design-build concept. The project is currently in the design phase.

PROJECT:	**North Red Line Stations – Sheridan and Bryn Mawr**
SCOPE:	Improvements to the station facilities will include lighting, roofs and canopies, platform decking, painting, and accessibility features. Viaduct repairs at Bryn Mawr may also be included.
BUDGET:	$24,000,000
SCHEDULE:	On schedule; estimated completion February 2015.
HIGHLIGHTS:	These stations are both located on structure built in the 1920s and exhibit signs of deterioration. Repairs will extend their useful lives. CTA is currently preparing the Project Management Plan and drafting a task order to its General Engineering Consultant.

PROJECT:	**Perform Mid-Life Bus Overhaul**
SCOPE:	Buses placed into service in 2006 will receive an overhaul to return them to a state of good repair throughout their standard bus life of 12 years.
BUDGET:	$14,581,690
SCHEDULE:	On schedule; estimated completion October 2014.
HIGHLIGHTS:	Contractors have been selected, and they have four pilot buses. Full production started in May 2013.

PROJECT:	**Purchase and Install Security Cameras – Stations and Yards**
SCOPE:	Purchase and install security cameras at rail stations and yards to improve security of transit assets and ensure safety of systems and customers. Implement security strategies to conduct targeted surveillance, control access, and stop intrusion. Support enhanced commend and control systems to facilitate incident response. This project is being implemented concurrently with the project to install an upgraded rail car tracking system.
BUDGET:	$14,086,667
SCHEDULE:	On schedule; estimated completion December 2014.
HIGHLIGHTS:	The CTA Technology department and its contractors are coordinating work with the Red Line South Reconstruction effort. All stations on that branch will have upgraded security cameras upon reopening. Additionally, Green Line stations were upgraded in advance of the line closure to optimize alternative service.

PROJECT:	**Purchase and Install Rail Car Tracking System (RFID)**
SCOPE:	Provide for the purchase and installation of a train tracking system using a Radio Frequency Identification (RFID) system for tracking rail cars. This project is being implemented concurrently with the project to install improved security cameras.
BUDGET:	$13,342,723
SCHEDULE:	On schedule; estimated completion December 2014.
HIGHLIGHTS:	Together with the Security Camera Installation project, CTA Technology is taking advantage of closures associated with station rehabilitation and track renewal projects to minimize impact on revenue service.

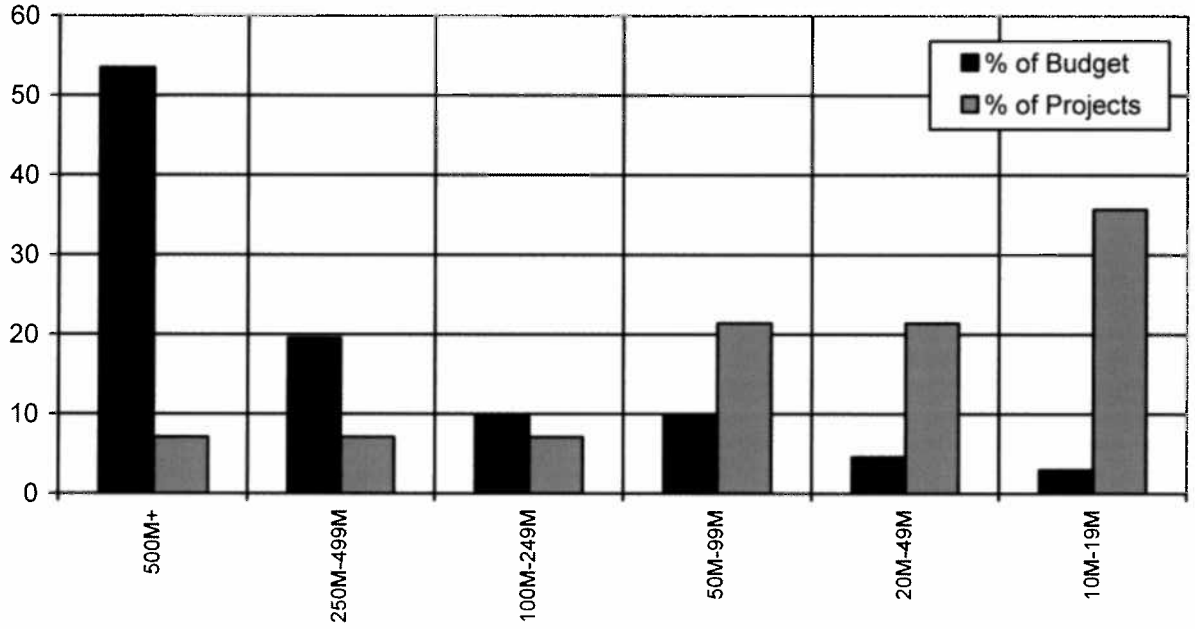
PROJECT:	**Purple Line Express Track Renewal**
SCOPE:	This project is not a complete renewal of the Purple Line Express track from between Belmont and Howard Stations, but will result in the removal of slow zones through targeted replacement of deteriorated track components.
BUDGET:	$12,000,000
SCHEDULE:	On schedule; estimated completion May 2016.
HIGHLIGHTS:	Permits have been received from the City of Evanston for CTA force account work on the Howard to Linden branch, which is currently underway.

PROJECT:	**Loyola Red Line Station Improvements**
SCOPE:	Station improvements include waterproofing of the track bed over the stationhouse; installing new waterproofing system and related track bed drainage system; improvements to the stationhouse and platforms; improvements to the viaduct and potential improvements to the retaining walls.
BUDGET:	$10,000,000
SCHEDULE:	On schedule; estimated completion August 2013.
HIGHLIGHTS:	All waterproofing and station and platform improvements are complete. Currently working on retaining wall improvements.

CTA

Project Budget by Percentage of Entire Budget and Percentage of Projects

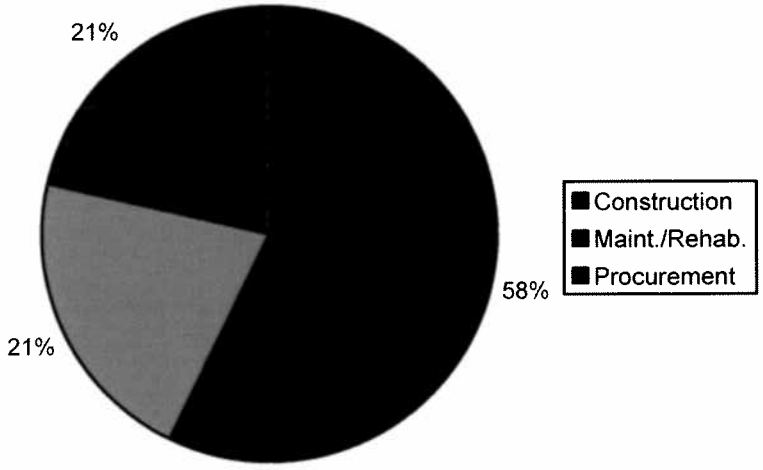
Budget	Quantity	% of Budget	% of Projects
Projects over $500,000,000	1	53.5	7.1
Projects between $250,000,000 and $499,999,999	1	19.5	7.1
Projects between $100,000,000 and $249,999,999	1	9.7	7.1
Projects between $50,000,000 and $99,999,999	3	9.7	21.4
Projects between $20,000,000 and $49,999,999	3	4.6	21.4
Projects between $10,000,000 and $19,999,999	5	3.0	35.7



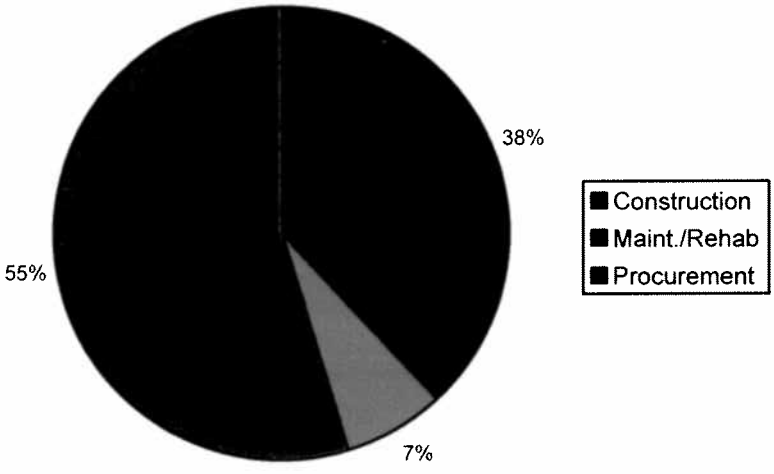
CTA

Type of Project	Quantity	Total Budget
Construction	8	$810,983,589
Maintenance / Rehabilitation	3	$149,391,383
Procurement	3	$1,164,957,942

Percentage of Total Projects



Percentage of Total Budget



Metra

Projects over $10,000,000

Service Board	Project Title	Budget
Metra	Purchase 160 Bi-Level Multi-Unit Electric Commuter Cars	$585,100,000
Metra	Englewood Flyover (CREATE Program P1)	$136,864,268
Metra	Replace Bridges, 18th to 55th – Rock Island District	$113,311,444
Metra	Replace Bridges – UP North	$104,965,959
Metra	Belmont Road Grade Separation	$56,810,399
Metra	Positive Train Control	$36,092,753
Metra	Lake Street Interlocker	$26,832,965
Metra	Car Rehabilitation - Amerail	$18,500,000
Metra	A5 Interlocker	$12,763,777
Metra	Station Area Upgrades – UP West	$12,400,000
Metra	Auburn Park New Station	$11,500,000
Metra	47th Street Yard Improvements	$11,255,187

PROJECT:	**Replace 160 Bi-Level Electric MU Commuter Cars**
SCOPE:	Purchase 160 new electric Highliner cars and spare parts to replace aging fleet on the Metra Electric District
BUDGET:	$585,100,000
SCHEDULE:	On schedule; estimated completion July 2015.
HIGHLIGHTS:	Production of rail cars at the facility in Rochelle, Illinois is ongoing and efficiency continues to improve. Metra has been receiving the new cars in accordance with the project schedule. Shipment of the first 80 carbodies from Japan is complete, and all components, including the remaining 80 carbodies, are ready to be completed at the Rochelle plant.

PROJECT:	**Englewood Flyover (CREATE Program P1)**
SCOPE:	The Englewood Flyover will carry Metra Rock Island District trains over the Norfolk Southern Railway near 63rd Street in Chicago. The flyover will consist of one double-track structure and an adjacent single track structure to carry a future third track.
BUDGET:	$136,864,268
SCHEDULE:	On schedule; estimated completion December 2014.
HIGHLIGHTS:	This project will separate the 78 Rock Island District trains that it will carry from approximately 60 freight and Amtrak trains that run below it. The existing junction has been a source of delay, train idling, wasted fuel, and deteriorated air quality. The flyover will eliminate these problems.

PROJECT:	**Replace Bridges, 18th to 55th Streets – Rock Island District**
SCOPE:	Project funding provides for the replacement of bridges between 18th Street and 55th Street, and will also include new track and signal systems.
BUDGET:	$113,311,444
SCHEDULE:	On schedule; estimated completion July 2014.
HIGHLIGHTS:	Track and signal work is complete. Bridges will be constructed on adjacent right-of-way so that rail traffic is not disrupted. The project will also raise the railroad embankment to increase vertical clearances over roadways.

PROJECT:	**Replace Bridges – UPR North Line**
SCOPE:	Phase 1: Reconstruct north 11 bridges (Balmoral to Grace), retaining walls, and Ravenswood Station. Phase 2: Reconstruct south 11 bridges (Cornelia to Fullerton) and retaining walls.
BUDGET:	$92,956,971
SCHEDULE:	On schedule; estimated completion November 2019.
HIGHLIGHTS:	The phased construction allows for Metra to provide service on both the northbound and southbound tracks while the project is ongoing. Six bridges in the first phase are complete, and three are under construction. The new Ravenswood Station is 60% complete.

PROJECT:	**Belmont Road Grade Separation**
SCOPE:	Belmont Road will be depressed under the BNSF line between approximately Haddow Avenue to the north and Hitchcock Avenue to the south. Also involves the reconfiguration of the Warren Avenue, Burlington Avenue, Belmont Road intersection. Required adjustments for vehicular and pedestrian access to the Belmont Road Station.
BUDGET:	$56,810,399
SCHEDULE:	On schedule; estimated completion June 2013.
HIGHLIGHTS:	The project is substantially complete.

PROJECT:	**Positive Train Control**
SCOPE:	Pursuant to the US Rail Safety Improvement Act of 2008, the United States railroad network, which includes all Metra lines, is required to have implemented Positive Train Control (PTC) by 2015. In addition to this legislative mandate, justification for PTC also involves several safety improvements. Included among these are: train separation and collision avoidance, line speed enforcement, temporary speed restrictions, and rail worker wayside safety
BUDGET:	$36,092,753
SCHEDULE:	On schedule; estimated completion December 2015.
HIGHLIGHTS:	The funded budget represents only a portion of what Metra will need to completely implement PTC, which is estimated to cost over $200 million. Metra and Class I freight railroads are appealing for an extension to the 2015 deadline.

PROJECT:	**Lake Street Interlocker**
SCOPE:	Renew special trackwork within the Lake Street Interlocking.
BUDGET:	$24,832,965
SCHEDULE:	On schedule; estimated completion December 2015.
HIGHLIGHTS:	Design work on the interlocking machine is 70% complete. Track work is 85% complete overall, and signal work is 15% complete.

PROJECT:	**Car Rehabilitation – Amerail**
SCOPE:	This project is the third of six phases in a rehabilitation and mid-life overhaul program for 30 commuter cars built by Morrison-Knudsen/Amerail.
BUDGET:	$18,500,000
SCHEDULE:	On schedule; estimated completion February 2014.
HIGHLIGHTS:	Four cars are in the shop and eight cars have been completed for this phase of the overhaul program, which is expected to end in 2016.

PROJECT:	**A5 Interlocker**
SCOPE:	Modernization and upgrades to the A5 Interlocker. The signal system will be replaced to ensure reliability, along with control upgraded to solid state.
BUDGET:	$12,763,777
SCHEDULE:	On schedule; estimated completion September 2014.
HIGHLIGHTS:	A5 Interlocker is located at Pacific Junction, milepost 5.5 on the Milwaukee District – North Line. This is where the Milwaukee District – West Line splits off along with the North Central Service. The interlocker system prevents simultaneous conflicting movements between trains on different lines to maintain safety at the junction.

PROJECT:	**Station Area Upgrades – UP West**
SCOPE:	Modification and upgrades to improve pedestrian traffic flow at roadway crossings in the area of Wheaton Station and Lombard Station.
BUDGET:	$12,400,000
SCHEDULE:	On schedule; estimated completion December 2013.
HIGHLIGHTS:	Platform modifications at both stations are in the design phase. The design work is being performed in-house by Metra staff.

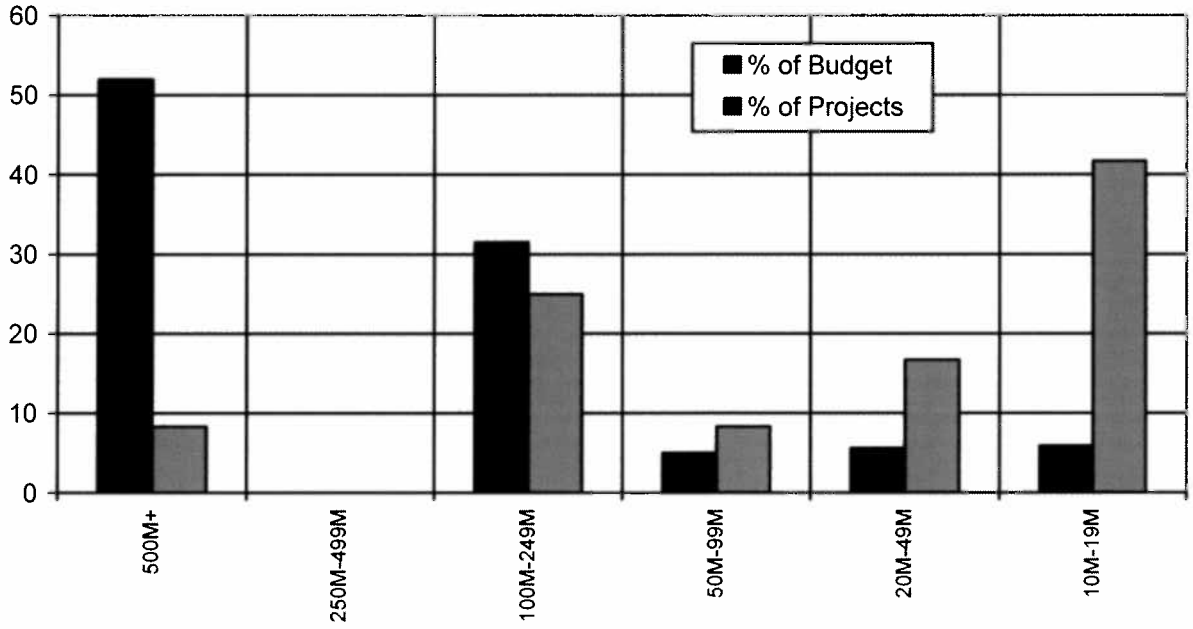
PROJECT:	**Auburn Park New Station**
SCOPE:	A new station on the Rock Island District in the Auburn Park area near 79th Street in Chicago, with two 8-car platforms, lighting, elevator access, sheltered waiting facilities, and two stair and elevator headhouse towers.
BUDGET:	$11,500,000
SCHEDULE:	Planning and design on schedule; estimated completion to be determined.
HIGHLIGHTS:	Metra is considering various design options to mitigate issues caused by the significant elevation difference between street level and track level. This project will be the subject of a value engineering study by RTA upon completion of the conceptual design later this year.

PROJECT:	**47th Street Yard Improvements**
SCOPE:	Part of an ongoing program to make improvements to facilities at the 47th Street Yard and Shops.
BUDGET:	$11,255,187
SCHEDULE:	On schedule; estimated completion December 2013.
HIGHLIGHTS:	Highest priority improvements include a new ventilation system in the diesel shop. Electrical and paving work is complete. The project is in the bidding phase for the ventilation component of the project.

Metra

Project Budget by Percentage of Entire Budget and Percentage of Projects

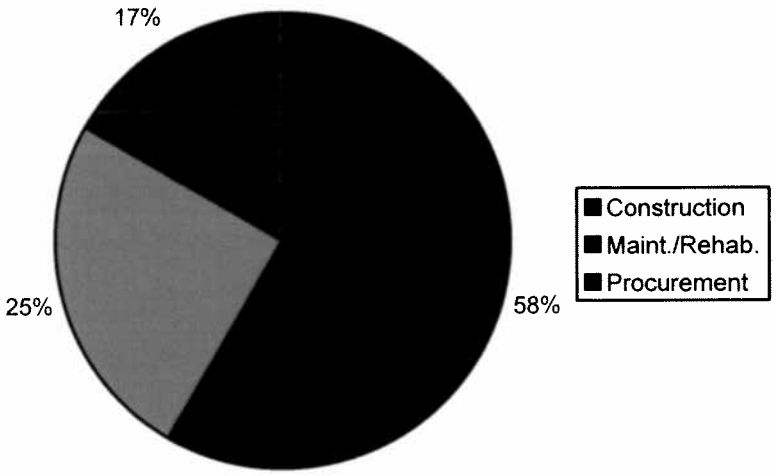
Budget	Quantity	% of Budget	% of Projects
Projects over $500,000,000	1	52.0	8.3
Projects between $250,000,000 and $499,999,999	0	0	0
Projects between $100,000,000 and $249,999,999	3	31.5	25.0
Projects between $50,000,000 and $99,999,999	1	5.0	8.3
Projects between $20,000,000 and $49,999,999	2	5.6	16.7
Projects between $10,000,000 and $19,999,999	5	5.9	41.7



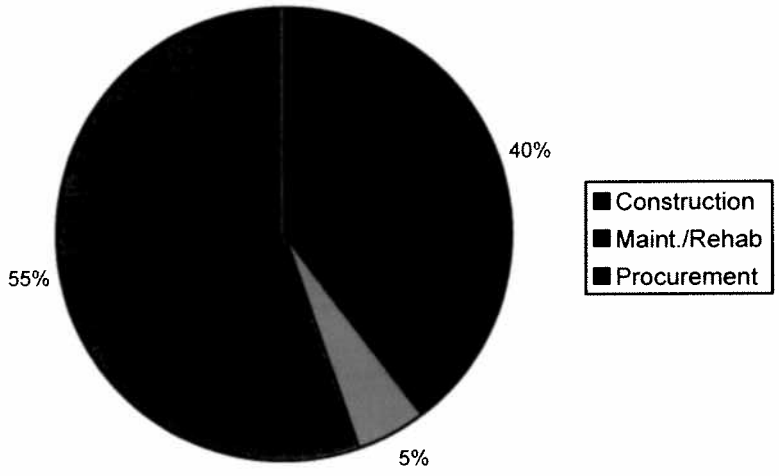
Metra

Type of Project	Quantity	Total Budget
Construction	7	$447,107,257
Maintenance / Rehabilitation	3	$58,096,742
Procurement	2	$621,192,753

Percentage of Total Projects



Percentage of Total Budget



Pace

Projects over $10,000,000

Service Board	Project Title	Budget
Pace	Purchase 40' Fixed Route Buses	$26,649,876
Pace	Purchase StarCom 21 Radio System	$10,000,000

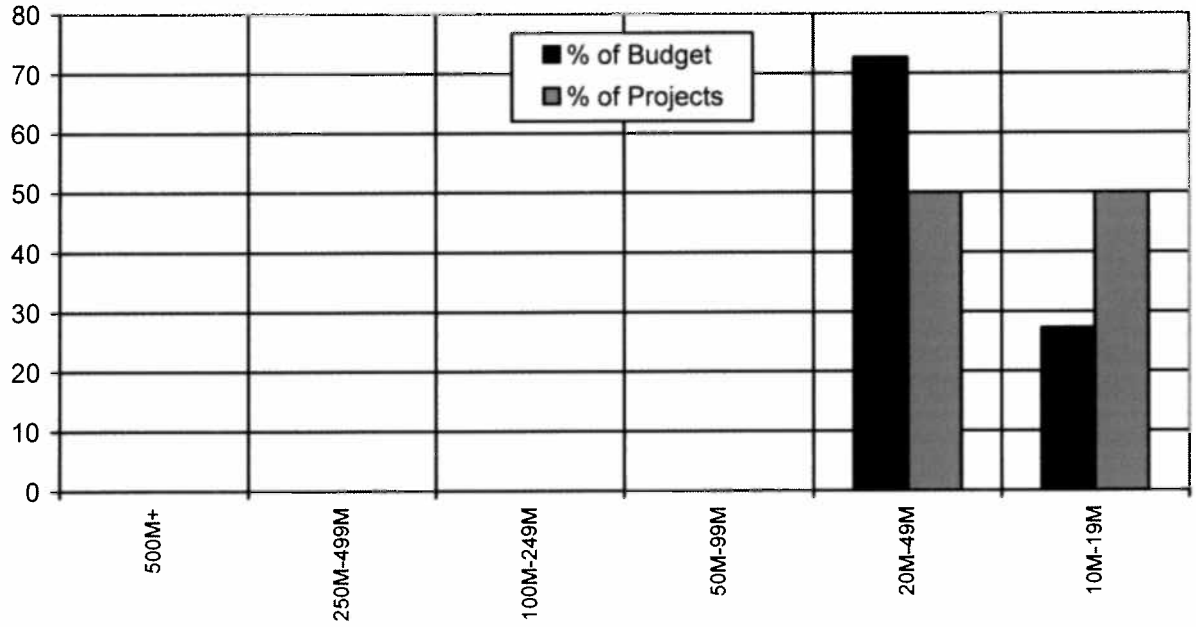
PROJECT:	**Purchase 40' Fixed Route Buses**
SCOPE:	Pace will procure buses for fixed route service to replace existing 15-18 year equipment that has reached the end of its useful life.
BUDGET:	$26,649,876
SCHEDULE:	Substantially completed in June 2013.
HIGHLIGHTS:	The first year's order of 69 buses is complete and all have been delivered to Pace.

PROJECT:	**Purchase StarCom 21 Radio System**
SCOPE:	Replace Pace's two radio systems that provide links between vehicles and fixed-location operations such as dispatch, administration, and maintenance with a new, single communications system for voice and data.
BUDGET:	$10,000,000
SCHEDULE:	Behind schedule; estimated completion November 2013.
HIGHLIGHTS:	The project experienced a slight delay due to an unanticipated need to relocate three communications towers associated with the radio system; however, this delay is expected to be recovered with no impact to the estimated completion date.

Pace

Project Budget by Percentage of Entire Budget and Percentage of Projects

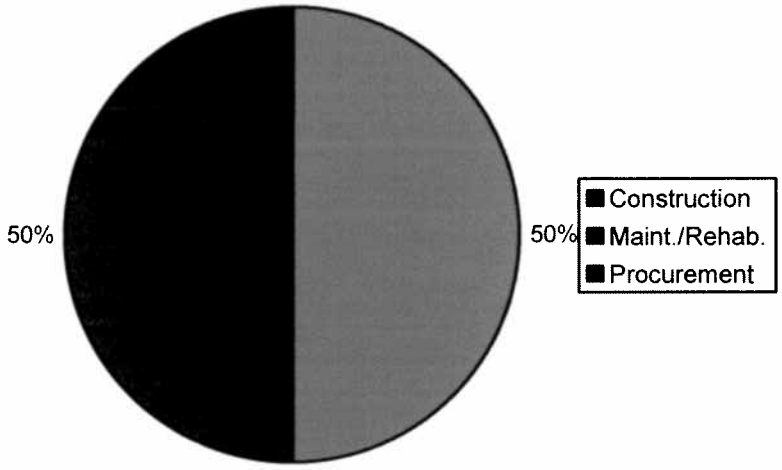
Budget	Quantity	% of Budget	% of Projects
Projects over $500,000,000	0	0	0
Projects between $250,000,000 and $499,999,999	0	0	0
Projects between $100,000,000 and $249,999,999	0	0	0
Projects between $50,000,000 and $99,999,999	0	0	0
Projects between $20,000,000 and $49,999,999	1	72.7	50.0
Projects between $10,000,000 and $19,999,999	1	27.3	50.0



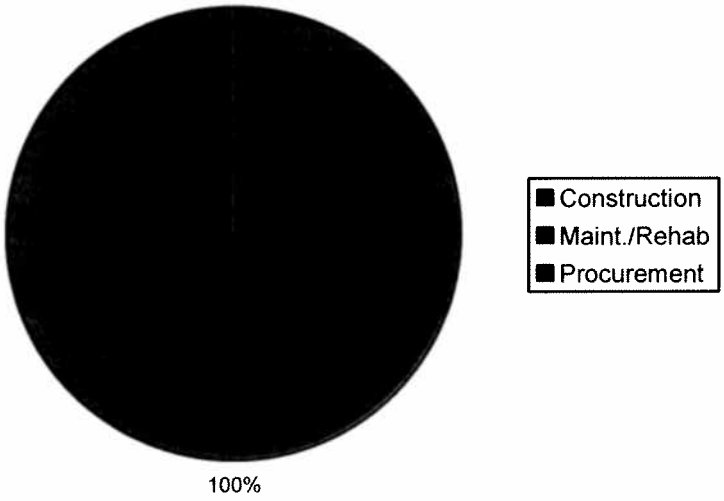
Pace

Type of Project	Quantity	Total Budget
Construction	0	$0
Maintenance / Rehabilitation	0	$0
Procurement	2	$36,649,876

Percentage of Total Projects



Percentage of Total Budget



SECTION III
VALUE ENGINEERING

VALUE ENGINEERING

Value Engineering (VE) is defined as an organized effort to analyze the function of systems, equipment, facilities, procedures and supplies by a multi-disciplined group for the purpose of achieving the required function at the lowest total cost. Considerations are given to effective ownership consistent with requirements for performance, reliability, quality, maintenance and safety.

VE sometimes carries a reputation as "cost cutting," but this can give a misguided view of the actual intent of VE. Value is defined as:

$$\frac{\text{Function}}{\text{Cost}}$$

Value may be increased by cutting development cost, operating cost, or life cycle cost, provided that the cost reduction does not also create a reduction in function. Value may be increased by improving function, such as operations, durability, or even less tangible functions like public perception. Value is often improved by significant increases in functionality despite correspondingly low implementation cost impact.

The process for VE typically includes particular steps or phases, including:

- Project Identification
- VE Team Formation
- Information Gathering
- Function Identification and Cost Analysis
- Creative Development (or Brainstorming)
- Evaluation
- Development
- Presentation of Recommendations and Reporting

VE can be performed during planning, early design, or after bidding during the construction phase. Earlier VE studies have less information to utilize, but greater opportunity to capture value. Later VE studies often have a great deal of detailed information for the VE team, but the opportunity to increase value is decreased, and the cost of capturing that value may increase.

RTA implements its VE initiative on Service Board capital projects through its Project Management Oversight (PMO) program. Together with the PMO consulting teams, RTA and the Service Boards engage in value engineering workshops for selected projects, identifying, discussing, and refining VE opportunities. RTA VE recommendations are advisory only, presented to the Service Boards for acceptance or rejection at the Service Board's unilateral discretion.

CTA Wilson Station

RTA, the PMO consultants, and IDOT, in collaboration with the CTA project management team, reviewed the proposed design of the Wilson Transfer Station project for issues related to its scope, construction, and cost, with particular emphasis on observations that could add value to the project in the form of direct cost savings, improved design or functionality, and reduced ongoing maintenance.

The goal of this review was to identify potential cost savings to the bid estimate, major scope elements that may have been missing, elements that may not have been coordinated, or elements that may have caused issues during bidding or construction. The technical experts conducting the review made comments based on their experience with similar transit and heavy construction projects. Given the highly constrained nature of the project, major discussion points included issues related to:

- Constructability
- Safety
- Historical Preservation
- Maintainability

Many recommendations were made for project elements that should be investigated or addressed further by CTA or its design consultant. These recommendations were intended to point out areas in which improvements may have been possible or where future problems could be avoided. Comments and recommendations provided to CTA were advisory with CTA retaining the ability to accept or reject any recommendation at its exclusive discretion. As such, CTA and its Designer of Record remain responsible for all aspects of the final construction documents.

Of the items proposed by the review team, two were resolved during design, two were found not feasible by the review team, five were found not feasible by CTA, and five of the ideas were incorporated into the bid documents in full or in part. In particular, the recommendations resulted in revisiting and revising many structural steel connections and adding additional anti-graffiti and bird nuisance measures.

Notably, as a result of the recommended detailed lead paint investigation, the extent of lead abatement that will be required has been quantified so that both CTA and the bidders were made aware of the scope of abatement required prior to the start of construction. This will lessen protective bidding or claims for lead abatement work during construction. Specifying this requirement in the construction documents will avoid what may have been a costly change order during construction. Finally, the concern over constructing the station to meet accessibility requirements and accessibility related construction tolerances has been written into the bid documents to avoid mistakes in construction and rework after final acceptance.

Upcoming Value Engineering Efforts

Metra Auburn Park New Station – As Metra moves forward with the conceptual design, RTA PMO will be involved in a Value Engineering study during the project's early design phases. This project involves the construction of a new passenger station near 79th Street in Chicago on the Rock Island District. Metra is hopeful to secure additional funding in addition to the state-bond appropriation, and the VE effort is also intended to provide for a comprehensive facility.

SUMMARY

Project management activities for the region were exemplary. 96% of the state-funded projects are on budget and only 4% are over budget. Additionally, 89% of the projects are on schedule and only 11% are behind schedule. 19% of the projects are without any change orders, leaving 81% of the projects with at least one change order. Of the change orders that added cost, 95% of the added budget came from decisions by the Service Boards to add value to the project. The remaining 5% has been due to unforeseen conditions, as none are due to errors or omissions. Similarly, for the entire collection of capital projects reviewed, 93% are on schedule and only 7% are behind schedule. Additionally, recent Value Engineering efforts resulted in improved facility design and reduced construction risk.

Service Board efforts to maintain a state of good repair are proceeding well, limited only by the amount of available funding.

106a

Regional Transportation Authority

MOVING BEYOND CONGESTION

REGIONAL PERFORMANCE MEASURES

"2007 REPORT CARD"

Overall regional performance is a function of five major areas:

- Service Coverage - monitors both how much service is available to people in the region (in terms of population and square miles) and how much of that service capacity is used.
- Service Efficiency and Effectiveness - evaluates the level of resources spent for delivering service in relation to the level of service provided and the extent to which passengers are using it.
- Service Delivery - reflects the quality of the service delivered.
- Service Maintenance and Capital Investment - indicates the allocation of capital funds and the replacement and maintenance of infrastructure components on a schedule consistent with their life expectancy.
- Service Level Solvency - assesses financial condition to ensure that there are sufficient resources to meet current and ongoing budgetary needs (both operating and capital).

EXECUTIVE SUMMARY

The Regional Performance Measures "2007 Report Card" has been developed by the RTA as part of its oversight function and is to be used as a tool for managing the region's public transit system, with emphasis on both transparency and accountability. This report contains a unique perspective that is achieved by aggregating data from CTA, Metra, and Pace to assess how those agencies are collectively meeting their missions, and thus the transit needs of the region.

Overall, the report suggests that the performance of the transit system is relatively good. However, it is clear that the system continues to face challenges and that specific opportunities remain. Two of the five areas of evaluation show very optimistic trends, two are less encouraging and one is still under development and will allow for future measurement.

Service Coverage: These indicators monitor both how much service is available to people in the region and how much of that supply is actually used. The measures reveal positive trends reflecting increased service levels and concurrent ridership growth. Thus, service plans over the five year period were responsive to service demands from both new and existing customers, as well as to regional population changes. They also demonstrate that residents reacted positively to public transit overall and thus utilized it more, both in frequency and in distance traveled.

Service Efficiency and Effectiveness: These metrics, which evaluate the cost of supplying units of transit services, show unfavorable results. Operating costs greatly outpaced inflation, reflecting overwhelming economic challenges including fuel, healthcare, labor, and the high costs of sustaining a mature transit system. This area continues to provide opportunities for managing and reducing costs for individual services provided as well as overall costs.

Service Delivery: This performance area, which focuses on customer service and safety, is still under development. Regional Customer Satisfaction measures are being created, which will include customer surveys regarding interagency services. Also, consistent and comparable data for some metrics were only available for 2007, making a fair assessment difficult.

Service Maintenance and Capital Investment: This area, which evaluates reliability and state of good repair, shows significant improvement. The measures suggest that the focus of the system has been to invest its limited resources to keep the infrastructure inventory operational. This has slowed the system's capital expansion and enhancement plans, and has also put significant pressure on operations, as more costs are required to maintain an aging infrastructure. However, even with these focused efforts and demonstrated progress, the system is still far from achieving a state of good repair.

Service Level Solvency: Financial indicators that monitor overall financial strength reflect a system that is under stress. Although the operating cost per passenger trip increased in 2007, fare revenue per trip did not, thus increasing the amount of fare subsidy needed to cover the higher costs of providing the service. Other system generated revenue, such as advertising on buses, continues to be an important element in achieving the legislatively mandated 50% recovery ratio. The capital budget is also cause for concern primarily due to the significant decline in capital funding resulting from the lack of a state capital program for infrastructure.

Notes:

(1) Analysis is based on data from National Transit Database (NTD), RTA's audited financials and operating data from the three Service Boards.

(2) The source for reporting operating costs has been modified from the originally published 2007 Regional Report Card in order to assure consistency in reporting. Thus, *Total Operating Expenses* are used rather than *Total Operating Funds Expended*, both of which are reported in the NTD.

(3) General expenditures associated with the RTA as the funding, planning, and oversight agency for the region have been added to the *Total Operating Expense* figures obtained from the NTD and aggregated for the Service Boards. The source for the RTA data is the RTA audited financials.

(4) The inflation rate used is the Consumer Price Index (CPI) published by the U.S. Bureau of the Census.

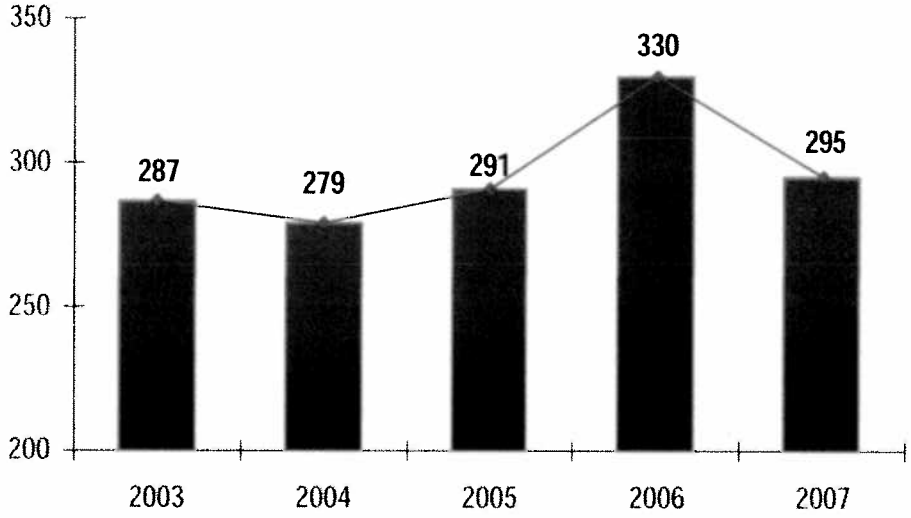
(5) All of the analysis in the 2007 Report Card is based on data for calendar years 2003-2007. Results should be considered within the context of each year's economic situation, and are not indicative or predictive of performance in subsequent years.

SERVICE COVERAGE:
Service Supplied *and* Service Consumed

Transit Capacity (trips):
The amount of service provided as measured in trips available to be taken.

Per Area Resident

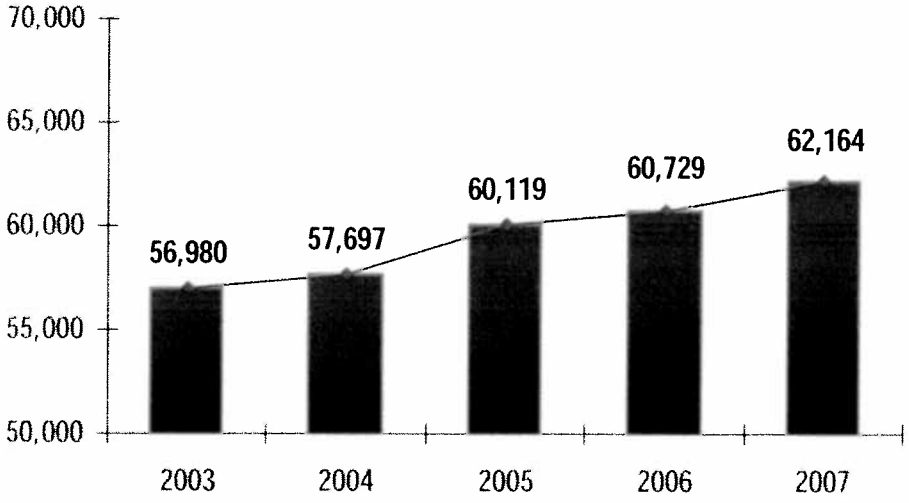
The number of trips available for each resident in the region to take annually.



Vehicle Revenue Miles
The amount of service provided as measured in miles traveled by vehicles while in service.

Per Service Area Square Mile

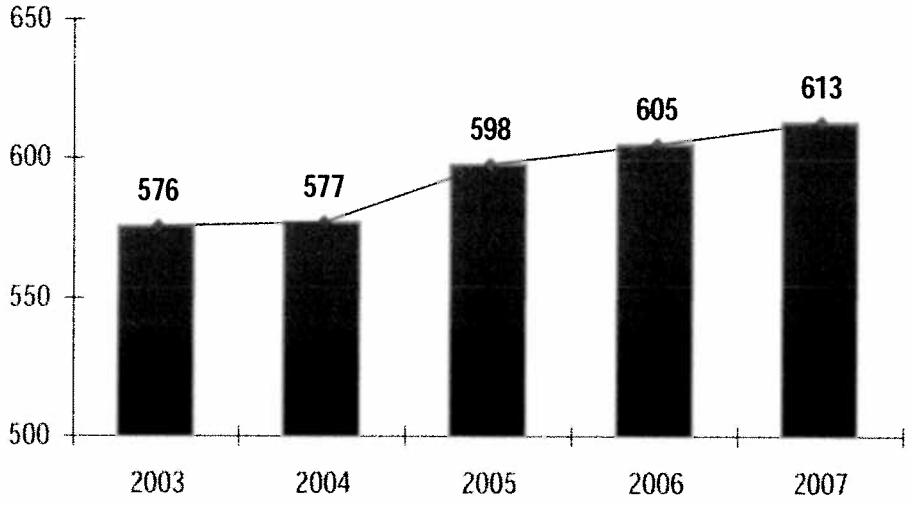
The number of miles of travel provided per square mile of the service area annually.



Passenger Trips (Ridership):

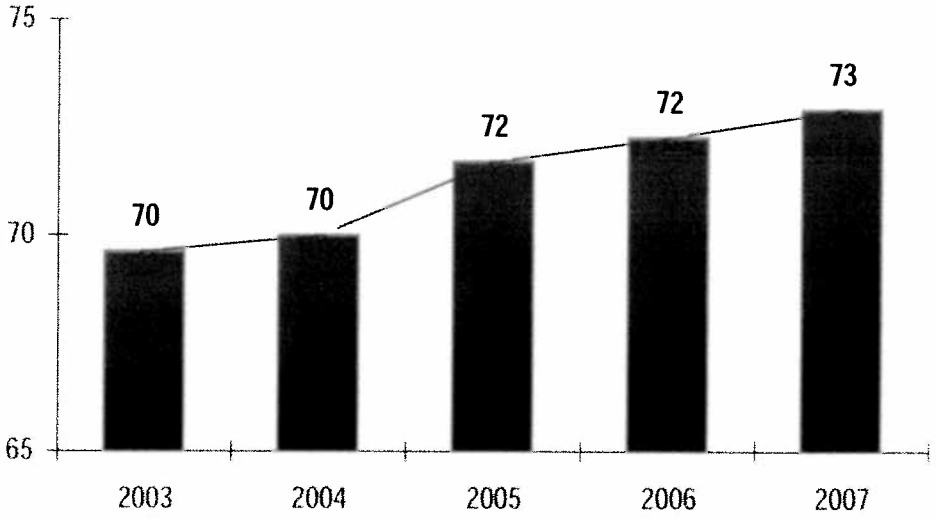
The number of times passengers board buses and trains, including transfers from one bus or train to another in order to complete their trips.

(in Millions)



Per Area Resident

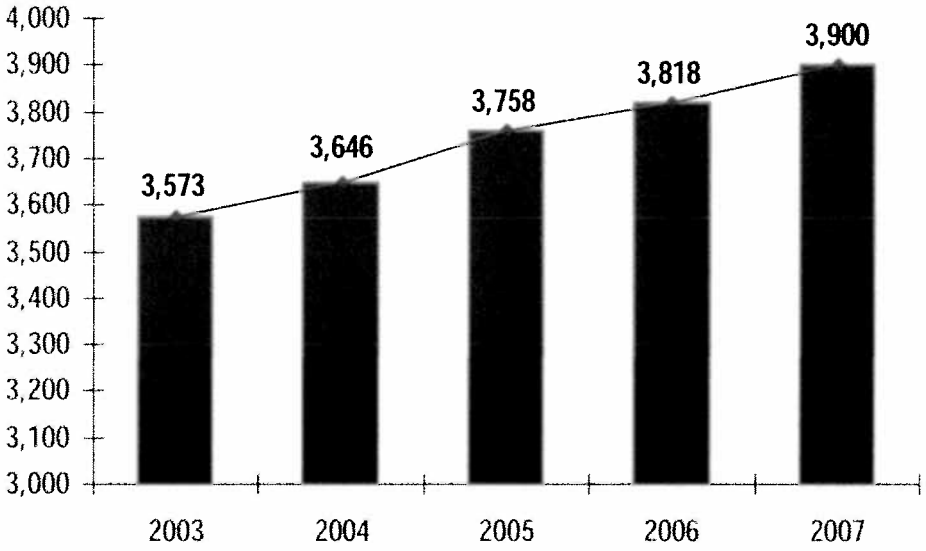
The average number of rides taken per resident annually.



Passenger Miles:

The cumulative sum of the distances ridden by all passengers.

(in Millions)

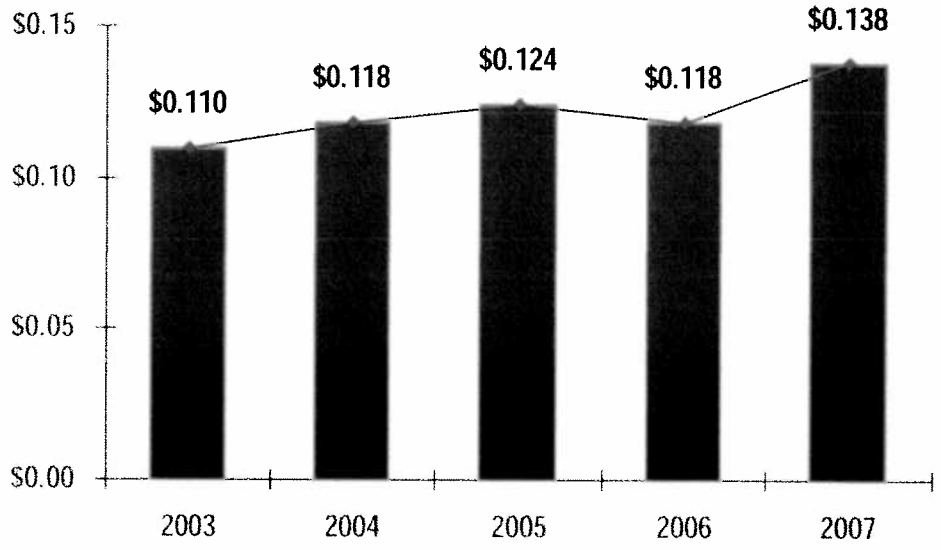


SERVICE EFFICIENCY AND EFFECTIVENESS:
Service Efficiency and Cost Effectiveness

Operating Cost
The expenses associated with the operation of the transit system.

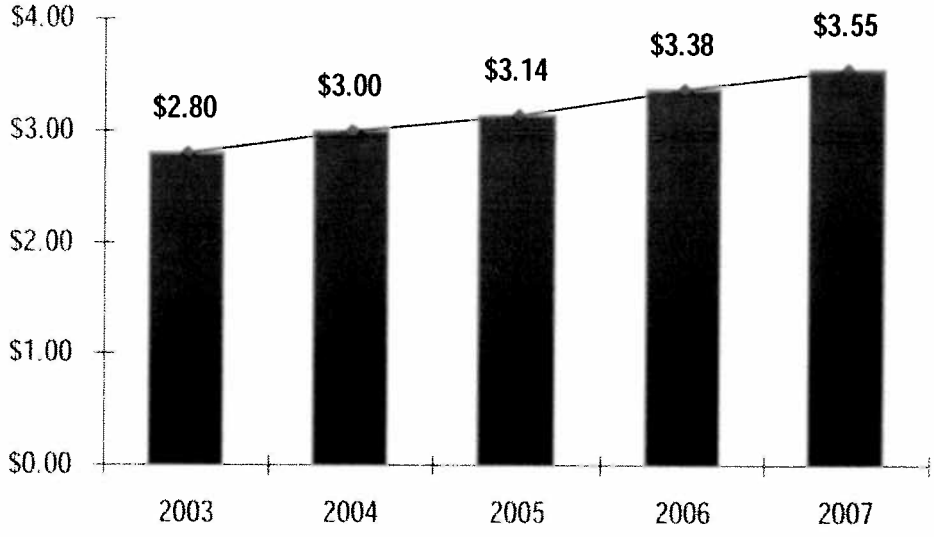
Per Unit of Transit Capacity

The average cost of providing a passenger seat or space for each mile of an individual trip, whether or not it is taken.



Per Passenger Trip

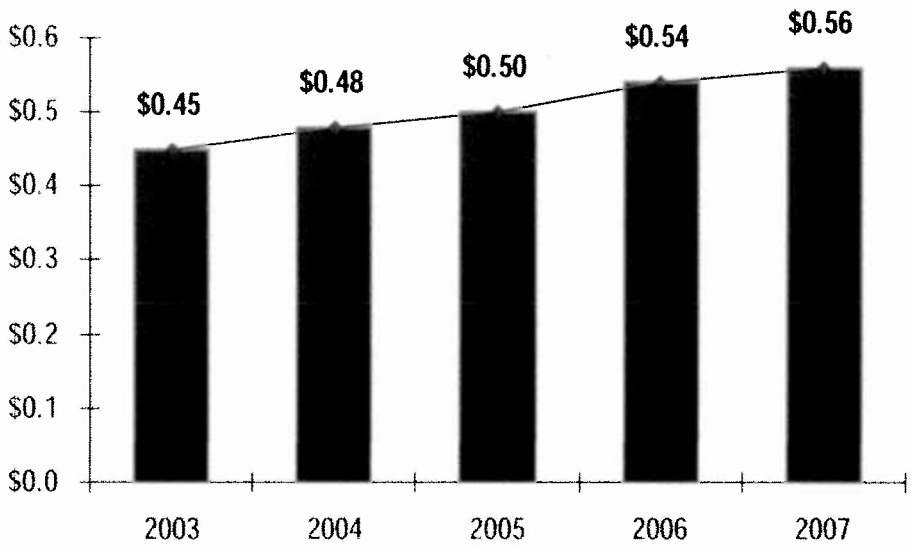
The average cost of an individual trip taken.



Operating Cost - continued

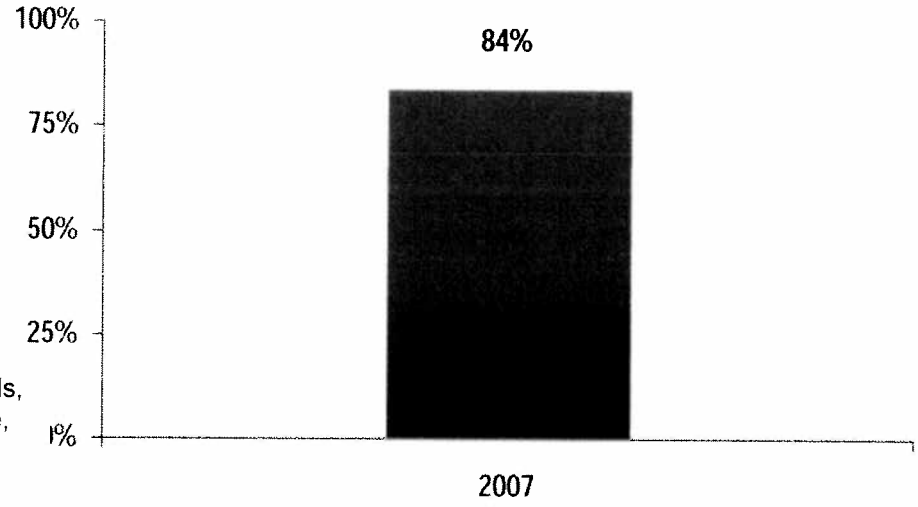
Per Passenger Mile

The average cost of providing each mile of an individual trip taken.



SERVICE DELIVERY:
Customer Service *and* Customer Safety

On-Time Performance:*
The percentage of time that vehicles are "on schedule".

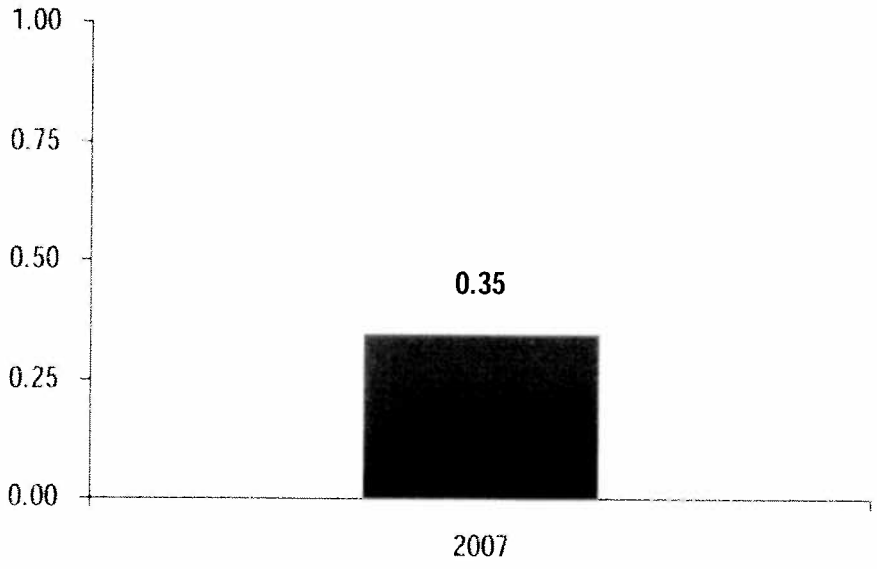


* Due to variances in collection methods, data for prior years are not comparable, and therefore not included.

Major Safety and Security Incidents:*
Accidents, casualty, and crime statistics reported under the Federal Transit Administration (FTA) National Transit Database (NTD) reporting system.

Per 100,000 Passenger Trips

The number of combined safety and security incidents per 100,000 trips taken.



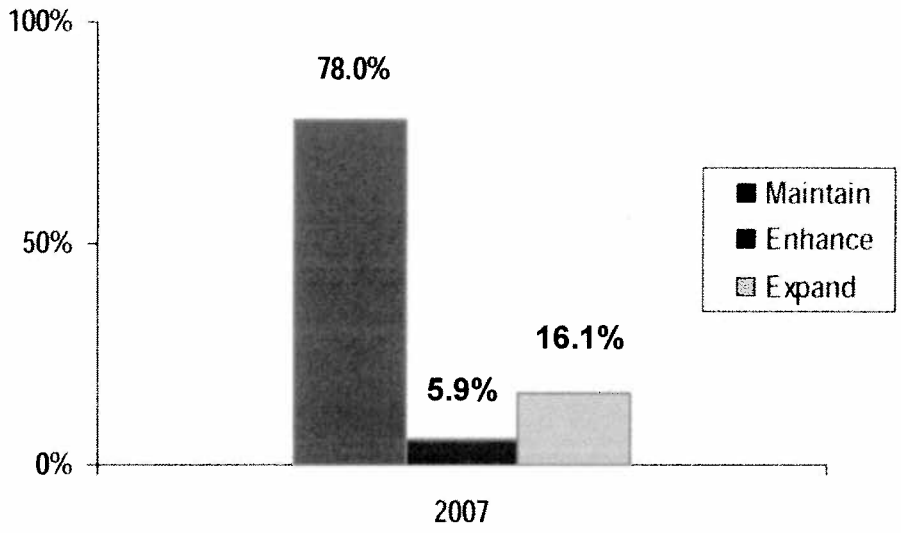
* Due to variances in collection methods, data for prior years are not comparable, and therefore not included.

SERVICE MAINTENANCE AND CAPITAL INVESTMENT:
State of Good Repair *and* Reliability

Capital Program Maintenance / Enhancement / Expansion:*

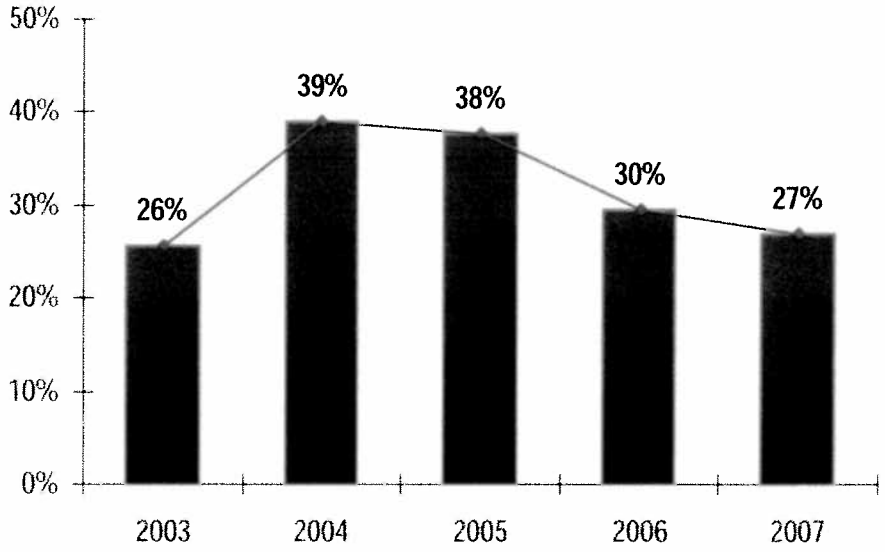
Annual allocation of projects budgeted within each category as a percent of the total capital program.

*Data for prior years are not available, and therefore not included.



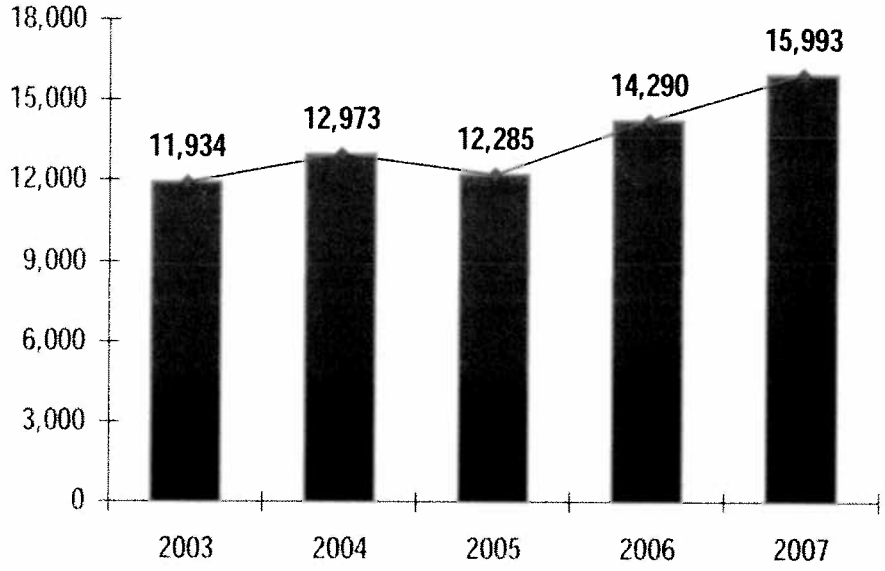
Percent of Vehicles Beyond Useful Life:

The actual number of vehicles for all modes combined that exceeds their individual useful lives as defined by the Federal Transit Administration (5 years for new automobiles or vans, 12 years for buses, and 25 years for new rail cars).



Miles Between Major Mechanical Failures:

The average distance that vehicles of all modes travel in revenue service uninterrupted by mechanical failures that prevent them from completing a scheduled trip or from starting the next scheduled trip.

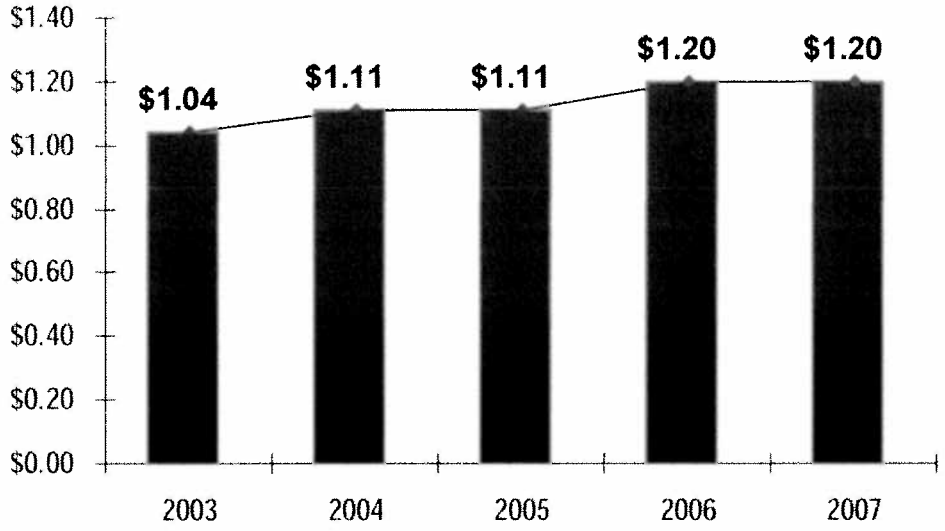


SERVICE LEVEL SOLVENCY:
Operations *and* Capital

Fare Revenue:
The total amount of money that passengers pay in fares.

Per Passenger Trip

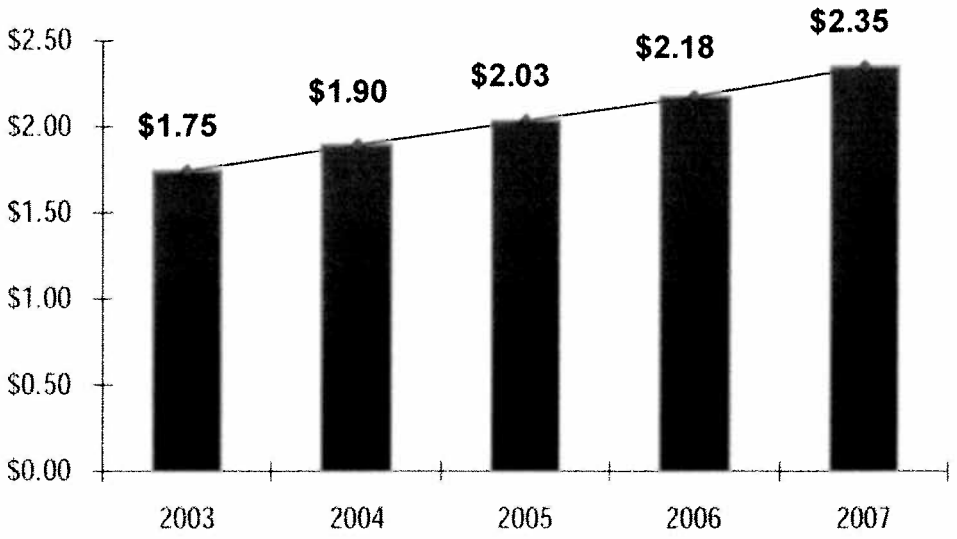
The average fare paid by a customer per trip.



Fare Subsidy:
The amount of the total cost of operation that is not covered by fare revenue.

Per Passenger Trip

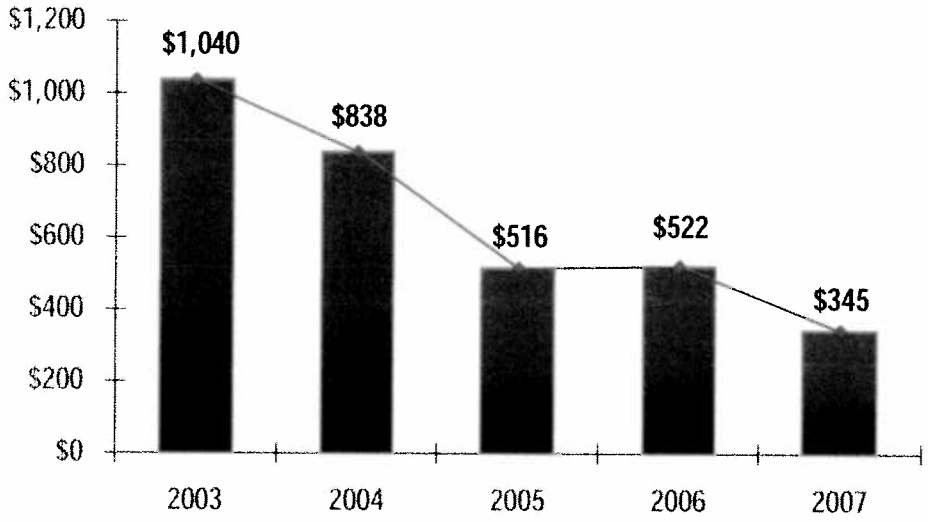
The average amount of each trip that is not covered by the fare paid by the customer.



Capital Program:

The amount of capital funds available to finance the maintenance, enhancement and expansion of the transit system infrastructure.

(in Millions)



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Regional Transportation Authority

MOVING BEYOND CONGESTION

REGIONAL PERFORMANCE MEASURES

2008 REPORT CARD

Overall regional performance is a function of five major areas:

- Service Coverage - monitors both how much service is available to people in the region (in terms of population and square miles) and how much of that service capacity is used.
- Service Efficiency and Effectiveness - evaluates the level of resources spent on delivering service in relation to the level of service provided and the extent to which passengers are using that service.
- Service Delivery - reflects the quality of the service delivered.
- Service Maintenance and Capital Investment - indicates the allocation of capital funds and the replacement and maintenance of infrastructure components on a schedule consistent with their life expectancy.
- Service Level Solvency - assesses financial condition to ensure that there are sufficient resources to meet current and ongoing budgetary needs (both operating and capital).

EXECUTIVE SUMMARY

The Regional Performance Measures Report Card has been developed by the RTA as part of its oversight function to support the evaluation and management of the region's public transit system, emphasizing both transparency and accountability. The 2008 Report Card builds on the data presented in the 2007 Report Card and continues to offer a unique perspective by aggregating data from CTA, Metra, and Pace to assess how all three agencies, taken together, are meeting the transit needs of the region.

Overall, the performance measures in this report show positive trends for the RTA region. However, there remain challenges and opportunities for improvement that will be difficult to address given the transit system's limited resources. This is particularly true considering that significantly lower operating costs for 2008 largely resulted from a one-time action associated with the restructuring of the CTA's pension fund. This, coupled with the increased economic pressures in 2009, suggest that the overall good performance reported for 2008 will be difficult to sustain.

Service Coverage: These indicators monitor both how much service is available to people in the region (supply) and how much of that supply is actually used by the public (consumption). During the last five years, changes in the service supplied and service consumed measures largely paralleled one another, with some overall increases in service used in 2008.

Transit Capacity, a measure of supply, describes the number of trips available to be taken. This measure is derived from the average number of seats per transit vehicle (and standing room, if applicable), overall miles traveled by transit vehicles, and average trip length. In Northeastern Illinois, transit vehicle miles have steadily increased over the 2004-2008 period, while trip length has decreased and the available seating capacity has fluctuated due to changes in the active vehicle fleet. Overall, the transit capacity in 2008 is higher than the average capacity for the period, indicating a net increase in transit coverage and availability to Chicagoland residents.

Service consumption can be stated in terms of ridership and total passenger miles, which is the cumulative distance traveled by all passengers. Both measures show steady increases over the five-year period, including ridership growth of 5.1% for 2008, for a total 11.6% gain over 2004 levels. Much of the ridership gain for 2008 can be mostly attributed to both a surge in gasoline prices and the implementation of the Seniors Ride Free Program. Overall, the data highlights that residents have reacted positively to transit service and have used it in increasing numbers.

Service Efficiency and Effectiveness: These measures evaluate the cost of supplying transit services. Although total operating costs rose steadily throughout 2004-2007, the blunt decrease evident in 2008 was largely due to a decline in CTA's general fund expenses resulting from the issuance of $1.9 billion in pension obligation bonds to fund the retirement plan and post-employment health care. However, this decrease masks other large cost increases that negatively affected the operating budget, such as fuel expenditures.

The combination of lower operating costs and increased service coverage produced significant improvements to efficiency and effectiveness. Lower per unit costs are seen in all three of the measures – transit capacity, passenger trip, and passenger mile. As noted previously, continued improvements should not be expected in the upcoming years and in fact, the positive 2008 performance may well be reversed in the near-term.

Service Delivery: This area, which focuses on customer service and safety, is still under development and thus lacks measurable data to assess performance. Regional customer satisfaction measures are being created and will include surveys to gauge customer perceptions of transit service quality. On-time performance was 90% for 2008, and although this suggests an improvement over 2007, this figure is not truly comparable to prior years as data definitions were not consistent. With regard to safety and security, continued improvements are noted, as there were significant reductions in the occurrence of incidents despite lower reporting thresholds.

Service Maintenance and Capital Investment: This performance area, which evaluates reliability and the state of good repair, shows significant and consistent improvements. The percent of vehicles beyond their useful life has steadily decreased, and there has been a corresponding increase in the number of miles between major mechanical failures. These improvements are primarily attributed to the replacement of aging buses, particularly as part of the CTA fleet. However, the system is still far from achieving a state of good repair, as more than a quarter of the region's transit vehicles were beyond their useful life at the end of 2008. Furthermore, these improvements have not been achieved easily, as future federal grants have been leveraged to finance the purchase of many of these new buses.

Service Level Solvency: Despite some positive performance, financial indicators that monitor overall financial strength reflect a system under continued stress. Greater passenger fare revenue resulting from an overall ridership increase, combined with simultaneous decreases in operating costs, accounted for stronger performance relative to fare subsidy, or the amount of the total cost of operations that is not covered by fare revenue. Consequently, public subsidies and other revenue sources were a smaller proportion of total operating income in 2008, while passenger fares covered more of the cost to operate the transit system.

Nevertheless, because a significant portion of the ridership increase resulted from the Seniors Ride Free Program as well as higher use of discounted fare media, fare revenue per passenger trip has suffered a decline. Furthermore, considering early projections of 2009 year-end figures that indicate operating costs are expected to increase due to market forces and ridership is projected to decrease, fare subsidy levels may well surge upwards with the next reporting period, which is more in line with expectations and prior year trends.

Capital funding for the system increased in 2008, nearing 2005-2006 levels, although this is still roughly only half of the levels seen in 2002 and 2003, when a major state program for infrastructure investment was in place. Although a new state capital program has been approved, overall future capital program funds will be impacted by the system's heavy financial leveraging against future federal capital grants, thereby reducing the amount of available funds for new infrastructure needs. Capital dollars are also subject to being diverted to fund operations, directly affecting the ability to fund infrastructure projects.

Notes:

(1) This analysis is based on data from the National Transit Database (NTD), RTA's audited financials, and operating data from the three Service Boards.

(2) The source for reporting operating costs has been modified from the 2007 Regional Report Card in order to assure consistency in reporting due to the CTA pension restructuring that occurred in 2008. Thus, *Total Operating Expenses* are used rather than *Total Operating Funds Expended, both of which are reported in the NTD.*

(3) General expenditures associated with the RTA as the funding, planning and oversight agency for the region have been added to the *Total Operating Expense* figures obtained from the NTD and aggregated for the Service Boards. The source for the RTA data is the RTA audited financials.

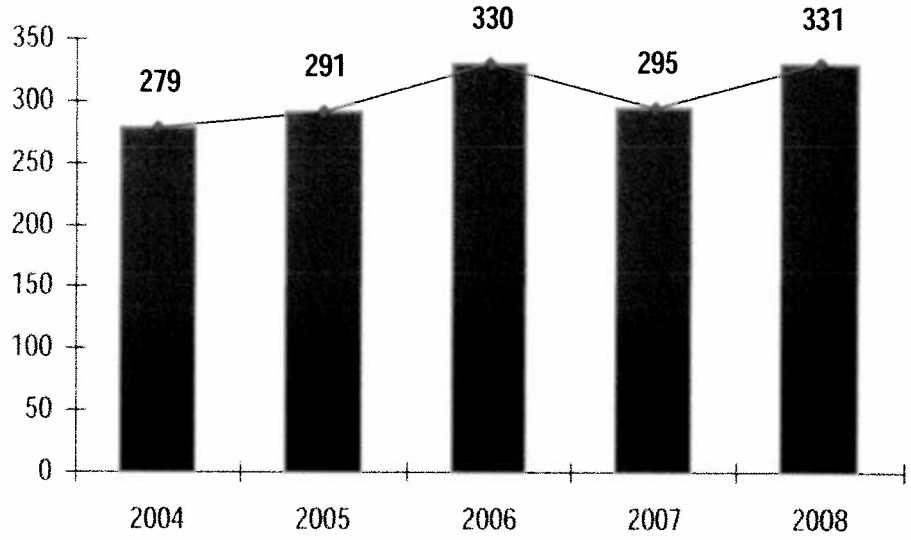
(4) The inflation rate used is the Consumer Price Index (CPI) published by the US Bureau of the Census.

(5) All of the analysis in the 2008 Report Card is based on data for calendar years 2004 - 2008. Results should be considered within the context of each year's economic situation, and are not indicative or predictive of subsequent performance in 2009. The economic downturn that began in late 2008 and intensified throughout most of 2009 affected the regional transit system so severely that public funding subsidies from the sales tax, the Public Transportation Fund, and the City of Chicago's Real Estate Transfer Tax did not meet even the modest projections made for their yield.

SERVICE COVERAGE:
Service Supplied and Service Consumed

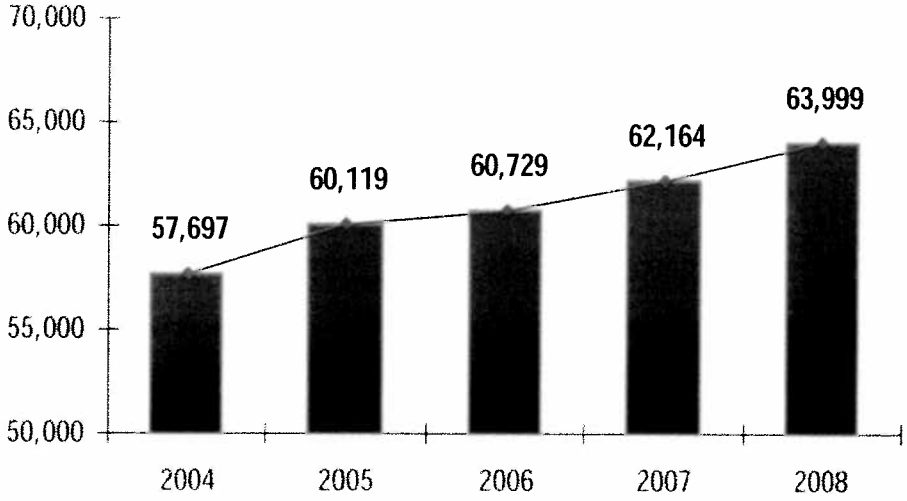
Transit Capacity (trips):
The amount of service provided as measured in trips available to be taken.

Per Area Resident
The number of trips available for each resident in the region to take annually.



Vehicle Revenue Miles:
The amount of service provided as measured in miles traveled by vehicles while in service.

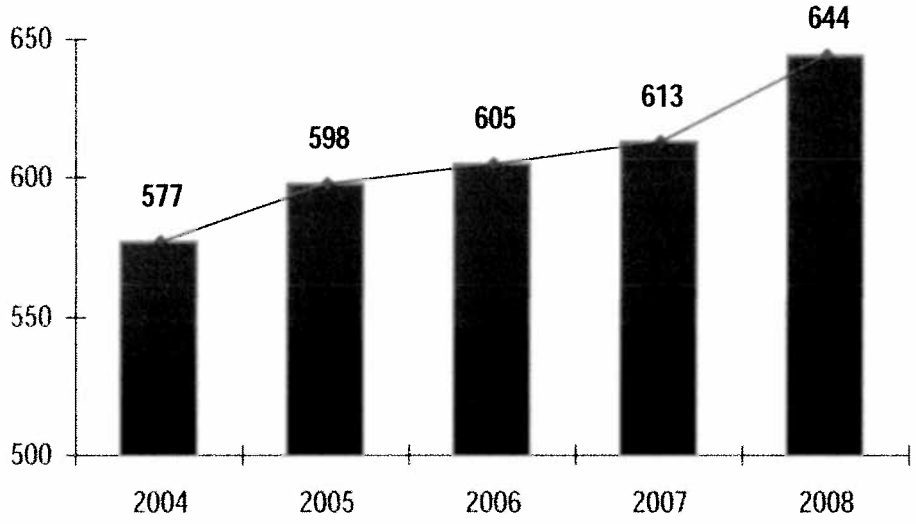
Per Service Area Square Mile
The number of miles of travel provided annually per square mile of the service area.



Passenger Trips (Ridership):

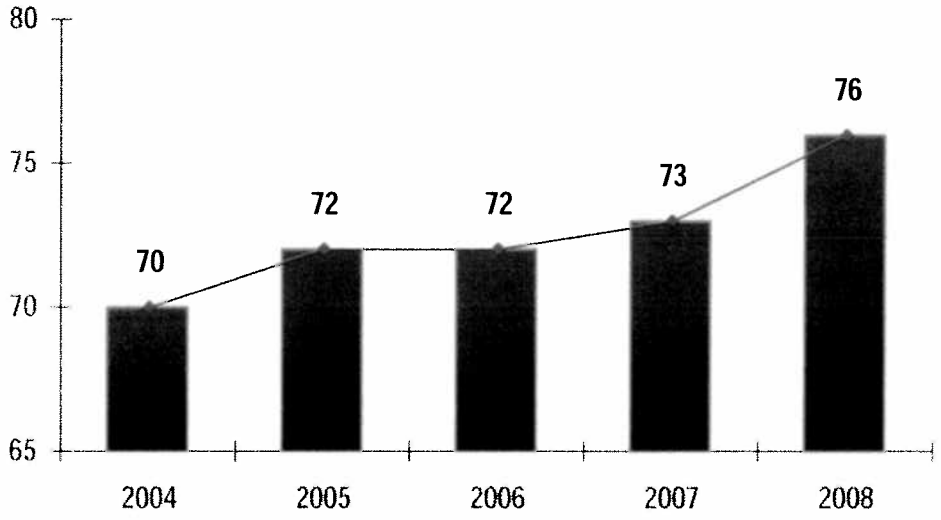
The number of times passengers board buses and trains, including transfers from one bus or train to another in order to complete their trips.

(in Millions)



Passenger Trips Per Area Resident

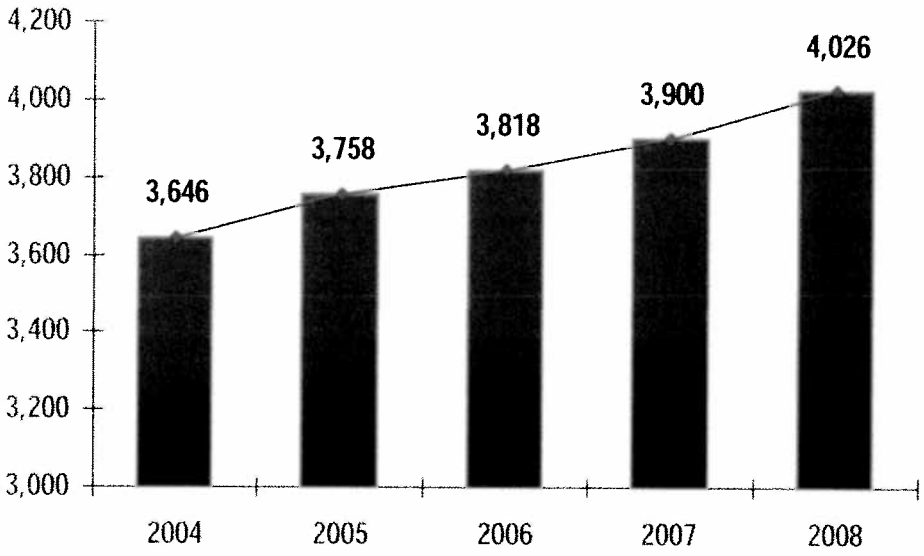
The average number of rides taken per resident annually.



Passenger Miles:

The cumulative sum of the distances ridden by all passengers.

(in Millions)

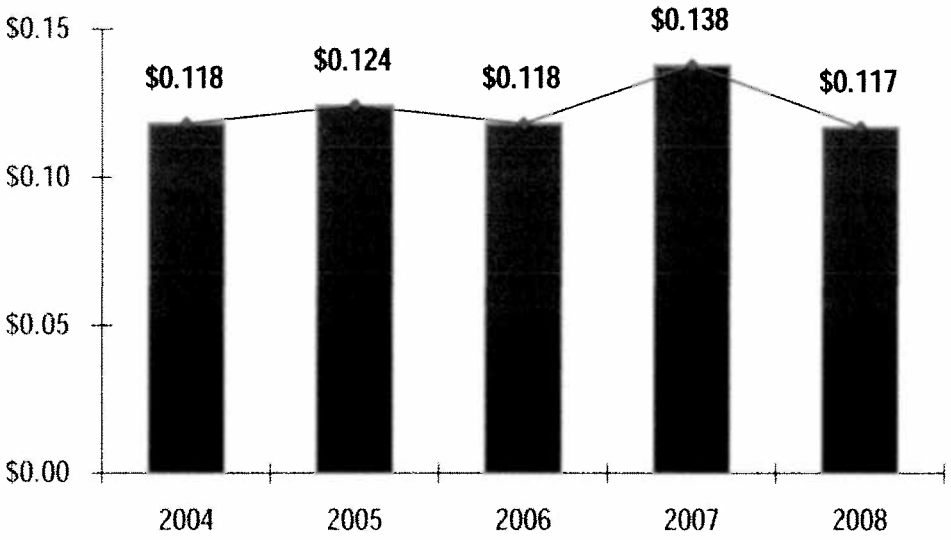


SERVICE EFFICIENCY AND EFFECTIVENESS:
Service Efficiency and Cost Effectiveness

Operating Cost:
The expenses of operating the transit system.

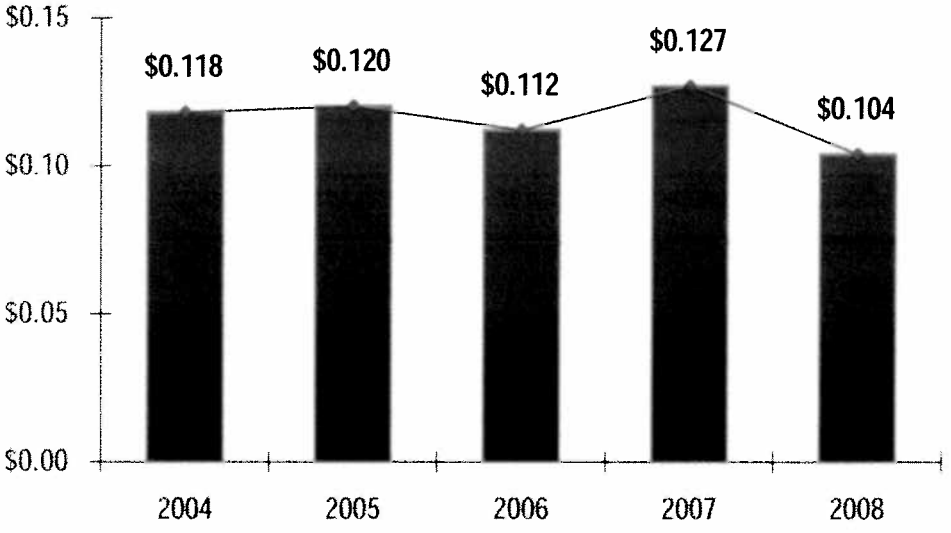
Per Unit of Transit Capacity

The average cost of providing a passenger seat or space for each mile of an individual trip, whether or not it is taken.



Per Unit of Transit Capacity

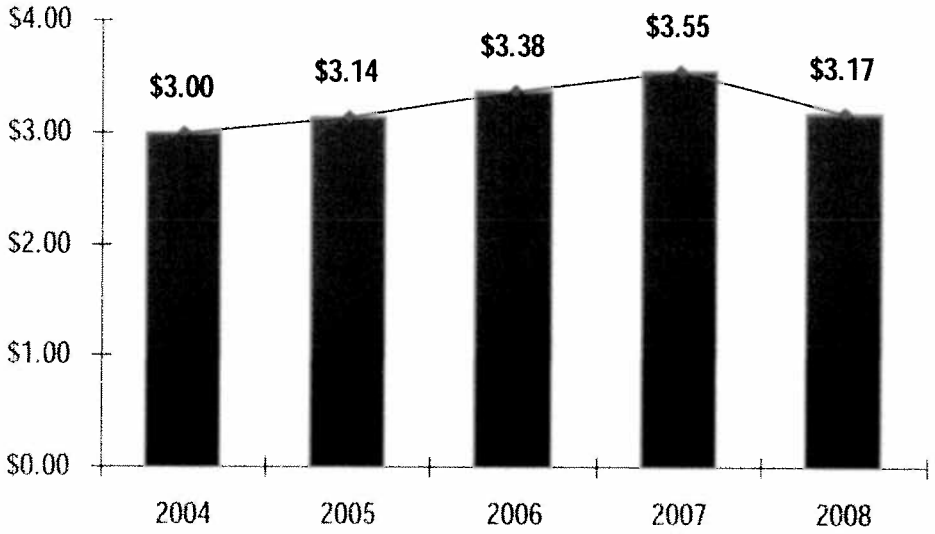
Adjusted for inflation
Constant 2004 dollars



Operating Cost – continued

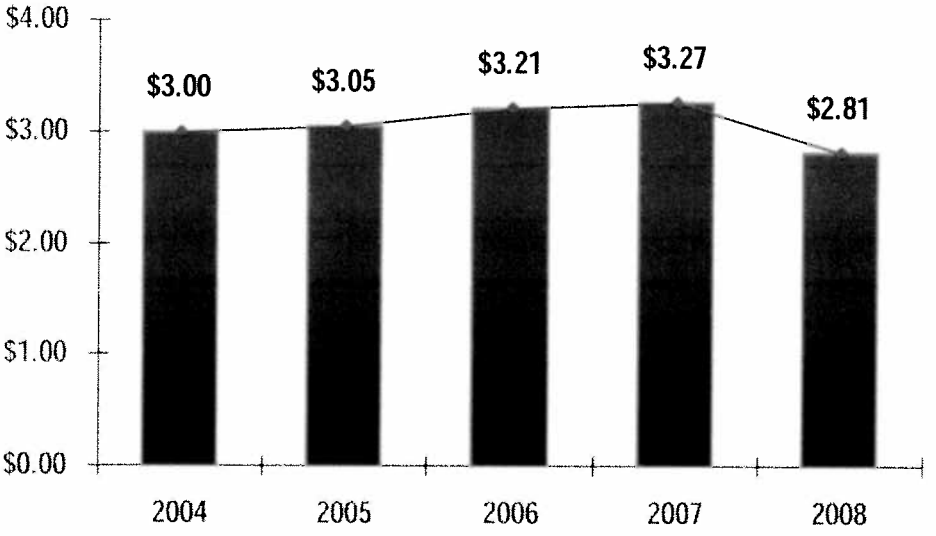
Per Passenger Trip

The average cost of each individual trip taken.



Per Passenger Trip

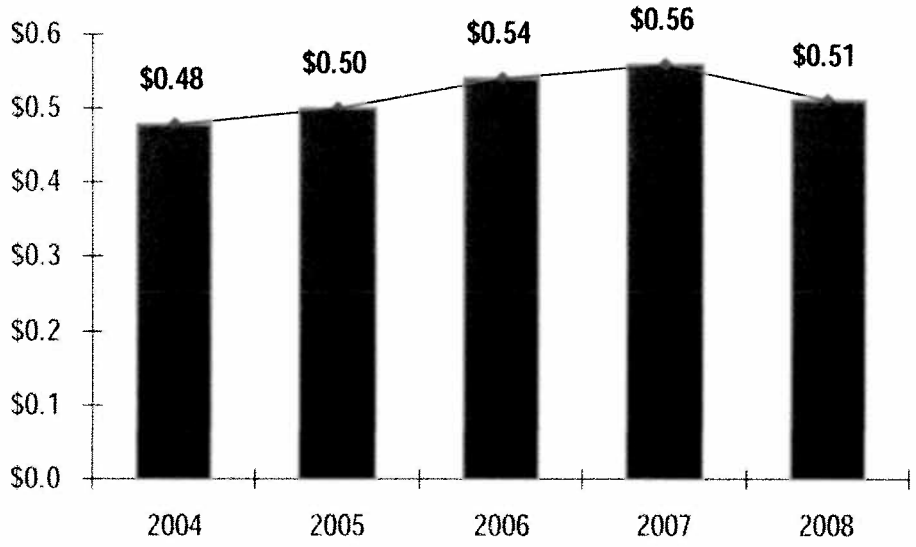
Adjusted for inflation
Constant 2004 dollars



Operating Cost - continued

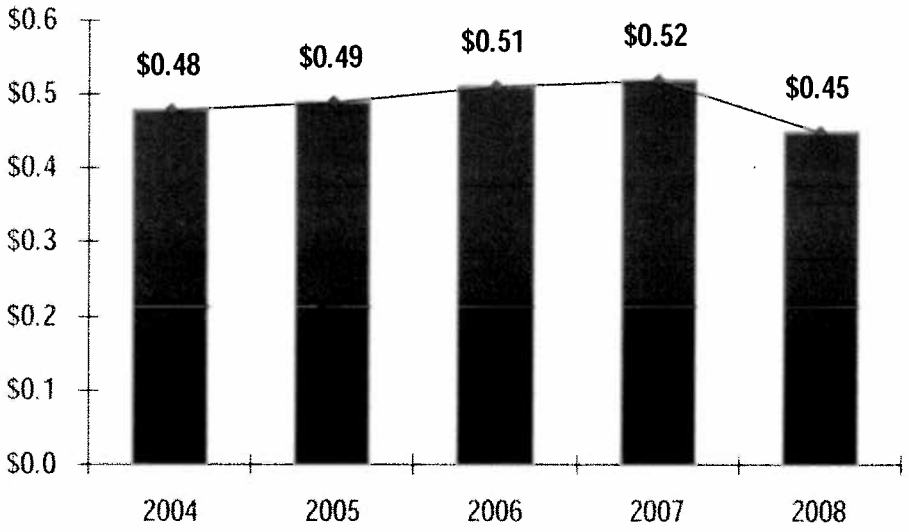
Per Passenger Mile

The average cost of providing each mile of each individual trip taken.



Per Passenger Mile

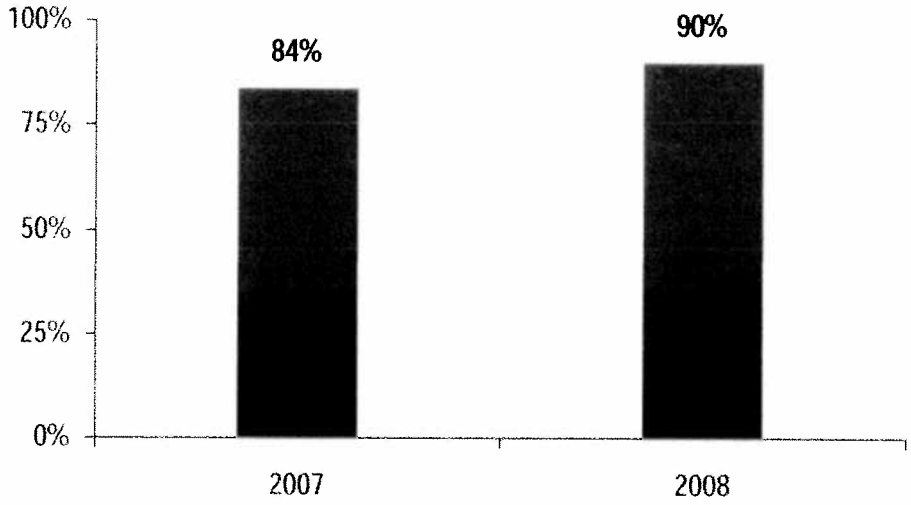
Adjusted for inflation
Constant 2004 dollars



SERVICE DELIVERY:
Customer Service and Customer Safety

On-Time Performance:*
The percentage of time that buses and trains are considered on schedule.

*Note: Data for 2004-2006 are not available, and are therefore not included. Due to different definitions of on-time performance, data for 2007 are not directly comparable and are included for descriptive purposes only.

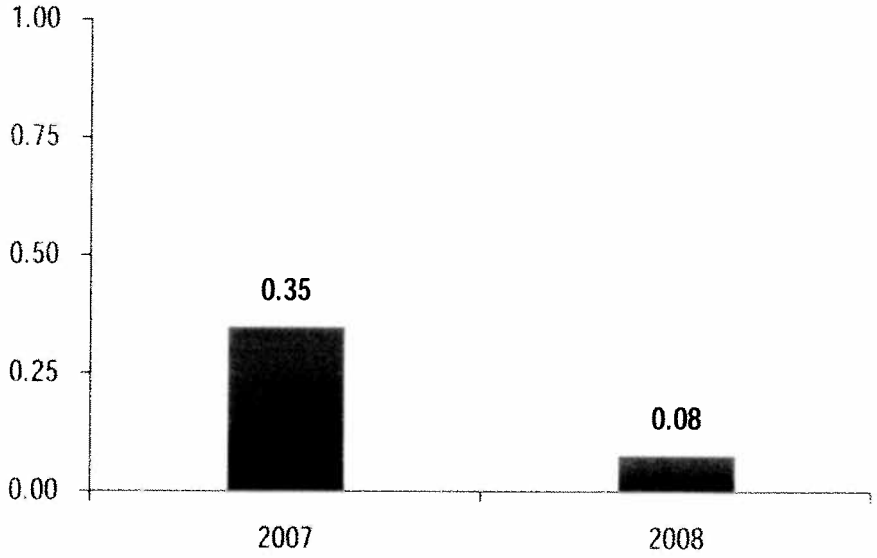


Major Safety and Security Incidents:**
Accidents, casualty, and crime statistics reported under the Federal Transit Administration (FTA) National Transit Database (NTD) reporting system.

Per 100,000 Passenger Trips

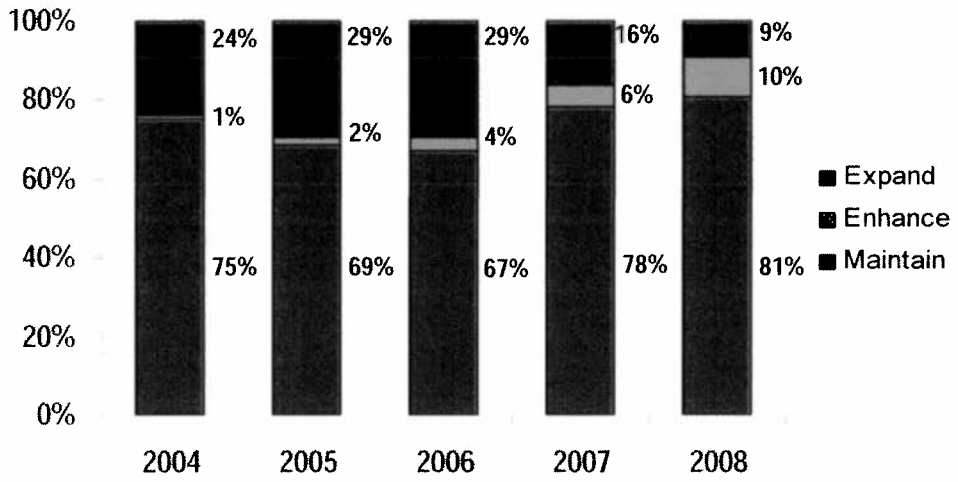
The number of combined safety and security incidents per 100,000 trips taken.

**Note: Data for 2004-2006 are not available, and are therefore not included. Caution should be exercised evaluating 2007 and 2008 data, as there were changes to NTD reporting standards.



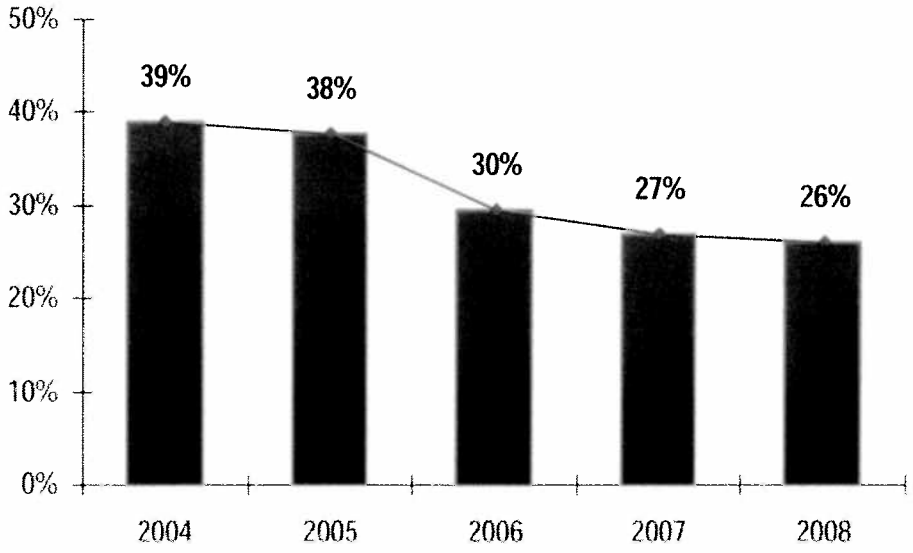
SERVICE MAINTENANCE AND CAPITAL INVESTMENT:
State of Good Repair and Reliability

Capital Program Maintenance / Enhancement / Expansion:
The annual allocation of projects budgeted within each category as a percent of the total capital program.



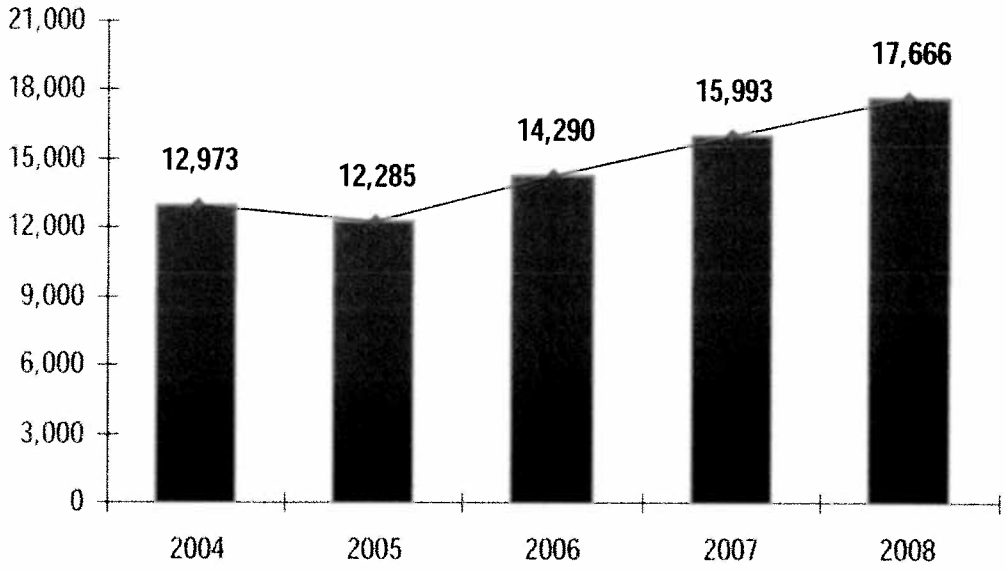
Percent of Vehicles Beyond Useful Life:*
The percentage of vehicles in the total vehicle fleet that have exhausted their useful life as defined by the Federal Transit Administration (5 years for new automobiles or vans, 12 years for new buses, and 25 years for new rail cars).

*Note: Life-extending rehabilitations are not included in these data, as this information is not reported by the NTD.



Miles Between Major Mechanical Failures:

The average distance that vehicles of all modes travel in revenue service between mechanical failures that prevent them from completing a scheduled trip or from starting the next scheduled trip.

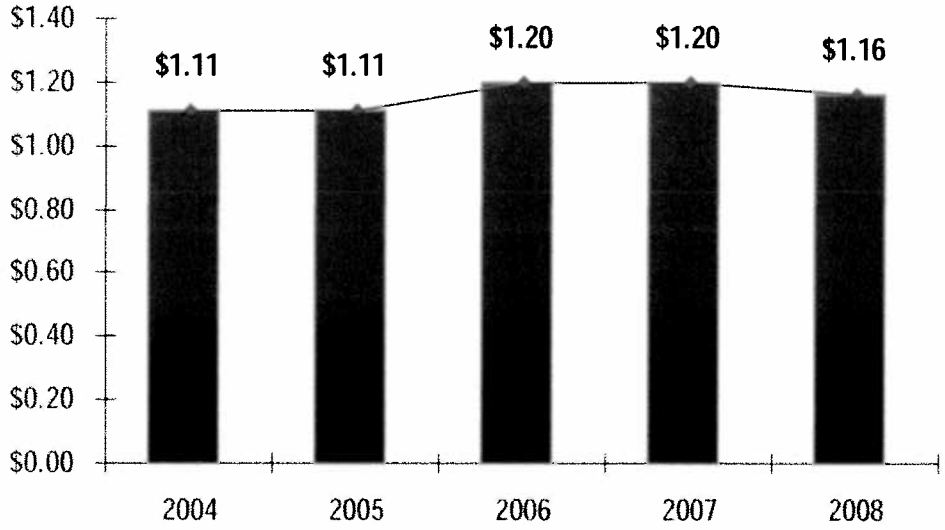


SERVICE LEVEL SOLVENCY:
Operations and Capital

Fare Revenue:
The total amount of money that passengers pay in fares.

Per Passenger Trip

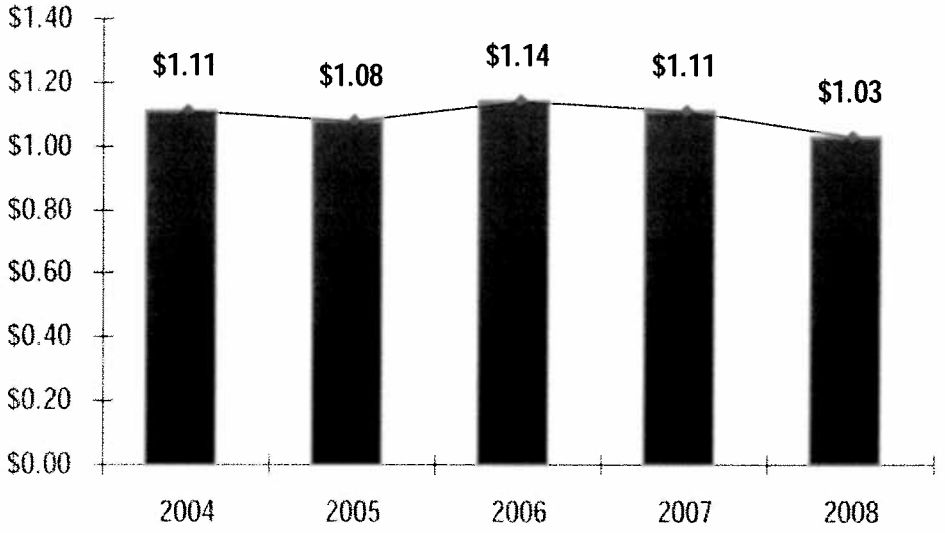
The average fare paid by customers per trip.



Fare Revenue

Adjusted for inflation
Constant 2004 dollars

Per Passenger Trip

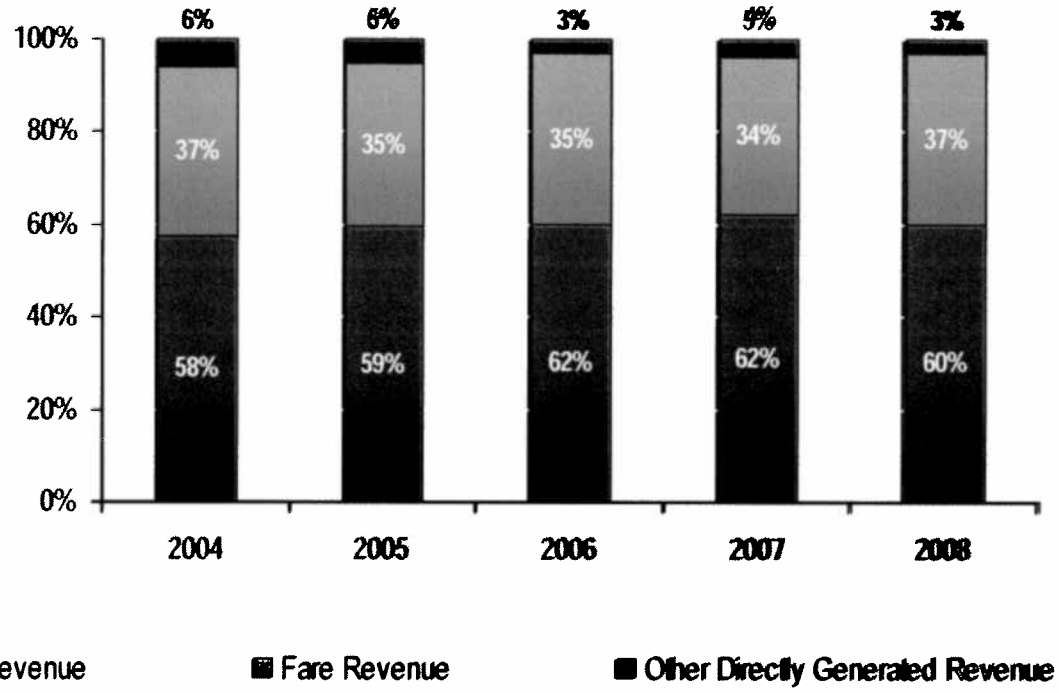


Fare Subsidy:

The amount of the total cost of operation that is not covered by fare revenue.

As Compared to Total Revenue

Operating costs are covered through the balance between fare revenue, other directly generated revenue (advertising, concessions, etc.) and all other revenue (State, Local, and Federal).

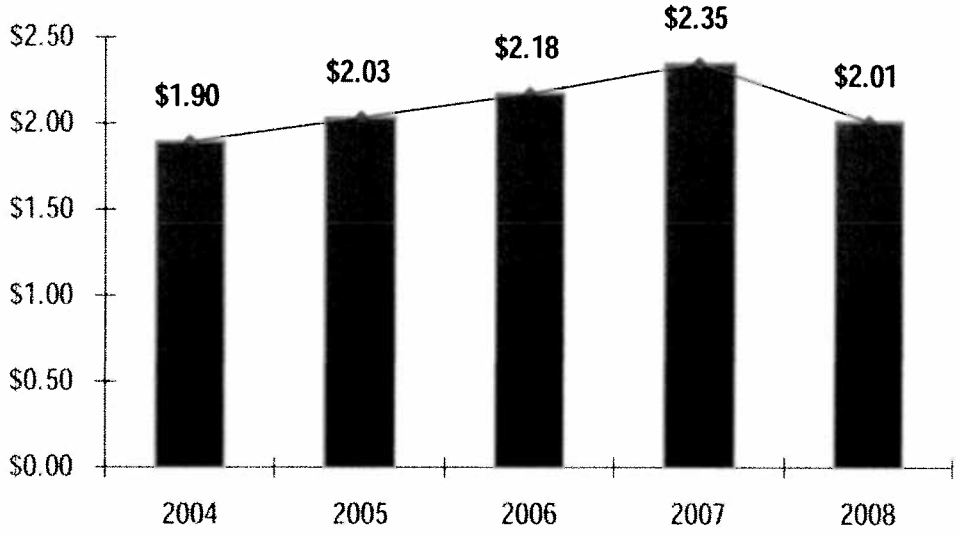


Fare Subsidy:

The amount of the total cost of operation that is not covered by fare revenue.

Per Passenger Trip

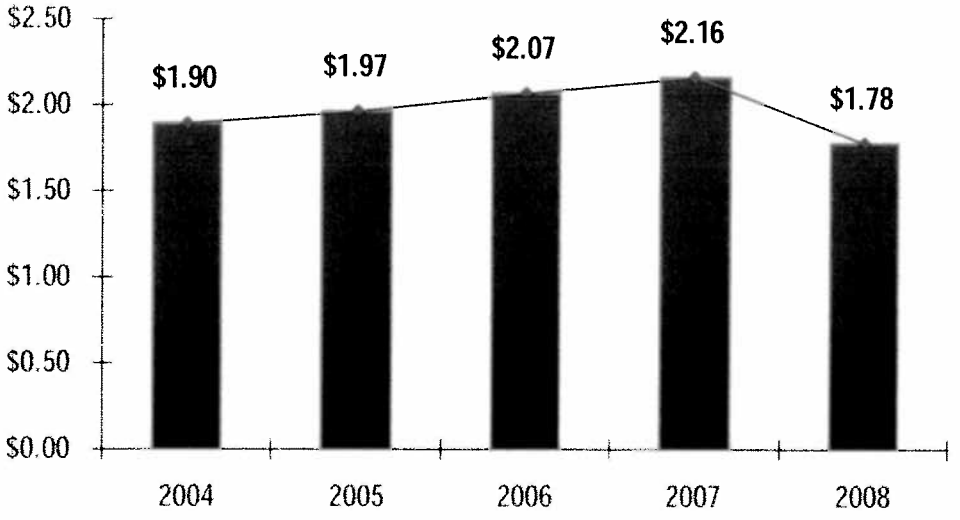
The average cost of each trip that is not covered by the fare paid by customers.



Fare Subsidy

Adjusted for inflation
Constant 2004 dollars

Per Passenger Trip

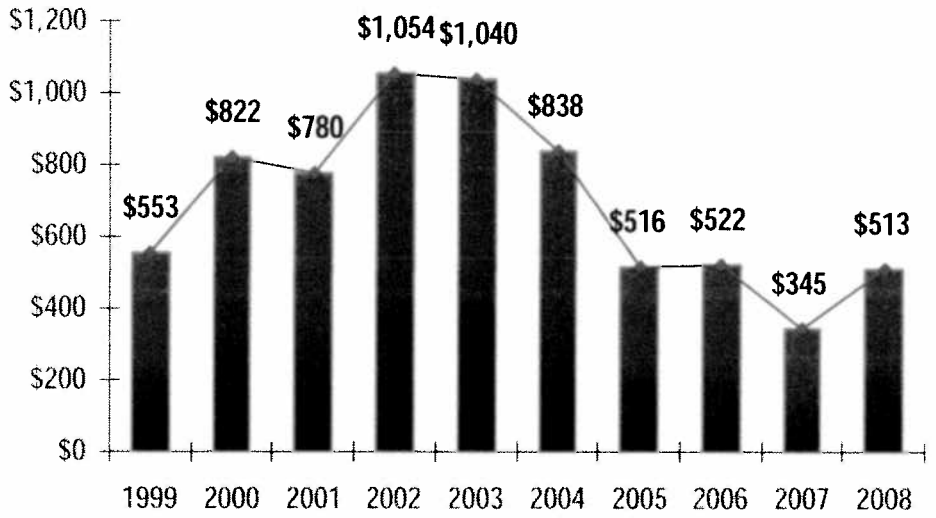


Capital Program:

The amount of capital funds budgeted to finance the maintenance, enhancement and expansion of the transit system's infrastructure. Capital funds budgeted in one year may not actually be expended until subsequent years due to the longer-term nature of capital project implementation.

(in Millions)

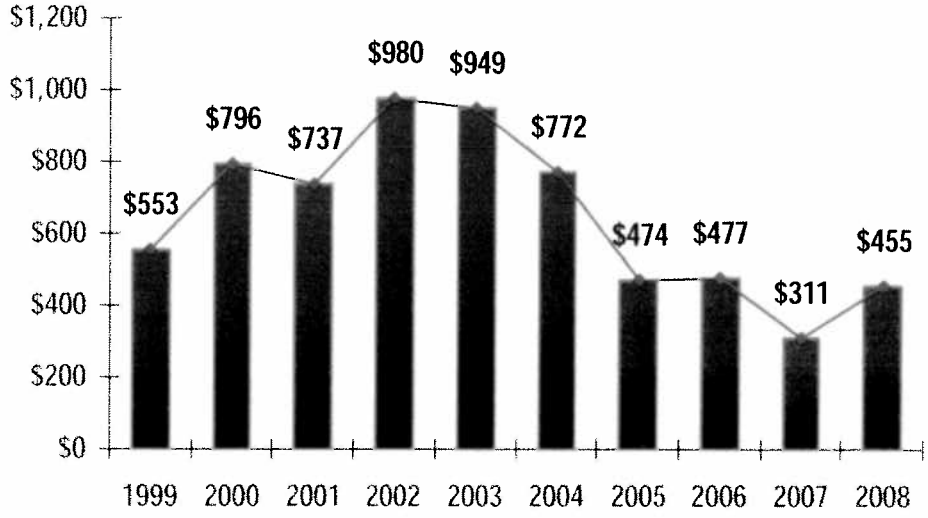
The region's transit capital program is shown for the past ten years to put into perspective the lower levels of investment in the physical plant in recent years. Future capital program dollars will be impacted by CTA's heavy financial leveraging against future federal capital program dollars.



Capital Program

Adjusted for inflation
Constant 1999 dollars

(in Millions)



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Regional Transportation Authority

MOVING BEYOND CONGESTION

REGIONAL PERFORMANCE MEASURES

2009 REPORT CARD

Overall regional performance is a function of five major areas:

- Service Coverage - monitors both how much service is available to people in the region (in terms of population and square miles) and how much of that service capacity is used.
- Service Efficiency and Effectiveness - evaluates the level of resources spent on delivering service in relation to the level of service provided and the extent to which passengers are using that service.
- Service Delivery - reflects the quality of the service delivered.
- Service Maintenance and Capital Investment - indicates the allocation of capital funds and the replacement and maintenance of infrastructure components on a schedule consistent with their life expectancy.
- Service Level Solvency - assesses financial condition to ensure that there are sufficient resources to meet current and ongoing budgetary needs (both operating and capital).

Prepared by Department of Research, Analysis & Policy Development
Regional Transportation Authority, December 2010

EXECUTIVE SUMMARY

The Regional Performance Measures Report Card has been developed by the RTA as part of its oversight function to support the evaluation and management of the region's public transit system, emphasizing both transparency and accountability. The 2009 Report Card builds on the data presented in 2007 and 2008 and continues to offer a unique perspective by aggregating data from the CTA, Metra, and Pace to assess how all three agencies, taken together, are meeting the transit needs of the region. Overall, the performance measures in this report show positive trends for the RTA region when viewed over the full five-year period, but show declines in performance in 2009 resulting from the regional and national economic downturn that began in 2008.

Ridership for the RTA system declined by 2.4% in 2009 as jobs in the Chicago metropolitan area decreased by 5.2% and the unemployment rate climbed from 6.2% in 2008 to 10.0% in 2009. In January 2008, the Illinois State Legislature passed funding and reform legislation that increased funding to support RTA services from the sales tax, the Public Transportation Fund, and the City of Chicago's Real Estate Transfer Tax. While the new taxes increased the amount of regional funding available by $236.6.million in 2008 compared to 2007, this amount was still $91.7 million below the funding level anticipated following enactment of the legislation. The new funding enabled the regional transportation system to avert fare increases and significant service cuts that were scheduled to go into effect in January 2008. The economic recession that developed later in 2008 caused a steep decline in revenues, including those anticipated from the new taxes. In 2009, with new tax programs effective for the full year, the funding level came in $23.4 million above the actual amount received in 2008.

Many transit agencies throughout the country were forced to both raise fares and cut service in response to the severe economic shortfalls they faced. The Chicago region was able to withstand the economic downturn without implementing service cuts in 2009 because of the improved funding arrangements created with the passage of the 2008 legislation. Fare increases were implemented on both CTA and Pace services in January 2009, however. Metra, which had just raised fares in February 2008, did not increase fares again in 2009.

This report card describes the performance measures associated with five major areas: service coverage, service efficiency and effectiveness, service delivery, service maintenance and capital investment, and service level solvency over the five-year period 2005-2009.

Service coverage indicators monitor both how much service is available to people in the region (supply) and how much of that supply is actually used by the public (consumption). During the past five years, changes in the service supplied and service consumed measures largely paralleled one another through 2008, but there was a decrease in service consumed in 2009 in response to regional job losses.

Transit capacity, a measure of supply, describes the number of trips available to be taken. This measure is derived from the average number of seats per transit vehicle (and standing room, if applicable), overall miles traveled by transit vehicles, and average trip length. The need to serve high peak period demand determines the level of maximum capacity and results in excess system capacity during the off-peak periods. Because of the high peak period demands

in Northeastern Illinois, transit vehicle miles and transit capacity have steadily increased over the 2005-2009 period, while trip length has decreased and the available seating capacity has fluctuated due to changes in the active vehicle fleet. Overall, the transit capacity in 2009 was at its highest point for the five-year period, indicating an overall increase in transit coverage and availability to Chicagoland residents.

Service consumption can be stated in terms of ridership and total passenger miles, which is the cumulative distance traveled by all passengers. Both measures show steady increases from 2005-2008 and a decrease in 2009. Still, ridership was 5.1% higher in 2009 than in 2005, which can be attributed to such factors as increased gasoline prices, which made transit a more appealing travel option to many drivers, the implementation of free ride programs, and service enhancements implemented by each of the service boards.

Metra completed service improvements on three lines in 2006 -- the Union Pacific West, the SouthWest Service, and the North Central Service -- extending the reach of their service area to new stations and increasing the frequency of service. New "Sunrise Express" service was added in 2007 on the Union Pacific North Line to provide early morning reverse-commute options, in 2008, additional weekend service was added on the Union Pacific North Line and the Milwaukee North Line, and in 2009 new Saturday service was introduced on the South West Service Line.

There were also a number of changes to CTA services throughout the five year period, including bus enhancements to North and South Lake Shore Drive, Evanston and Skokie routes in 2005, changes to 14 bus routes as part of the West Side Corridor Service revisions in 2006, and South Loop bus route service enhancements in 2009. The West Side Corridor improvements also included changes to two rail lines in 2006 -- the opening of the new Pink Line service and enhancements to the Blue Line Service. At the end of 2008, as part of the Brown Line capacity expansion project, the CTA resumed four-track operations between Belmont and Fullerton, providing passengers on the Red, Brown, and Purple lines improved peak service, faster trains, and increased frequency. Finally, in 2009 the final two stations on the Brown Line were reopened with full ADA accessibility.

Levels of ADA paratransit service increased in the region with the consolidation of all city and suburban ADA paratransit services at Pace in 2006. Pace bus fixed route service improvements occurred with the North Shore and Fox Valley initiatives in 2005 and the South Cook and Will County Initiative in 2008 and 2009. Pace vanpool service also expanded steadily through 2008 and then fell off in 2009 as the economy worsened and gas prices decreased, reducing the cost incentive to vanpool over driving independently.

Service efficiency and effectiveness measures evaluate the cost of supplying transit services. Total operating costs rose steadily throughout the five-year period, except for a dip in 2008 attributable to a decline in CTA's general fund expenses resulting from the issuance of $1.9 billion in pension obligation bonds. Compared to a regional inflation increase of 8.1% between 2005 and 2009, operating costs grew at a somewhat faster rate of 13.0% and were affected by increases in cost inputs that trended above inflationary rates such as fuel and health care.

Because transit capacity increased at a greater rate than cost, the efficiency of providing service on a per-unit basis improved. Adjusted for inflation, the cost per unit of transit capacity remained at the 2008 level, the lowest level of the five years under review. Operating cost per trip has increased at a lower rate than inflation over the five-year period, despite a drop in ridership in 2009, pointing to increased cost effectiveness. The operating cost per passenger mile, adjusted for inflation, remained stable over the five-year time period.

Service delivery indicators focus on customer service and safety. On-time performance is a key indicator of service delivery, and although the service boards use different methodologies to assess on-time performance for each mode, weighting their values by the number of passengers carried provides a regional measure that shows an improving trend for the three years for which data are available. Reportable major safety and security incidents data are comparable for only the last two years of this report. In 2008, the National Transit Database (NTD) expanded the definition of what constituted a "major" incident, creating an increase in the incidence of this measure. Comparing performance in 2009 to 2008, using consistent reporting definitions, there was a decrease in the number of incidents per passenger, which is also indicative of improved service delivery. Regional customer satisfaction measures are currently under development and are expected to be available for the 2011 report year.

Service maintenance and capital investment performance indicators evaluate reliability and the state of good repair. Following a decline through 2008 related to new buses in the Pace and CTA fleets, the percent of vehicles beyond their useful life showed a slight uptick in 2009 as a greater percentage of Metra and CTA rail vehicles reached an age beyond their useful life. Miles between major mechanical failures showed steady improvement in the years 2005 through 2009, reflecting the improved reliability gained with the investment in new buses. In 2009, the amount budgeted for capital maintenance contributed to reliability improvements; with an 11% gain over 2008 levels, the 2009 amount was the highest allocation of capital program dollars appropriated to maintenance in the past five years. The newly-completed Capital Asset Condition Assessment shows an urgent need for major capital infusion over the next ten years to bring the region's transit infrastructure up to a state of good repair.

Service level solvency measures showed some improvement in 2009, largely due to fare increases at Pace and CTA in January 2009. The increase in fare revenues outpaced the decrease in ridership, resulting in a net gain in fare revenue per trip. The non-fare revenue per trip (which includes public subsidies to transit) also increased, and the decrease in ridership in 2009 further contributed to the increase in the amount of subsidy funding per passenger. Adjusted for inflation, non-fare revenue per trip is lower than in 2005, which is a positive indicator of solvency demonstrating a lower reliance on public funding per passenger trip. In 2009, funding levels for all three service boards benefited from federal stimulus money from the American Recovery and Reinvestment Act passed in February 2009. However, the net amount of new capital funds available to finance the maintenance, enhancement, and expansion of the system's infrastructure was 6.8% lower in 2009, and remains significantly lower than the levels achieved between 2002 and 2004. Capital program funds will be impacted by the system's heavy financial leveraging against future federal capital grants, thereby reducing the amount of available funds for new infrastructure needs as funds are diverted to pay debt service.

NOTES

1) This analysis is based on published data from the National Transit Database (NTD), RTA's audited financials, and operating data from the three Service Boards.

2) General expenditures associated with the RTA as the funding, planning and oversight agency for the region have been added to the Total Operating Expense figures obtained from the NTD and aggregated for the Service Boards.

3) The inflation rate used is the Consumer Price Index (CPI) published by the Bureau of Labor Statistics, for the Chicago-Gary-Kenosha area.

4) Changes from the 2008 Regional Report Card:

- CTA and Pace's on-time performance data has been restated for each year to reflect their current methodology to measure on-time performance.
- Pace fare revenue has been restated for 2005-2007 to conform to revised allocation assumptions.
- Total regional major safety and security incidents for 2007 have been restated to rectify a reporting error.
- The term "non-fare revenue" has been used to replace the term "fare subsidy" used in the 2008 Report Card. "Non-fare revenue" more clearly describes the revenue that is a combination of system-generated revenue (i.e., advertising and concessions) and public funding for transit service operations.
- 'Miles Between Major Mechanical Failures' have been restated for prior years to reflect the **total** annual miles traveled by transit vehicles, in lieu of vehicle revenue miles, to more accurately reflect the usage of service vehicles. Additionally, as of 2009, NTD implemented a requirement that agencies report major mechanical failures of purchased transportation service, whereas prior years only included directly-operated service failures.
- In 2009, NTD required Metra to change how it reported capital project credits making Metra expense data between 2008 and 2009 inconsistent. In 2009, capital project credits were no longer allowed to be subtracted from expenses as they had been in years 2006 through 2008. Capital project credits represented 5% of Metra's operating costs in 2009.
- Capital Program Funding figures have been restated to include proceeds from CTA bond sales, debt service, and capital transfers to operations.
- Useful life calculations adhere to the FTA definition of a four-year minimum useful life for vanpool and small bus vehicles.

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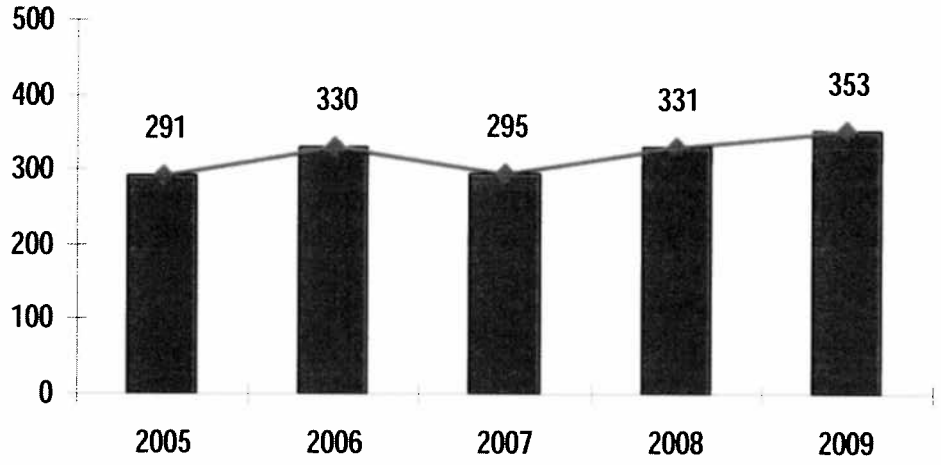
SERVICE COVERAGE:
Service Supplied

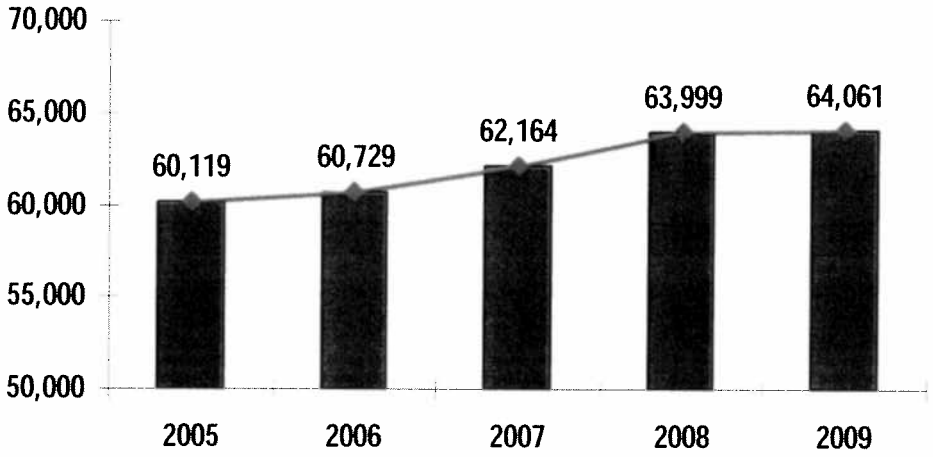
Transit Capacity (trips)
The amount of service provided as measured in trips available to be taken.

Transit Capacity per Area Resident
The number of trips available for each resident in the region to take annually.



Vehicle Revenue Miles
The amount of service provided as measured in miles traveled by vehicles while in service.

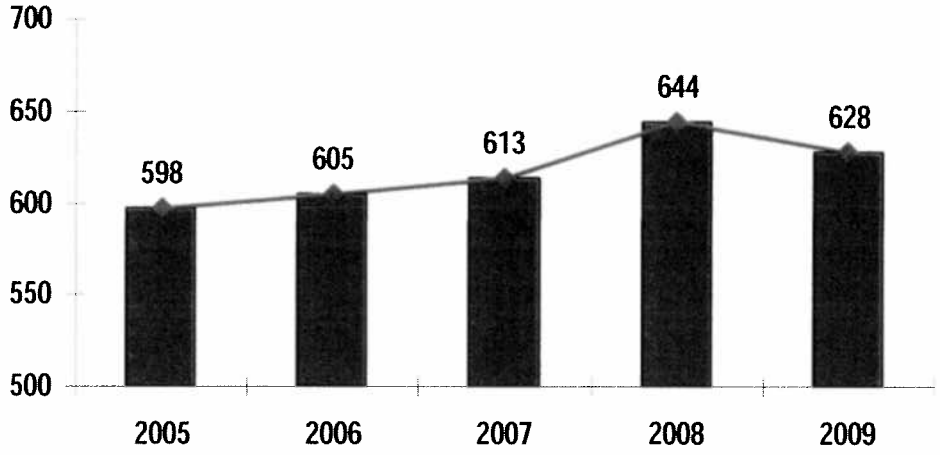
Vehicle Revenue Miles per Service Area Square Mile
The number of miles of travel provided annually per square mile of the service area.



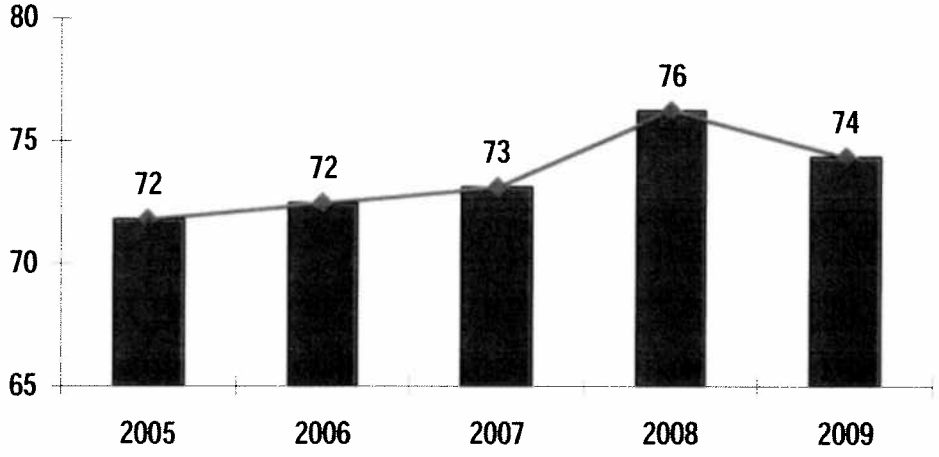
SERVICE COVERAGE:
Service Consumed

Passenger Trips (Ridership)
The number of times passengers board buses and trains, including transfers from one bus or train to another in order to complete their trips.

Passenger Trips (in Millions)



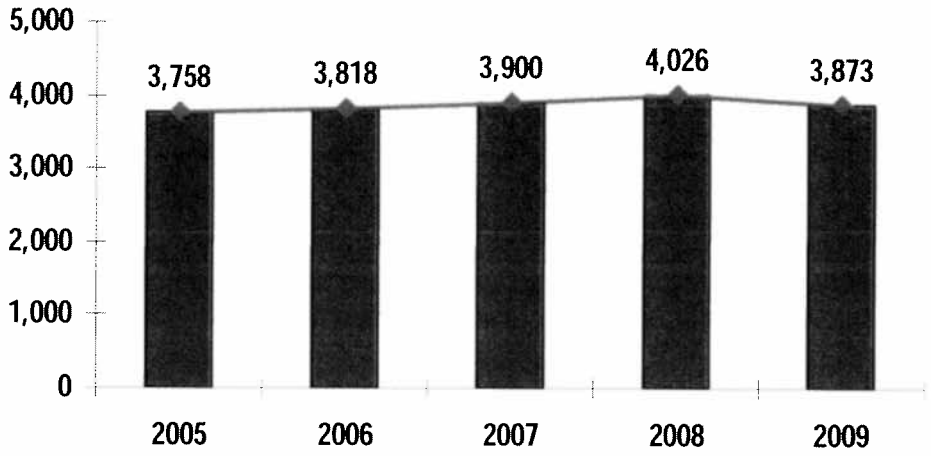
Passenger Trips per Area Resident
The average number of rides taken per resident annually.



Passenger Miles

The cumulative sum of the distances ridden by all passengers.

Passenger Miles (in Millions)



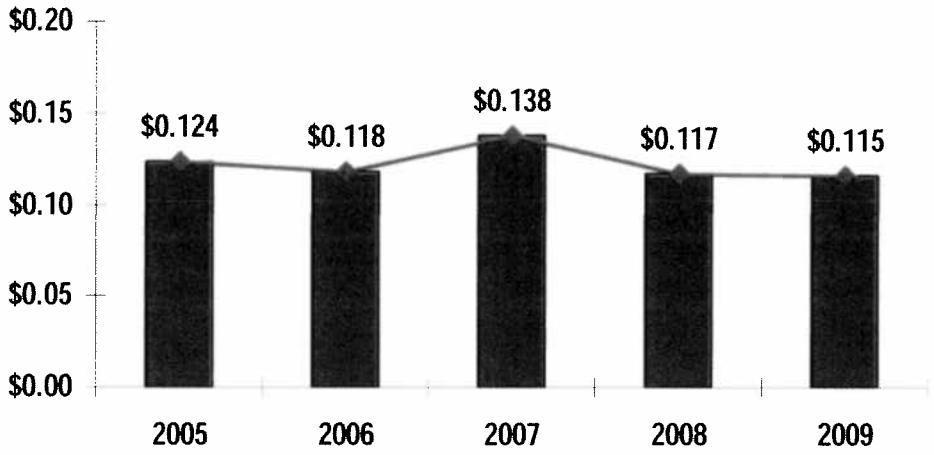
Operating Cost*

The expenses of operating the transit system.

Operating Cost per Unit of Transit Capacity

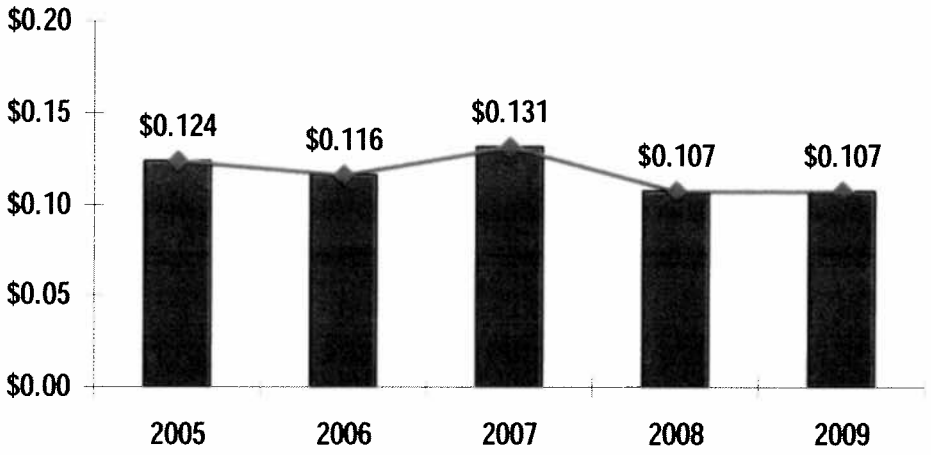
The average cost of providing a passenger seat or space for each mile of an individual trip, whether or not it is taken.

*Note: in 2009, NTD required a change in how Metra reported capital project credits (see Note 4, page 5).



Operating Cost per Unit of Transit Capacity

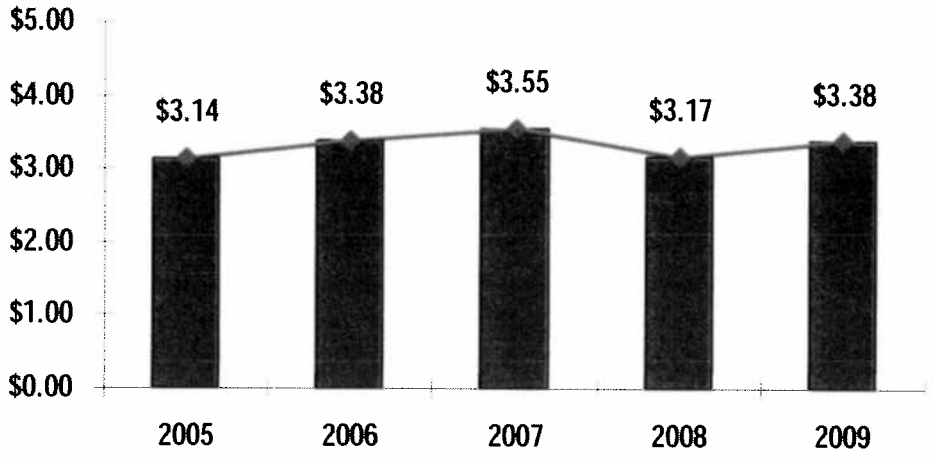
Adjusted for inflation
Constant 2005 dollars



SERVICE EFFICIENCY AND EFFECTIVENESS:
Cost Effectiveness

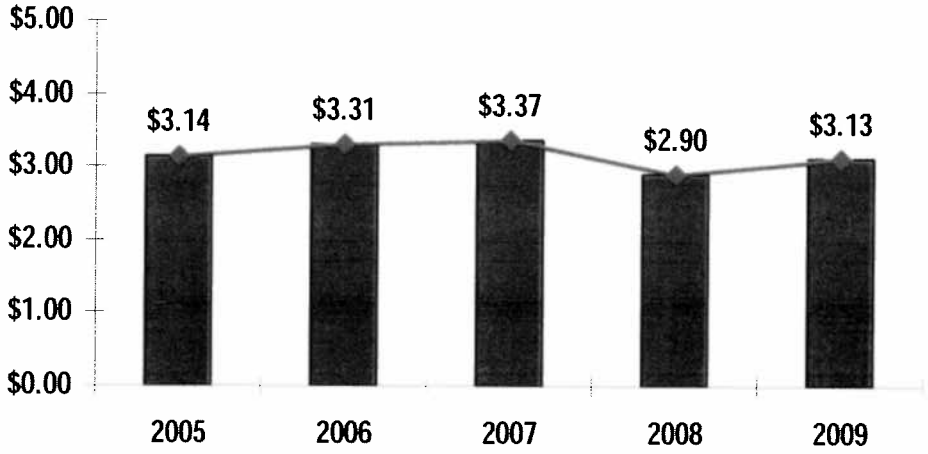
Operating Cost per Passenger Trip

The average cost of each individual trip taken.



Operating Cost per Passenger Trip

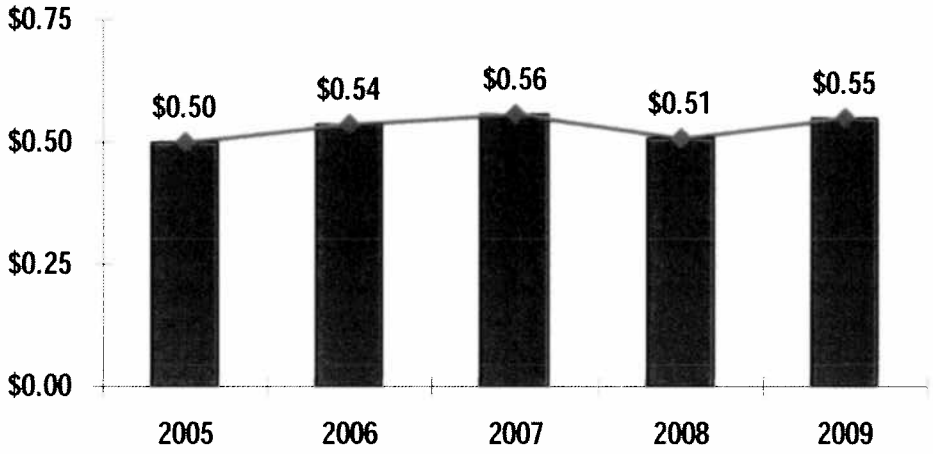
Adjusted for inflation
Constant 2005 dollars



SERVICE EFFICIENCY AND EFFECTIVENESS:
Cost Effectiveness

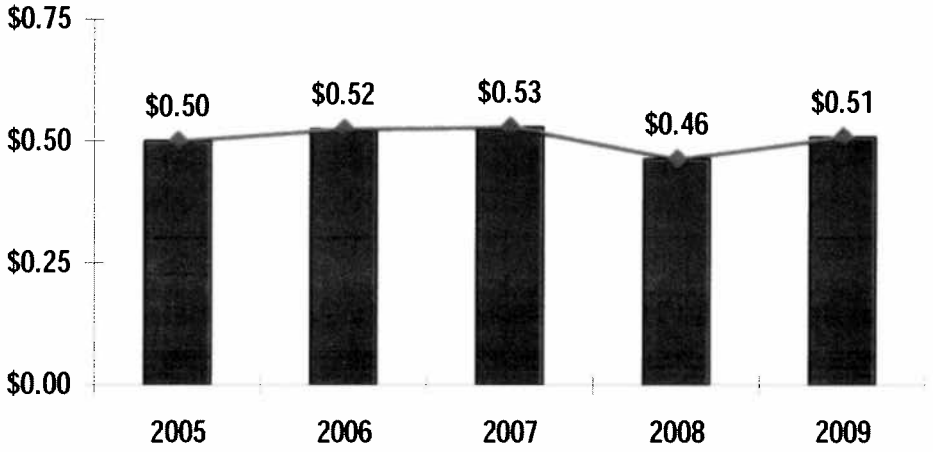
Operating Cost per Passenger Mile

The average cost of providing each mile of each individual trip taken.



Operating Cost per Passenger Mile

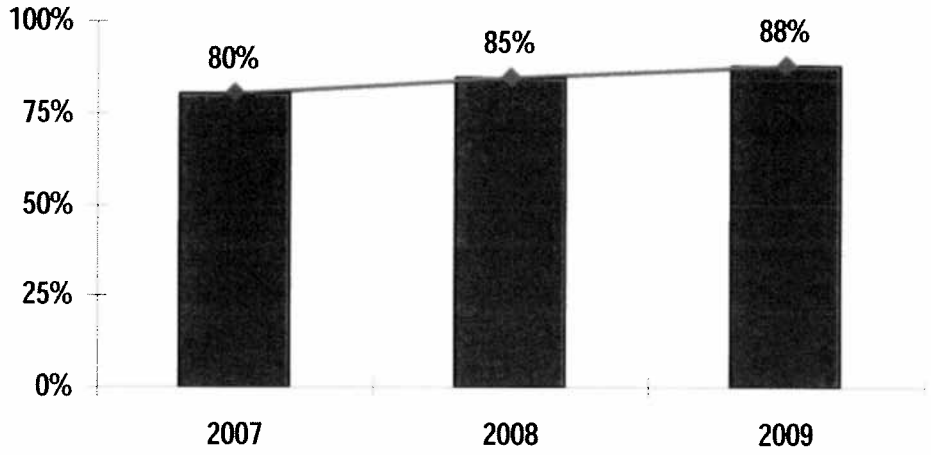
Adjusted for inflation
Constant 2005 dollars



On-Time Performance*

The percentage of time that buses and trains are considered on schedule, based on each service board's on-time performance measurement definition.

*Note: Data are not available from all Service Boards prior to 2007. Figures have been re-calculated to reflect CTA and Pace's current methodology to measure on-time performance.



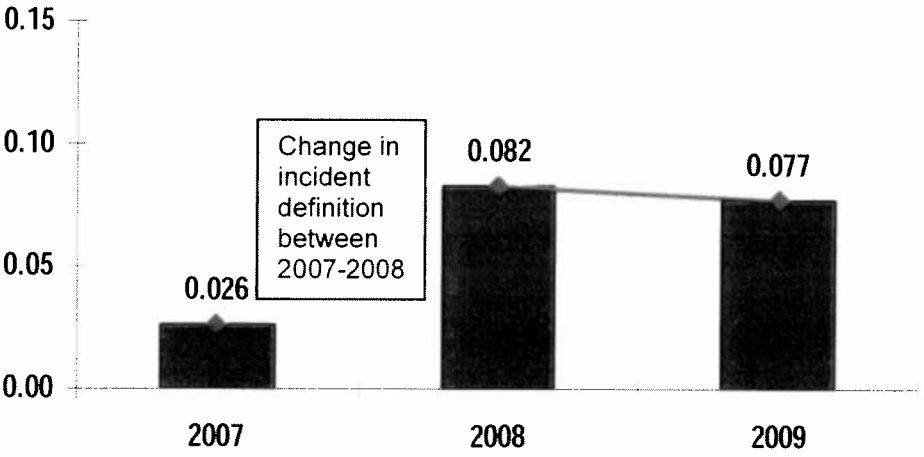
Major Safety and Security Incidents**

Accidents, casualty, and crime statistics reported under the Federal Transit Administration (FTA) National Transit Database (NTD) reporting system. Data are not available from all Service Boards prior to 2007.

Major Incidents per 100,000 Passenger Trips

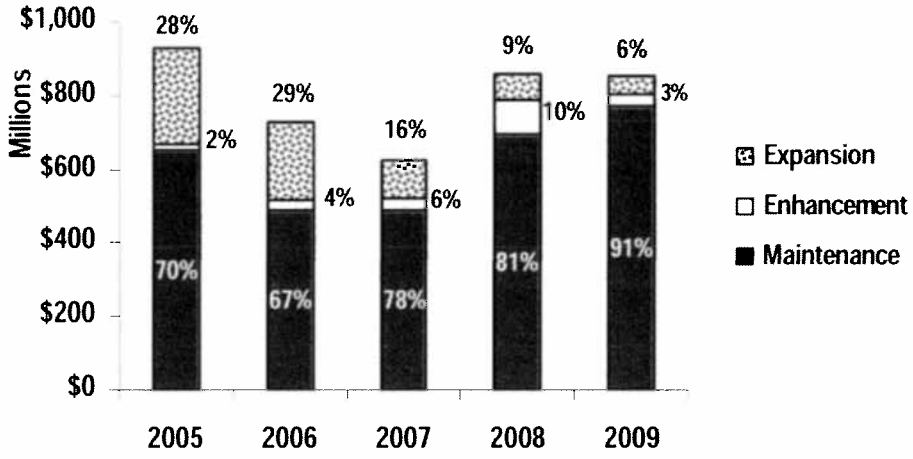
The number of combined major safety and security incidents per 100,000 trips taken.

**Note: The NTD lowered its reporting thresholds for incidents in 2008, resulting in a substantial increase in the number of reportable events.



Capital Program Maintenance / Enhancement / Expansion

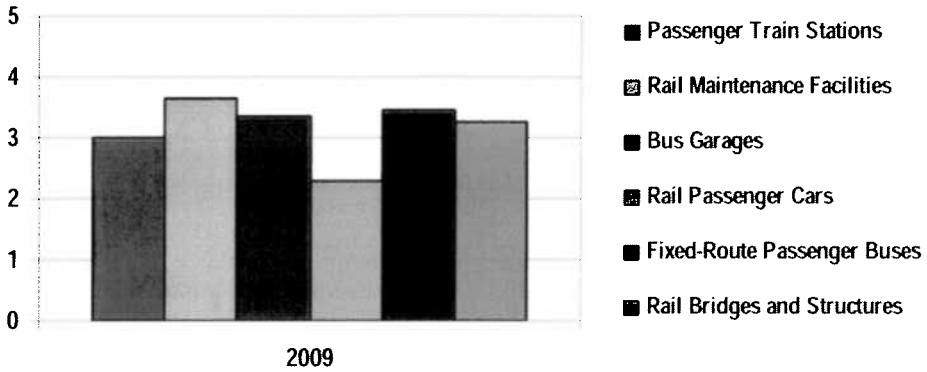
The annual allocation of projects budgeted within each category as a percent of the total capital program.



State of Good Repair

The percentage of assets rated "adequate with no backlog" as part of a physical condition assessment that takes into consideration useful life as defined by the Federal Transit Administration, major rehabilitations, routine maintenance, inspections, etc.

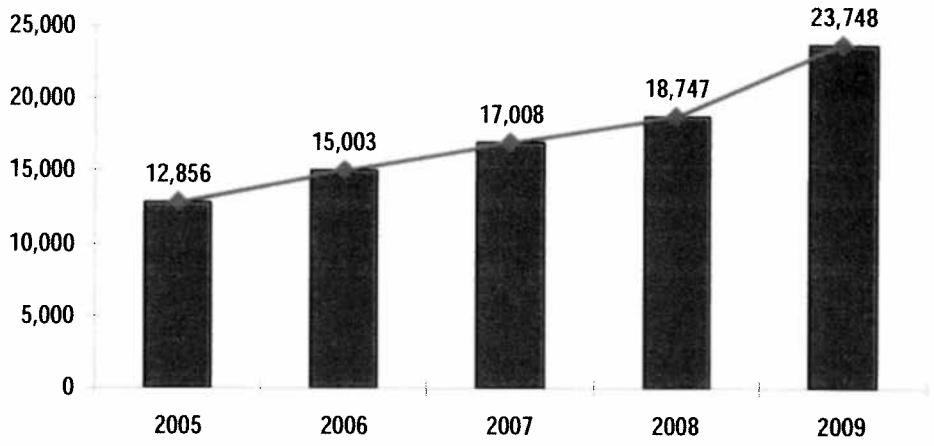
The Capital Asset Condition Assessment rated the Service Boards' assets on a five-point scale ranging from 1 representing an asset "past its useful life," to 5 representing a relatively new asset in "excellent" condition. Anything rated 3 or higher can be considered to be in a "State of Good Repair." Although many of the categories exceed the minimal acceptable rating, there are numerous assets within each category that achieved ratings of 1 or 2, meaning they are past their useful life and are the most difficult and expensive to maintain.



Miles Between Major Mechanical Failures

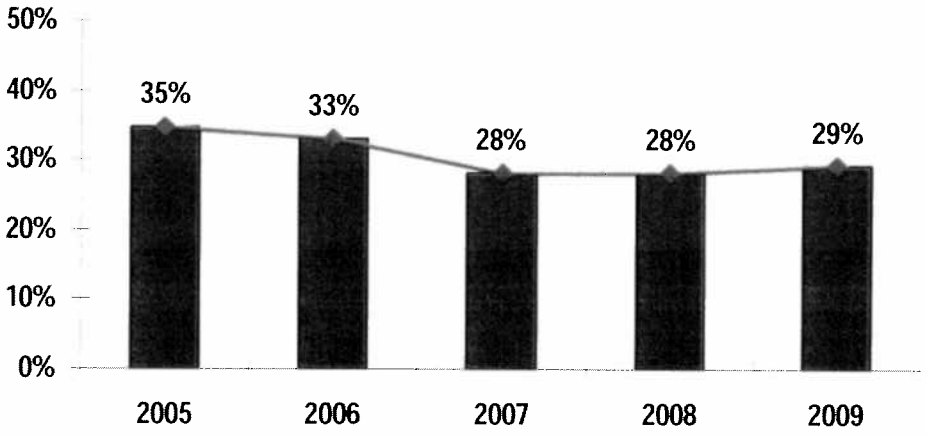
The average distance that vehicles of all modes travel in service (total vehicle revenue miles plus deadhead miles) between mechanical failures that prevent them from completing a scheduled trip or from starting the next scheduled trip.

*Note: in 2009, NTD began reporting failures of purchased transportation service, whereas prior years only included directly-operated service failures.



Percent of Vehicles Beyond Useful Life

The percentage of vehicles in the total vehicle fleet that have reached the end of their minimum useful life as defined by the Federal Transit Administration (4 years for new automobiles or vans, 12 years for new buses, and 25 years for new rail cars). Rehabilitations that may be undertaken to keep vehicles in service beyond FTA guidelines are not included in these data.

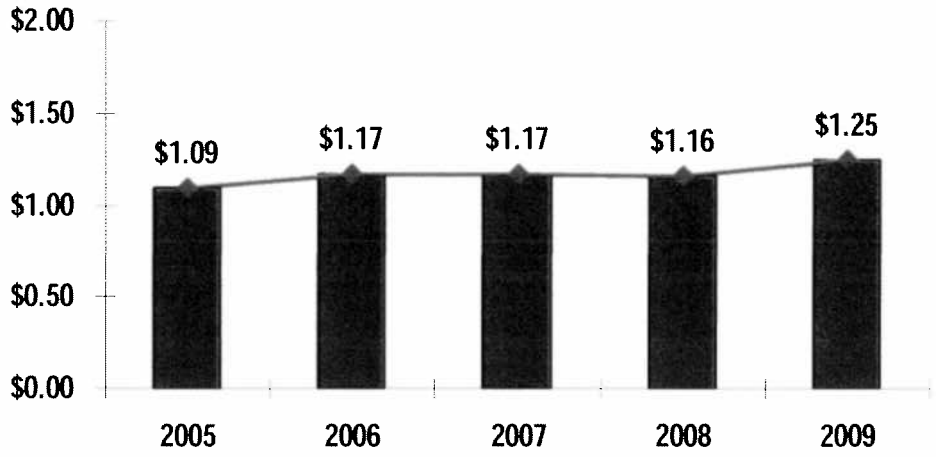


Fare Revenue

The total amount of money that passengers pay in fares.

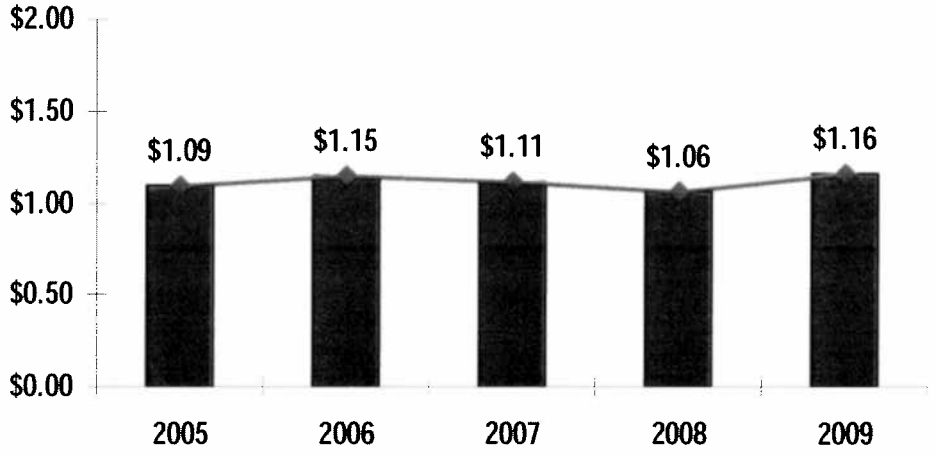
Fare Revenue per Passenger Trip

The average fare paid by customers per trip.



Fare Revenue per Passenger Trip

Adjusted for inflation
Constant 2005 dollars

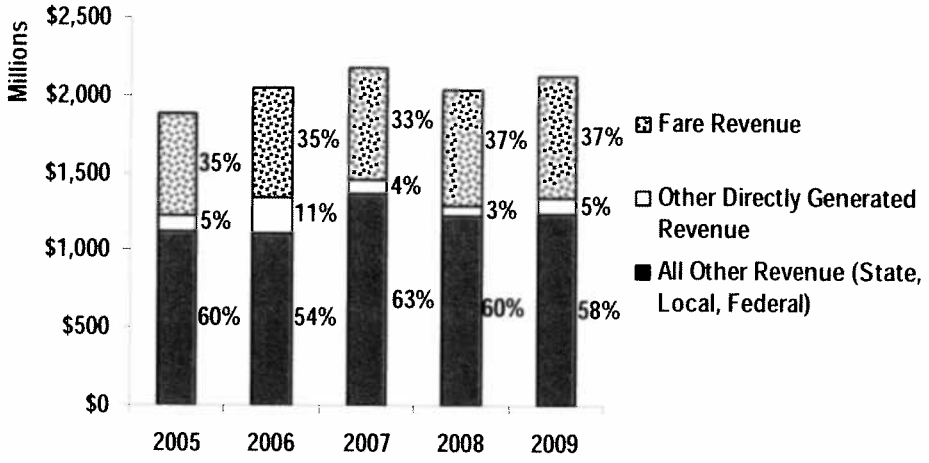


Non-Fare Revenue

The amount of revenue from all sources, other than fare revenue, that is required to cover the total cost of operations. Non-fare revenue includes system-generated revenue (advertising, concessions, etc.) and state, local, and federal revenue.

Non-Fare Revenue As Compared to Total Revenue

Operating costs are covered through the balance between fare revenue, other directly generated revenue (advertising, concessions, etc.) and all other revenue (State, Local, and Federal).

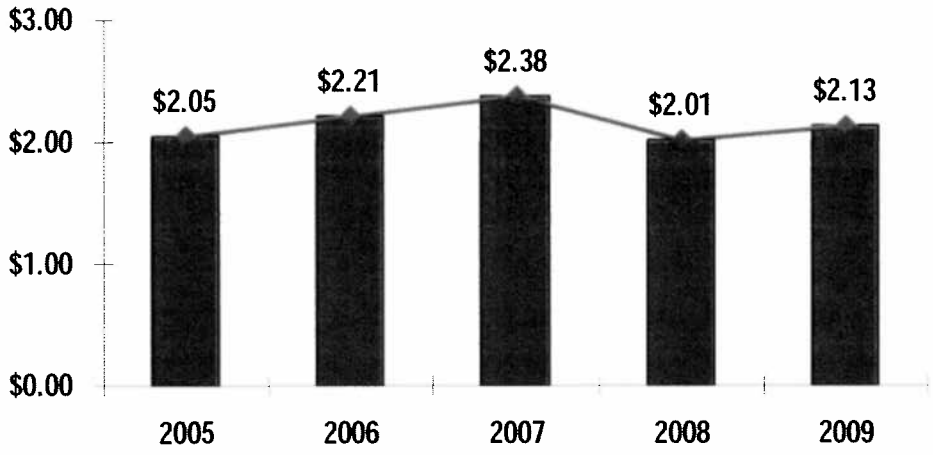


Non-Fare Revenue

The amount of revenue from all sources, other than fare revenue, that is required to cover the total cost of operations. Non-fare revenue includes system-generated revenue (advertising, concessions, etc.) and state, local, and federal revenue.

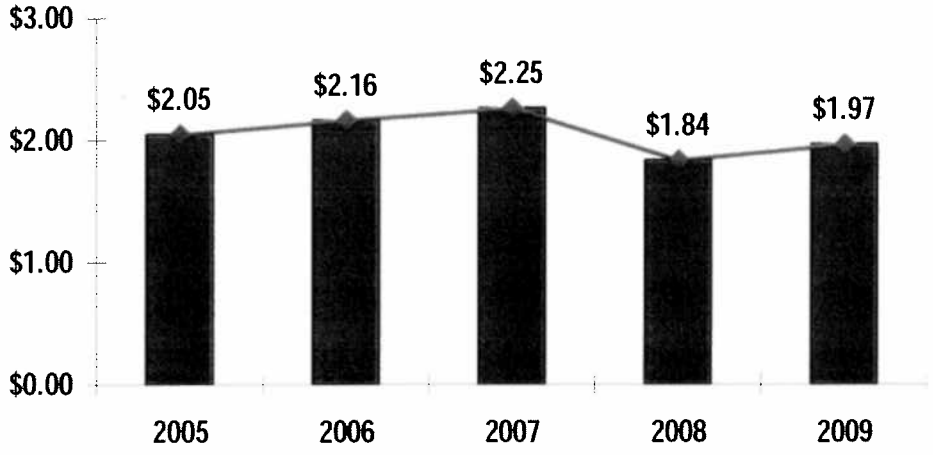
Non-Fare Revenue per Passenger Trip

The amount of revenue from sources other than fares required to cover the average cost of a passenger trip.



Non-Fare Revenue per Passenger Trip

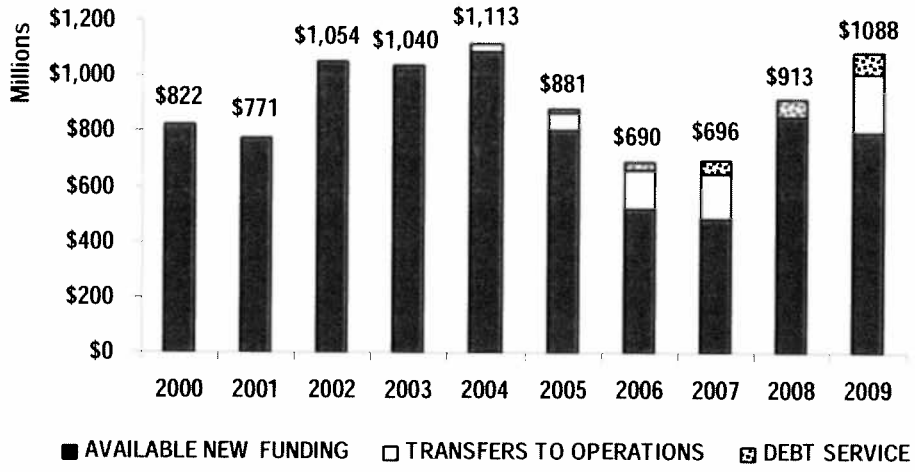
Adjusted for inflation
Constant 2005 dollars



Capital Program Funding

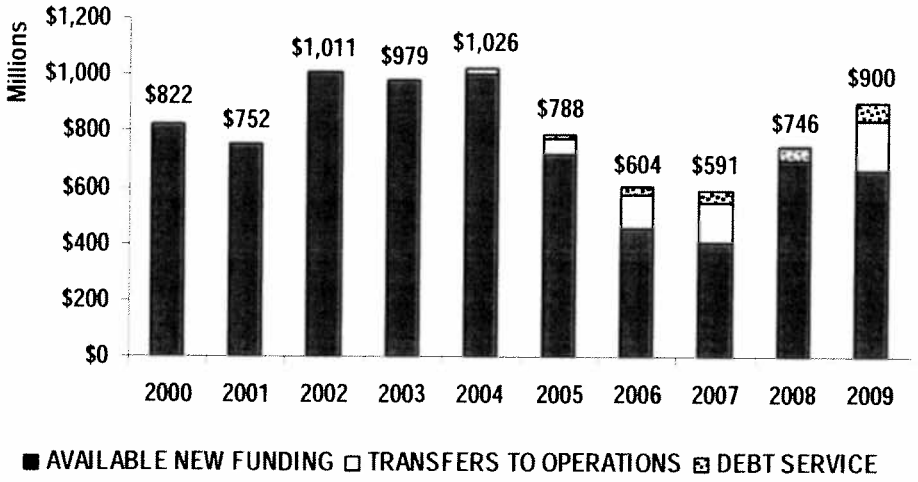
The amount of new capital funds budgeted to finance the maintenance, enhancement and expansion of the transit system's infrastructure. Capital funds budgeted in one year may not actually be expended until subsequent years due to the longer-term nature of capital project implementation. Capital funding amounts include capital funding transferred to operations and debt service paid on capital bonds, which began in 2004. The region's capital program is shown for the past ten years to put into perspective the lower levels of investment in the physical plant for the last five years compared to the preceding five.

Capital Program Funding (in Millions)



Capital Program Funding

Adjusted for inflation
Constant 2000 dollars



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Re Performance Measures

2010 Regional Report Card

Regional Transportation Authority

The six-county public transportation system serving northeastern Illinois

Prepared by Department of Finance & Performance Management

REGIONAL PERFORMANCE MEASURES
2010 Regional Report Card

RTA staff has undertaken the development of a performance measurement and reporting program to evaluate the impact and effectiveness of public transit in Northeastern Illinois.

Overall regional performance is a function of five major areas:

- **Service Coverage** - monitors both how much service is available to people in the region (in terms of population and square miles) and how much of that service capacity is used.

- **Service Efficiency and Effectiveness** - evaluates the level of resources spent on delivering service in relation to the level of service provided and the extent to which passengers are using that service.

- **Service Delivery** - reflects the quality of the service delivered.

- **Service Maintenance and Capital Investment** - indicates the allocation of capital funds and the replacement and maintenance of infrastructure components on a schedule consistent with their life expectancy.

- **Service Level Solvency** - assesses financial condition to ensure that there are sufficient resources to meet current and ongoing budgetary needs (both operating and capital)

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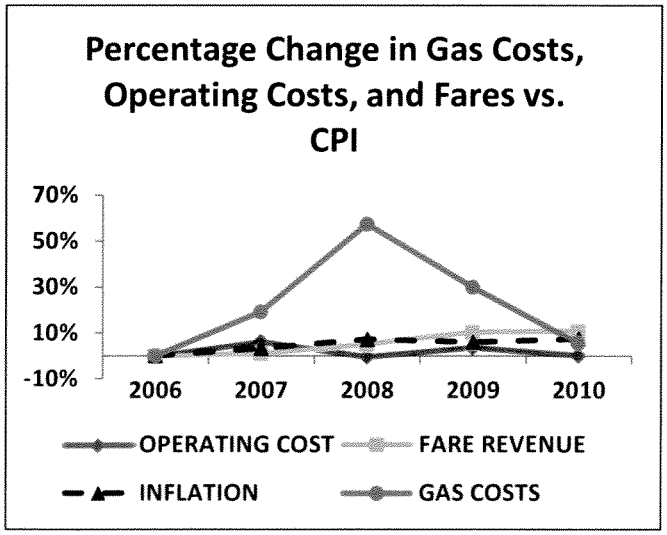
EXECUTIVE SUMMARY

The Regional Performance Measures Report Card has been developed by the RTA as part of its oversight function to support the evaluation and management of the region's public transit system, emphasizing both transparency and accountability. The 2010 Report Card is the fourth installment in the series, building on data from prior reports, and continues to offer a unique perspective by aggregating data from the CTA, Metra, and Pace to assess how all three agencies, taken together, are meeting the transit needs of the region. Overall, the performance measures in this report show many positive trends for the RTA region when viewed over the full five-year period, but show declines in performance in recent years resulting from the regional and national economic downturn that began in 2008.

In 2010, with the regional economy still weak following the financial crisis and recession of 2008 and 2009, the Chicago region struggled to deal with funding shortfalls and ridership losses on its transit system as did most major urban transit systems throughout the country. The 2008 RTA funding and reform legislation has helped the RTA withstand the economic downturn better than it would otherwise have been able to do. Nevertheless, in 2009 CTA and Pace implemented fare increases and in 2010, with budget shortfalls still looming, service cuts were implemented early in the year that successfully mitigated costs with minimal impact on ridership on a systemwide basis. Ridership for the RTA system experienced its second year of losses, totaling 0.9%, in 2010, a rate lower than the 2.4% loss recorded for 2009. Chicago metropolitan area unemployment rates, which had peaked in January 2010, began to decrease in the latter half of the year, easing further ridership losses.



The volatility experienced in gas costs is reflected in the chart. The years 2006-2008 experienced gas expenditure increases of 21%, 19%, and 32%, respectively before dropping in 2009. However, gas expenditures in 2010 were still 5.6% higher than in 2006. During the same time, operating costs also experienced some volatility but were only 0.3% higher in 2010 versus 2006, much lower than the 7.4% inflation rate for the five-year time period. Fare revenues showed positive gains each year and ended 2010 nearly 11% higher than 2006.

This report card describes the performance measures associated with five major areas: service coverage, service efficiency and effectiveness, service delivery, service maintenance and capital investment, and service level solvency over the five-year period 2006-2010.

Service coverage indicators monitor both how much service is available to people in the region (supply) and how much of that supply is actually used by the public (consumption). During the past five years, changes in the service supplied and service consumed measures largely paralleled one another, with consumption peaking in 2008 and supply peaking in 2009. Regional job losses that began in late 2008 and continued throughout 2010 have resulted in declining consumption; responsiveness to these declines in consumption is apparent in the streamlining of service provided in 2010, where there was a reduction in the transit capacity of vehicle revenue miles offered to the public.

Transit capacity, a measure of supply, describes the number of trips available to be taken. This measure is derived from the average number of seats per transit vehicle (and standing room, if applicable), overall miles traveled by transit vehicles, and average trip length. The need to serve high peak period demand determines the level of maximum capacity and results in excess system capacity during the off-peak periods. Because of the high peak period demands in Northeastern Illinois, transit vehicle miles and transit capacity steadily increased over the 2006-2009 period, while trip length has decreased and the available seating capacity has fluctuated due to changes in the active vehicle fleet. Overall, the transit capacity in 2009 was at its highest point for the five-year period and decreased 7% in 2010, for a net loss of 0.9% over the five-year period under review.

Service consumption can be stated in terms of ridership and total passenger miles, which is the cumulative distance traveled by all passengers. Both measures show steady increases from 2006-2008 and decreases in 2009 and 2010. Still, ridership was 2.9% higher in 2010 than in 2006, which can be attributed to such factors as fluctuating gasoline prices, which made transit a more appealing travel option to many drivers, the implementation of free ride programs, and service enhancements implemented by each of the service boards.

There were a number of changes to CTA services throughout the five year period, including changes to 14 bus routes as part of the West Side Corridor Service revisions in 2006, and South Loop bus route service enhancements in 2009. The West Side Corridor improvements also included changes to two rail lines in 2006 -- the opening of the new Pink Line service and enhancements to the Blue Line Service. At the end of 2008, as part of the Brown Line capacity expansion project, the CTA resumed four-track operations between Belmont and Fullerton, providing passengers on the Red, Brown, and Purple lines improved peak service, faster trains, and increased frequency. 2009 saw reopening of the final two stations on the Brown Line with full ADA accessibility. Service cuts implemented in February 2010 included the elimination of nine express routes, reduction in frequency for 119 bus routes and seven rail lines, and reduced hours for 41 bus routes. Throughout the five year period, CTA has continued to aggressively reduce the number and coverage of slow zones and has implemented bus tracker and train tracker capabilities to offer riders improved service and amenities.

Metra completed service improvements on three lines in 2006 -- the Union Pacific West, the SouthWest Service, and the North Central Service -- extending the reach of their service area to new stations and increasing the frequency of service. New "Sunrise Express" service was added in 2007 on the Union Pacific North Line to provide early morning reverse-commute options; in 2008, additional weekend service was added on the Union Pacific North Line and the Milwaukee North Line, and in 2009 new Saturday service was introduced on the SouthWest Service Line.

Pace underwent a dramatic transformation with the consolidation of suburban and city ADA paratransit service in 2006, which led to increased levels of ADA paratransit service throughout the region. Pace bus fixed route service improvements occurred with the South Cook and Will County Initiatives in 2008 and 2009. Pace vanpool service also expanded steadily through 2008 and then fell off in 2009 and 2010 as the economy worsened and gas prices decreased, reducing the cost incentive to vanpool versus driving independently.

Service efficiency and effectiveness measures evaluate the cost of supplying transit services. Total operating costs experienced significant dips in 2008, attributable to a decline in CTA's general fund expenses resulting from the issuance of $1.9 billion in pension obligation bonds, and again in 2010, due to service cuts. Compared to a regional inflation increase of 7.4% between 2006 and 2010, operating costs grew at a somewhat faster rate through 2009 (largely affected by increases in cost inputs that trended above inflationary rates such as fuel and health care) but were then offset by the 2010 service cuts, for a net 0.3% increase from 2006.

With strategic tweaks to service availability, the service efficiency on a per-unit basis has remained level. Adjusted for inflation, the cost per unit of transit capacity held constant for two years in a row, then increased slightly in 2010. Over the five-year period, operating cost per trip and per passenger mile have decreased despite inflation and ridership declines in 2009 and 2010, pointing to increased cost effectiveness.

Service delivery indicators focus on customer service and safety. On-time performance is a key indicator of service delivery, and although the service boards use different methodologies to assess on-time performance for each mode, weighting their values by the number of passengers carried provides a regional measure that shows an improving trend through 2009 and a 1% decrease in 2010. Reportable major safety and security incidents data are comparable for only the last three years of this report. In 2008, the National Transit Database (NTD) expanded the definition of what constituted a "major" incident, creating an increase in the incidence of this measure. Comparing performance from 2008 through 2010, using consistent reporting definitions, shows a steady decline in the number of incidents per passenger, which is indicative of improved service delivery. A regional customer satisfaction survey is currently under development and is scheduled to be distributed later this year; results will be available for the 2011 report year.

Service maintenance and capital investment performance indicators evaluate reliability and the state of good repair. Following a decline through 2008 related to new buses in the Pace and CTA fleets, the percent of vehicles beyond their useful life showed a slight uptick in 2009 as a greater percentage of Metra and CTA rail vehicles reached an age beyond their useful life. In 2010, as the CTA eliminated 274 older vehicles during the year, the percentage of vehicles beyond their useful life reached 26%, its lowest level for the five-year period. Miles between major mechanical failures has shown steady improvement since 2006, reflecting the improved reliability gained with the investment in new buses. The 2010 capital maintenance program increased significantly in 2010, 64.2% higher than 2009 levels, and accounted for more than 94% of the systemwide program. Current projections estimate that the funding required over the next ten years to bring the system to a state of good repair exceed $24 billion, which includes nearly $14 billion in backlog projects.

Service level solvency measures showed slight improvement in 2010. Passenger fare revenue is up nearly 11% from 2006, largely due to fare increases at Pace and CTA in January 2009 and at Metra in February 2008. The increase in fare revenues outpaced changes in ridership, resulting in a 1.3% net gain in fare revenue per trip in 2010 and a 7.7% gain from 2006 levels. The non-fare revenue per trip (which includes public subsidies to transit) also decreased, which is a positive indicator of solvency. Adjusted for inflation, non-fare revenue per trip is $0.32 lower than in 2006, which demonstrates a lower reliance on public funding per passenger trip. Total available new funding, which was aided significantly by the infusion of American Recovery and Reinvestment Act funds in 2009, increased more than 60% in 2010, mostly due to $470 million in CTA bond funds. Although capital funding was at a five-year high in 2010, projected funding needs over the next ten years more than triple projected funding levels.

NOTES

1) This analysis is based on published data from the National Transit Database (NTD), RTA's audited financials, and operating data from the three Service Boards.

2) General expenditures associated with the RTA as the funding, planning and oversight agency for the region have been added to the Total Operating Expense figures obtained from the NTD and aggregated for the Service Boards.

3) The inflation rate used is the Consumer Price Index (CPI) published by the Bureau of Labor Statistics, for the Chicago-Gary-Kenosha area.

4) Changes from the 2009 Regional Report Card:

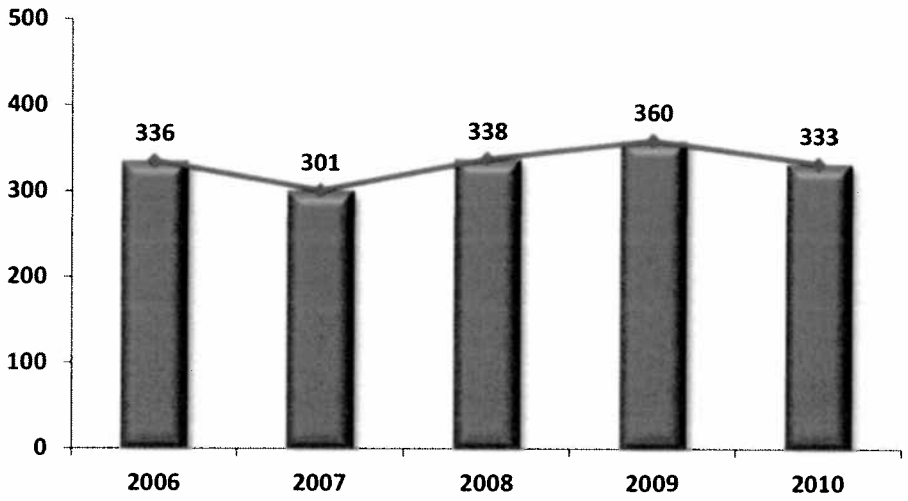
   - Pace's on-time performance data for fixed-route bus service has been restated for 2008-2010 to reflect their current methodology to measure on-time performance, which now matches CTA's.
   - The presentation of assets in a State of Good Repair has been updated to include one new measure: *Ten-Year Capital Funding Needs.* Ten-Year Capital Funding Needs indicates the capital funding that would be required to bring the condition of all assets into a state of good repair, as projected over a ten-year time frame. Additionally, this indicator details the financial investment needed to cover overdue replacement of assets past their useful lives, normal replacement cost of assets that will reach the end of their useful lives during the ten-year period, and maintenance costs associated with keeping assets in a state of good repair.
   - For 2009 only, NTD required Metra to change how it reported capital project credits, making Metra expense data for 2009 inconsistent from the other years reported. For 2009, capital project credits, which represented 5% of Metra's operating costs, were not allowed to be subtracted from expenses as they had been in the years prior. For 2010, NTD allowed Metra to report capital credits as offsets to operating expenses, as it had done in the years prior to 2009.

5) This report was updated in January 2012 to incorporate 2010 Census population data, which was released in Fall 2011 and affects two measures: Transit Capacity per Area Resident and Passenger Trips per Area Resident. This update did not alter the trend of the data for either measure but was incorporated into this document to ensure consistency with 2010 reported Census data and with other 2010 performance measure reports.

SERVICE COVERAGE:
Service Supplied

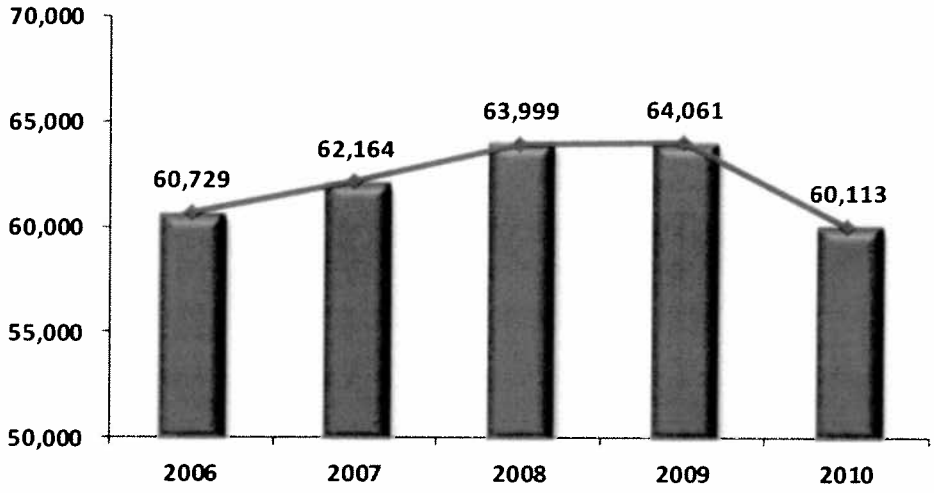
Transit Capacity (Trips)
The amount of service provided as measured in trips available to be taken.

Transit Capacity per Area Resident
The number of trips available for each resident in the region to take annually.



Vehicle Revenue Miles
The amount of service provided as measured in miles traveled by vehicles while in service.

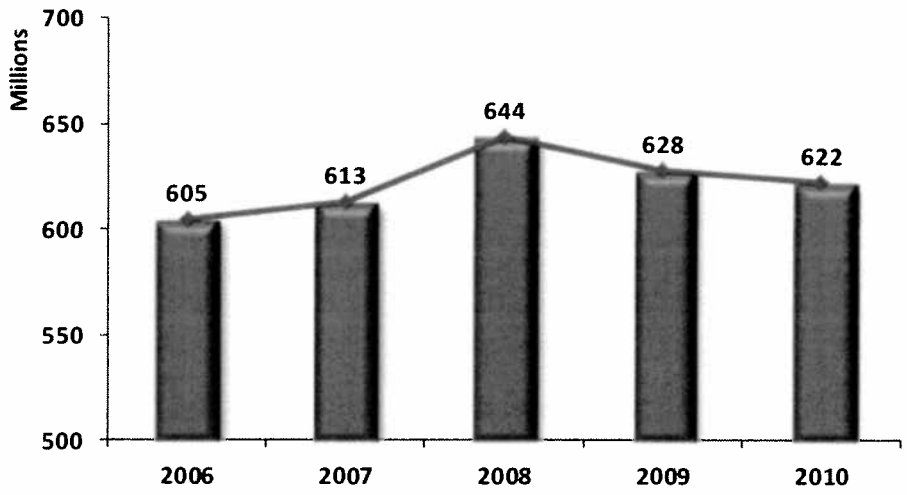
Vehicle Revenue Miles per Service Area Square Mile
The number of miles of travel provided annually per square mile of the service area.



Passenger Trips (Ridership)

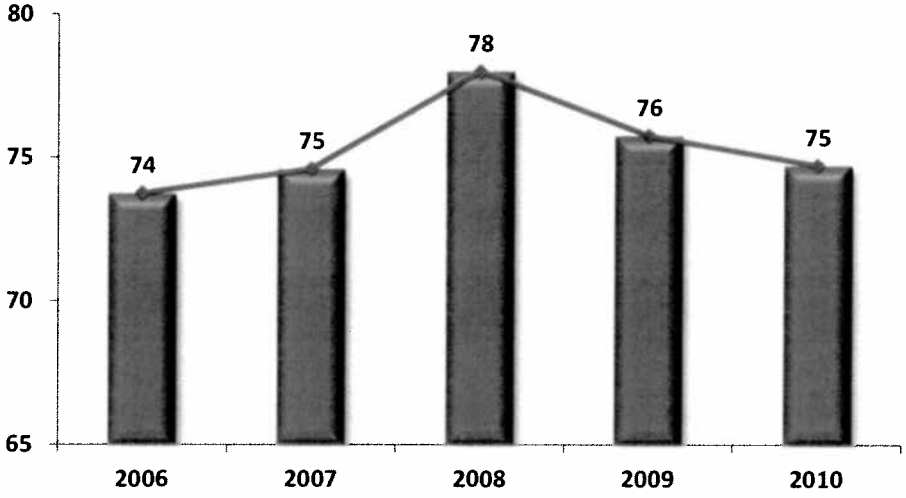
The number of times passengers board buses and trains, including transfers from one bus or train to another in order to complete their trips.

Passenger Trips



Passenger Trips per Area Resident

The average number of rides taken per resident annually.



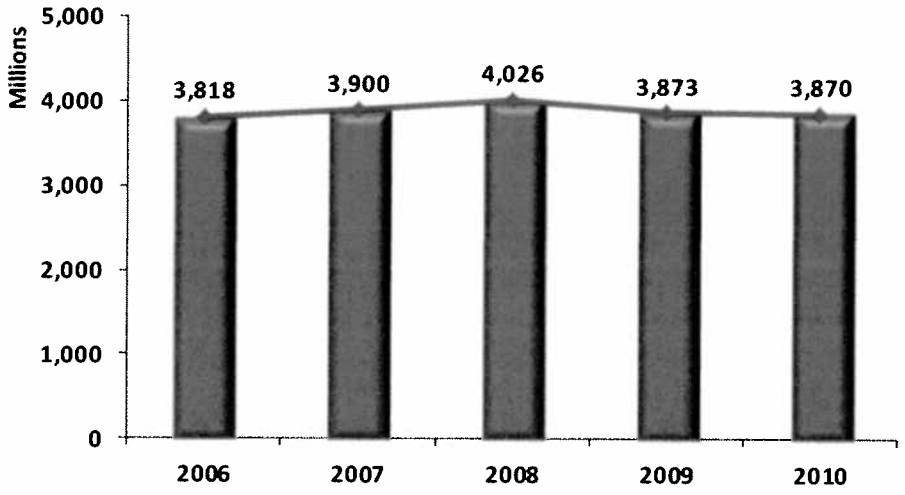
SERVICE COVERAGE:

Service Consumed

Passenger Miles

The cumulative sum of the distances ridden by all passengers.

Passenger Miles (in Millions)



SERVICE EFFICIENCY AND EFFECTIVENESS:

Service Efficiency

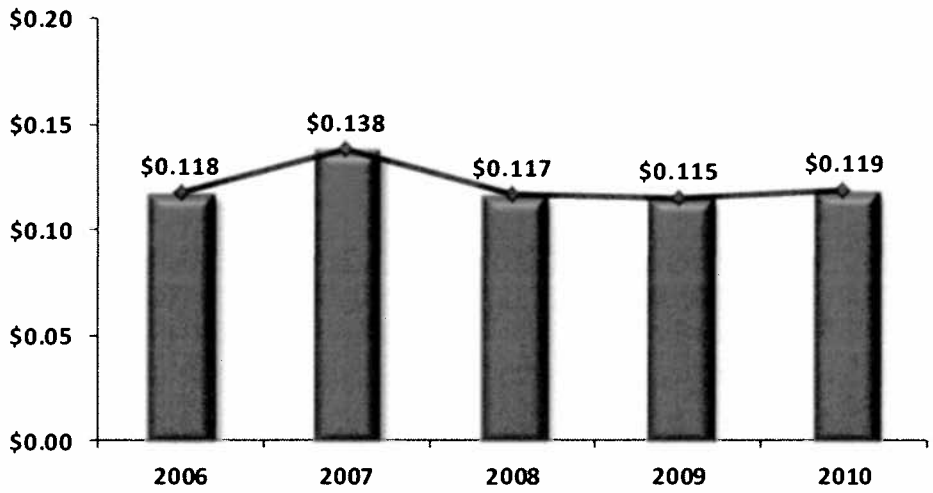
Operating Cost*

The expenses of operating the transit system.

Operating Cost per Unit of Transit Capacity

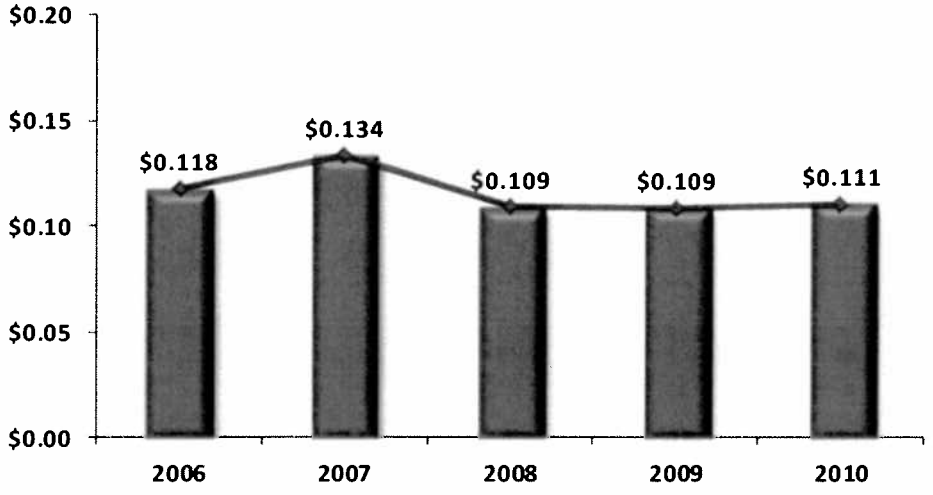
The average cost of providing a passenger seat or space for each mile of an individual trip, whether or not it is taken.

*Note: in 2009, NTD required a change in how Metra reported capital project credits (see Note 4, page 5).



Operating Cost per Unit of Transit Capacity

Adjusted for inflation
Constant 2006 dollars

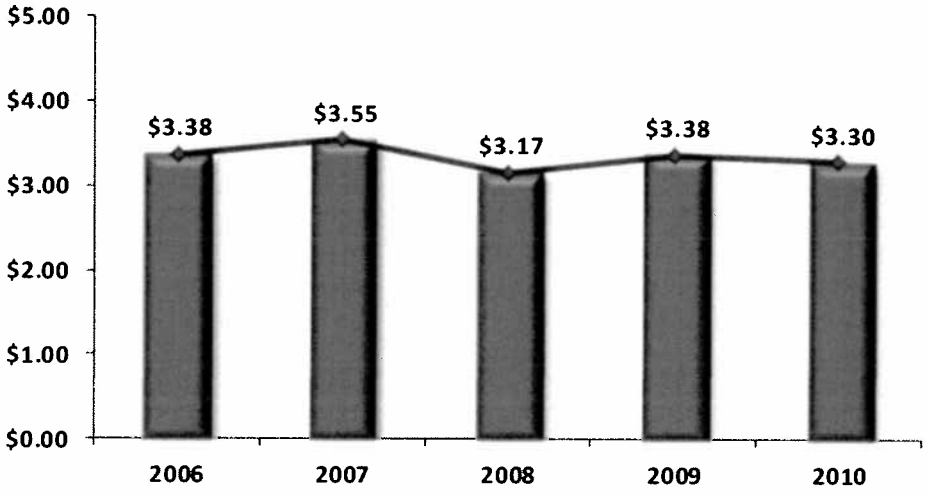


SERVICE EFFICIENCY AND EFFECTIVENESS:

Cost Effectiveness

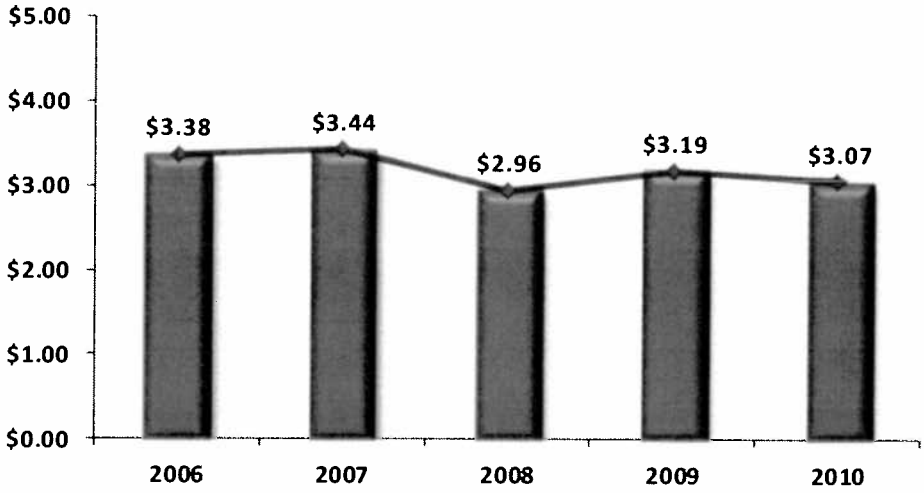
Operating Cost per Passenger Trip

The average cost of each individual trip taken.



Operating Cost per Passenger Trip

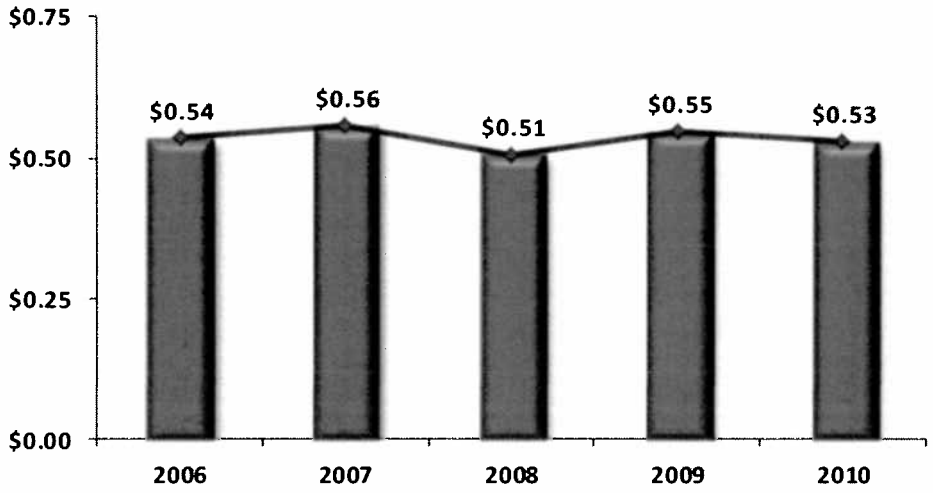
Adjusted for inflation
Constant 2006 dollars



SERVICE EFFICIENCY AND EFFECTIVENESS:
Cost Effectiveness

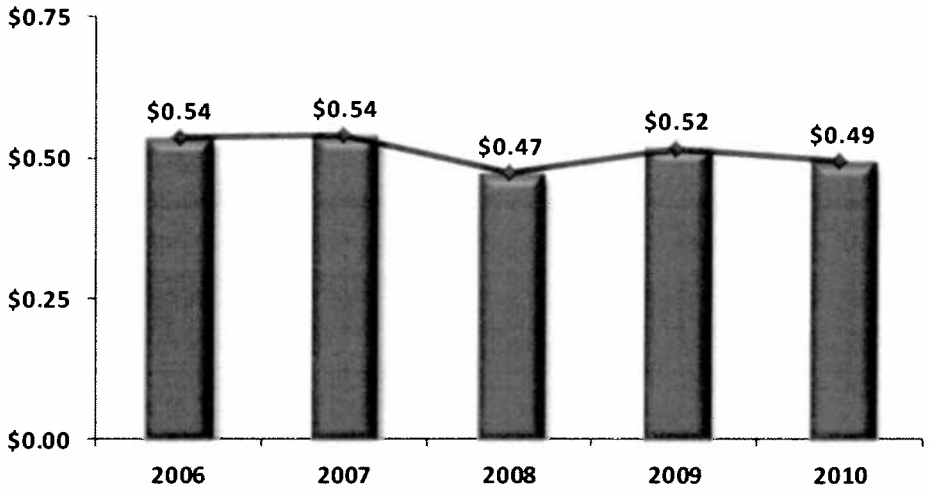
Operating Cost per Passenger Mile

The average cost of providing each mile of each individual trip taken.



Operating Cost per Passenger Mile

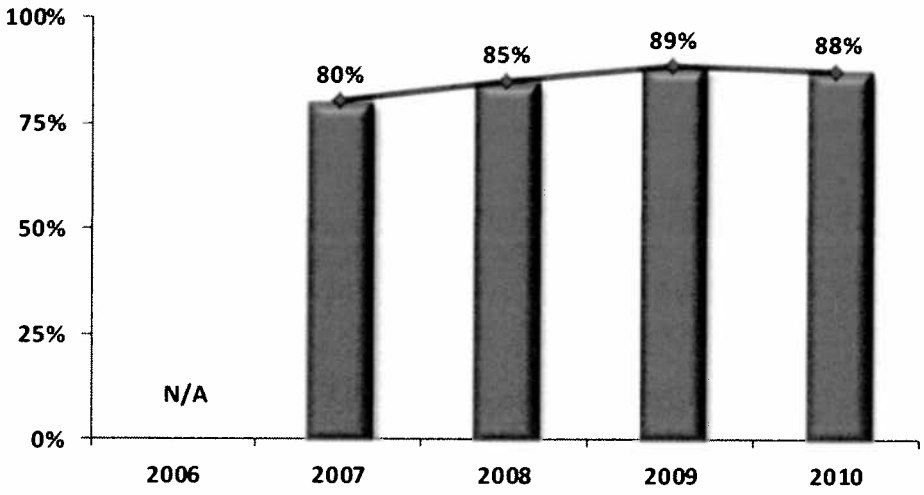
Adjusted for inflation
Constant 2006 dollars



On-Time Performance*

The percentage of time that buses and trains are considered on schedule, based on each service board's on-time performance measurement definition.

*Note: Data are not available from all Service Boards prior to 2007. Figures have been re-calculated to reflect CTA and Pace's current methodology to measure on-time performance.

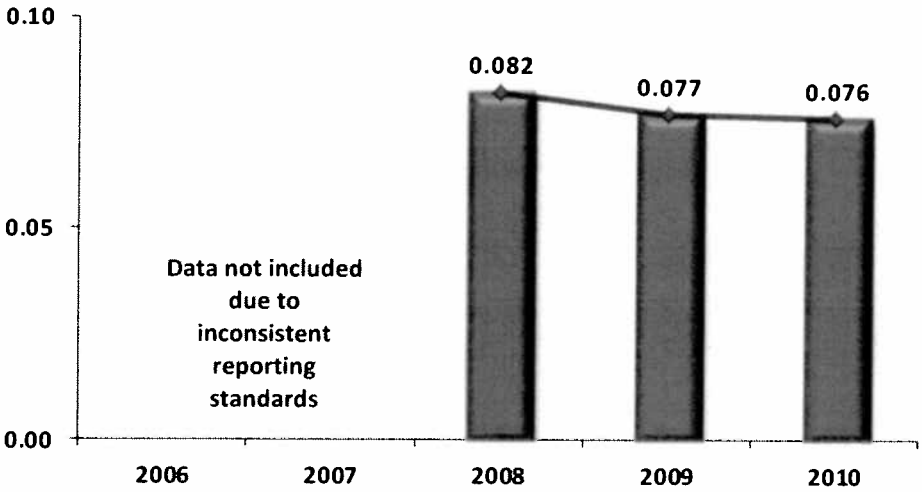


Major Safety and Security Incidents

Accidents, casualty, and crime statistics reported under the Federal Transit Administration (FTA) National Transit Database (NTD) reporting system. The NTD lowered its reporting thresholds for incidents in 2008, resulting in a substantial increase in the number of reportable events and making them incomparable to prior years.

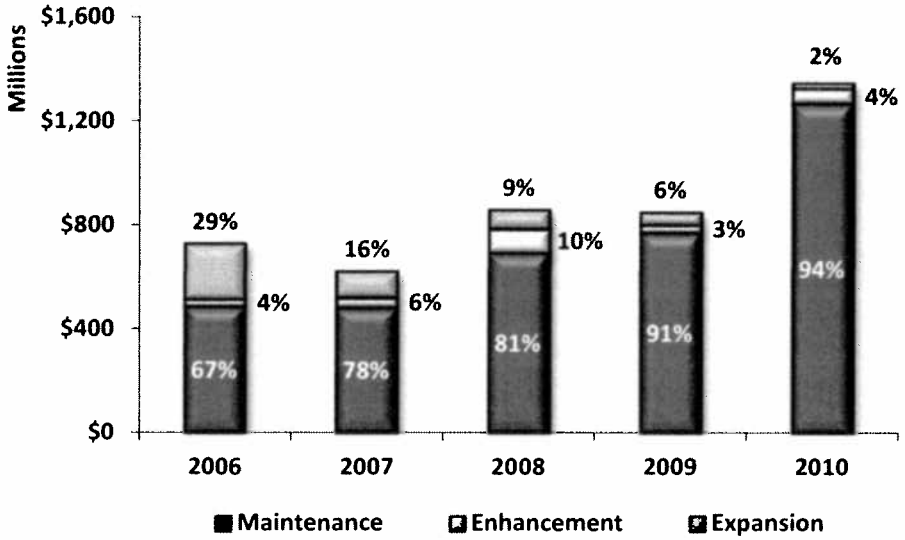
Major Incidents per 100,000 Passenger Trips

The number of combined major safety and security incidents per 100,000 trips taken.



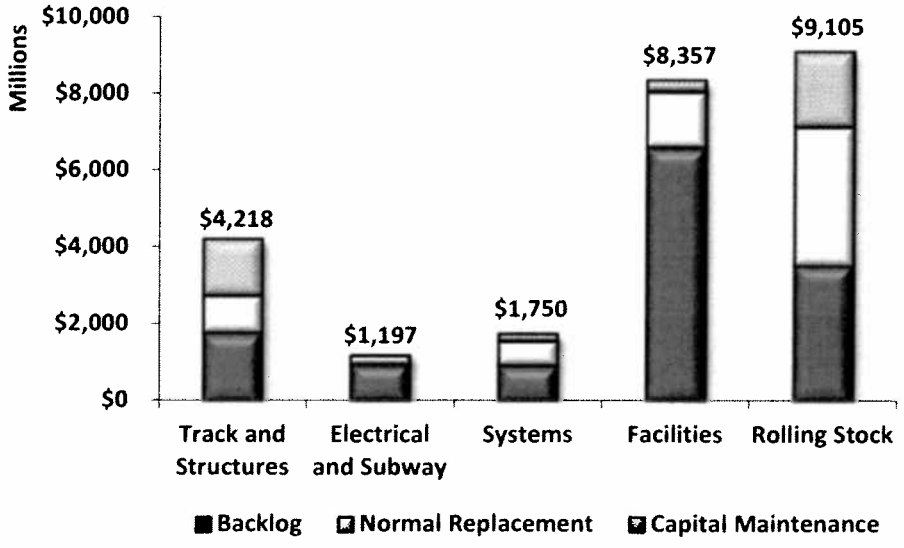
Capital Program Maintenance / Enhancement / Expansion

The annual allocation of projects budgeted within each category as a percent of the total capital program.



10-Year Capital Funding Needs

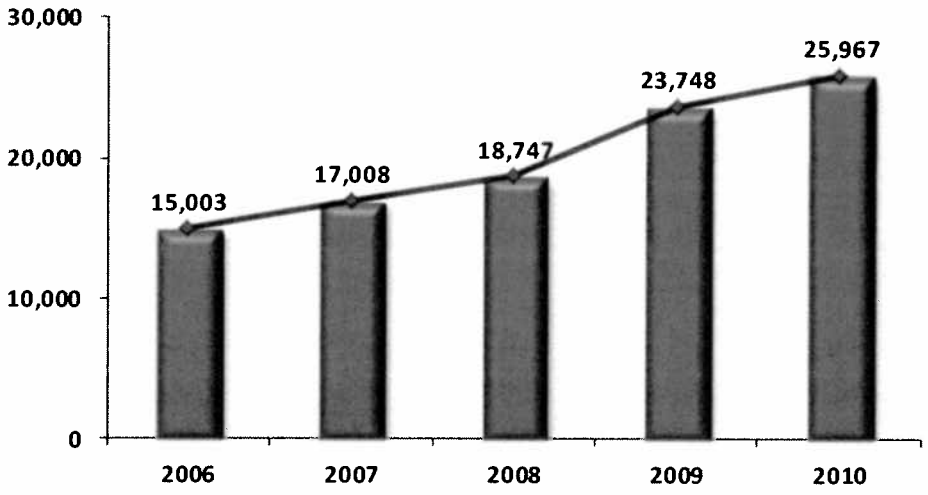
The estimated cost of bringing RTA system-wide assets up to a state of good repair over the next ten years is shown for each asset group type and totals over $24.6 billion, which includes nearly $14 billion in backlog projects.



Miles Between Major Mechanical Failures

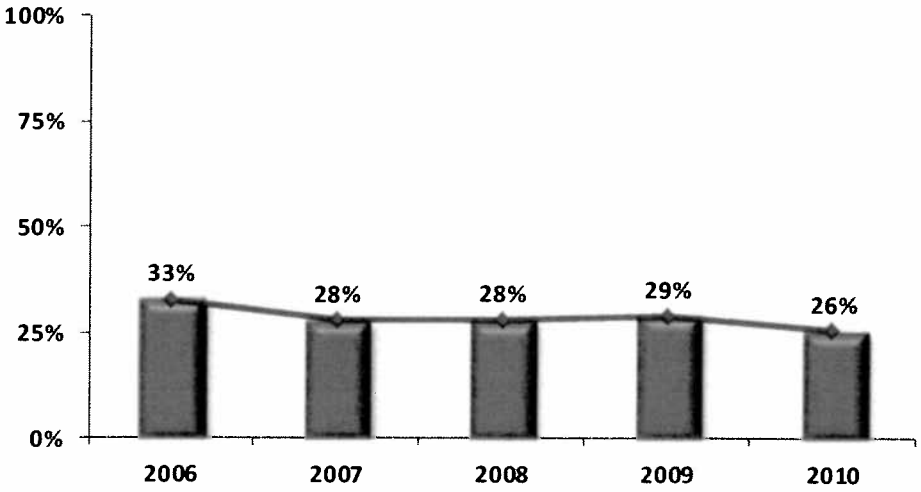
The average distance that revenue vehicles of all modes travel in service (total vehicle revenue miles plus deadhead miles) between mechanical failures that prevent them from completing a scheduled trip or from starting the next scheduled trip.

*Note: in 2009, NTD began reporting failures of purchased transportation service, whereas prior years only included directly-operated service failures.



Percent of Vehicles Beyond Useful Life

The percentage of vehicles in the total revenue vehicle fleet that have reached the end of their minimum useful life as defined by the Federal Transit Administration (4 years for new automobiles or vans, 12 years for new buses, and 25 years for new rail cars). Rehabilitations that may be undertaken to keep vehicles in service beyond FTA guidelines are not included in these data.



SERVICE LEVEL SOLVENCY:

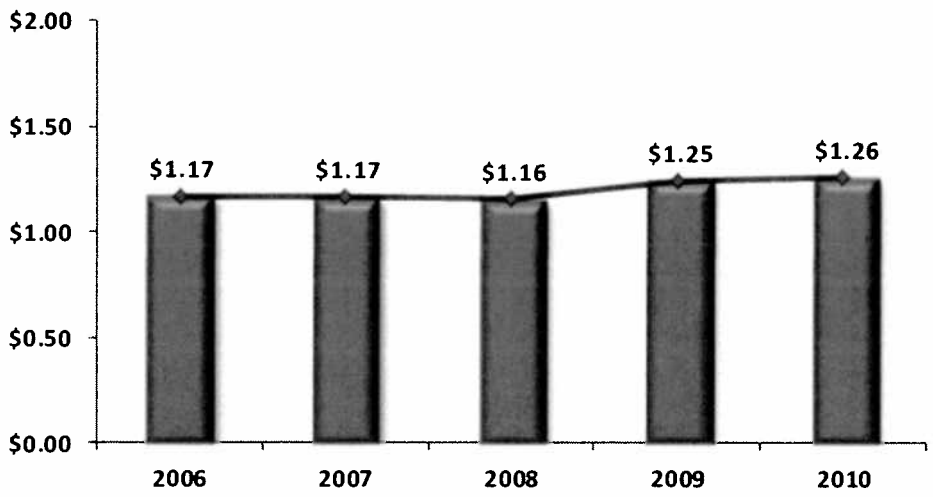
Operations

Fare Revenue

The total amount of money that passengers pay in fares.

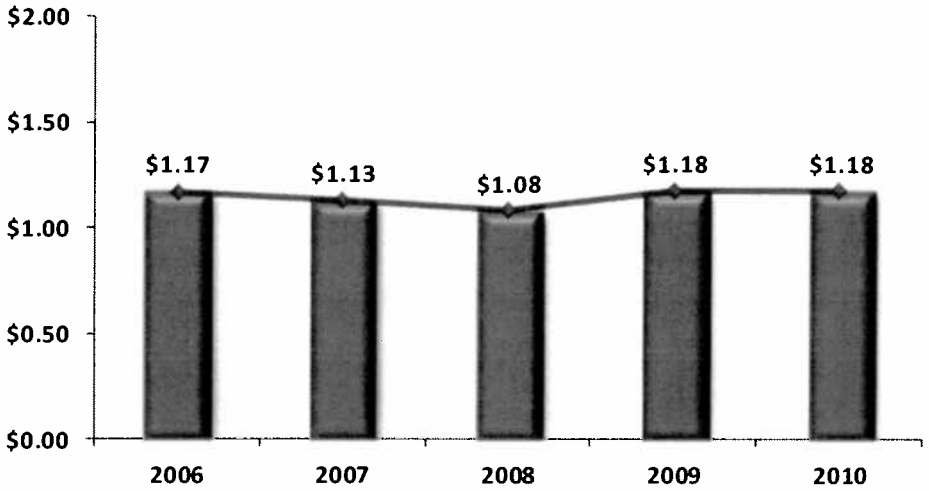
Fare Revenue per Passenger Trip

The average fare paid by customers per trip.



Fare Revenue per Passenger Trip

Adjusted for inflation
Constant 2006 dollars

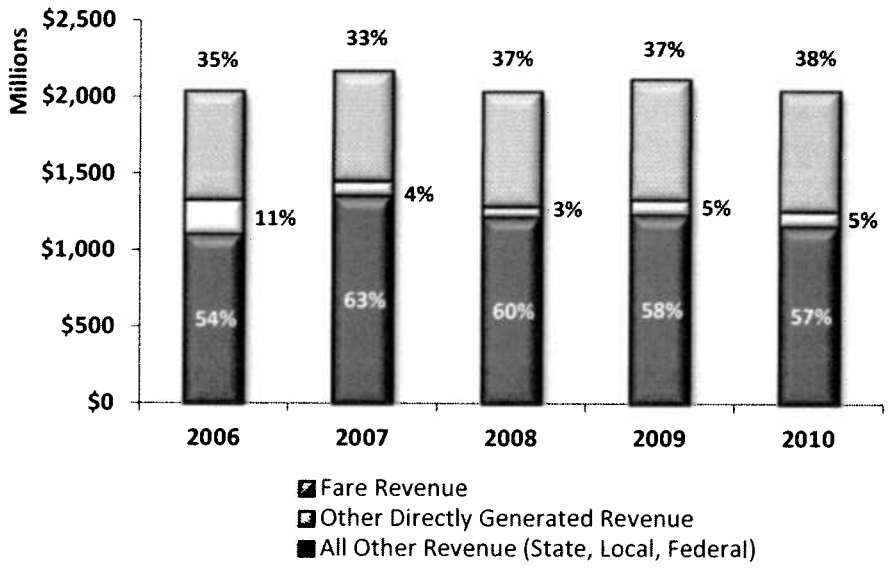


Non-Fare Revenue (Farebox Recovery Shortfall)

The amount of revenue from all sources, other than fare revenue, that is required to cover the total cost of operations. Non-fare revenue includes system-generated revenue (advertising, concessions, etc.) and state, local, and federal revenue.

Non-Fare Revenue Compared to Total Revenue

Operating costs are covered through the balance between fare revenue, other directly generated revenue (advertising, concessions, etc.) and all other revenue (State, Local, and Federal).

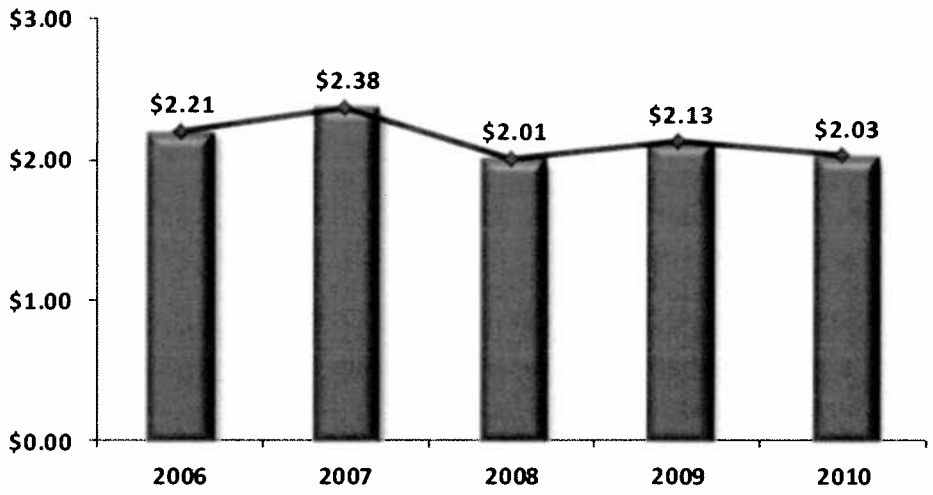


Non-Fare Revenue (Farebox Recovery Shortfall)

The amount of revenue from all sources, other than fare revenue, that is required to cover the total cost of operations. Non-fare revenue includes system-generated revenue (advertising, concessions, etc.) and state, local, and federal revenue.

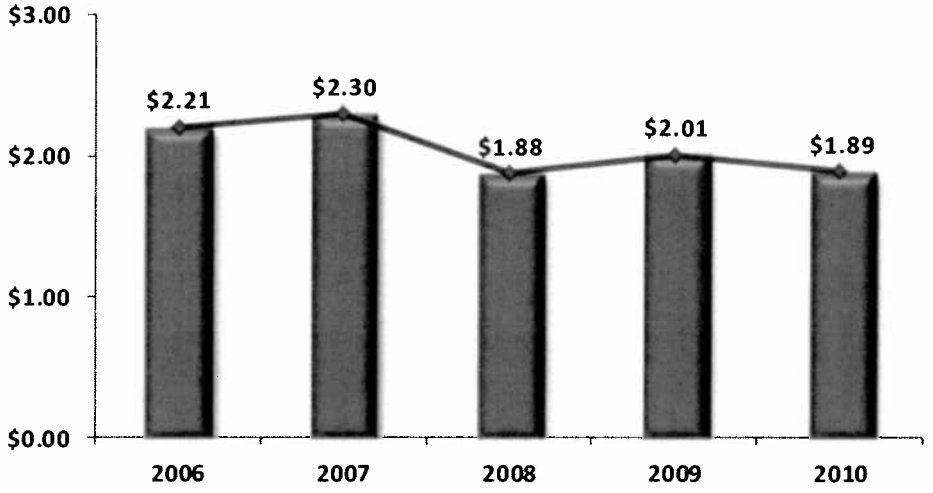
Non-Fare Revenue per Passenger Trip

The amount of revenue from sources other than fares required to cover the average cost of a passenger trip.



Non-Fare Revenue per Passenger Trip

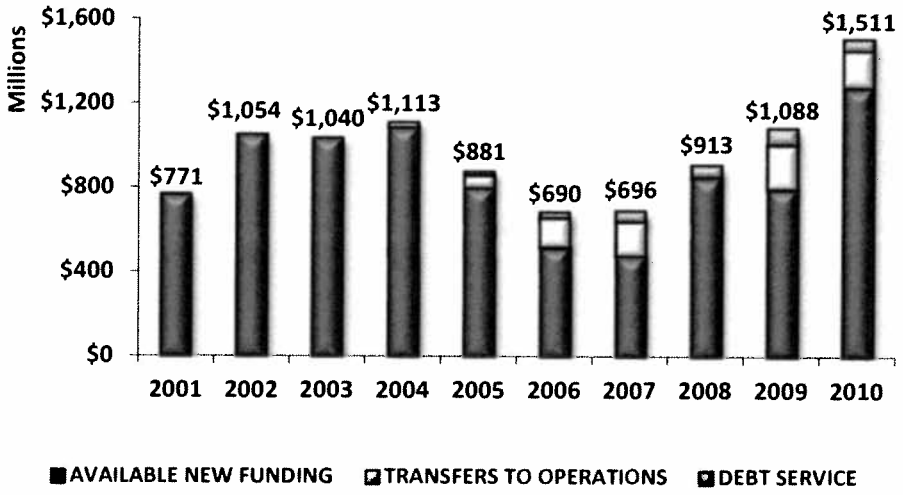
Adjusted for inflation
Constant 2006 dollars



Capital Program Funding

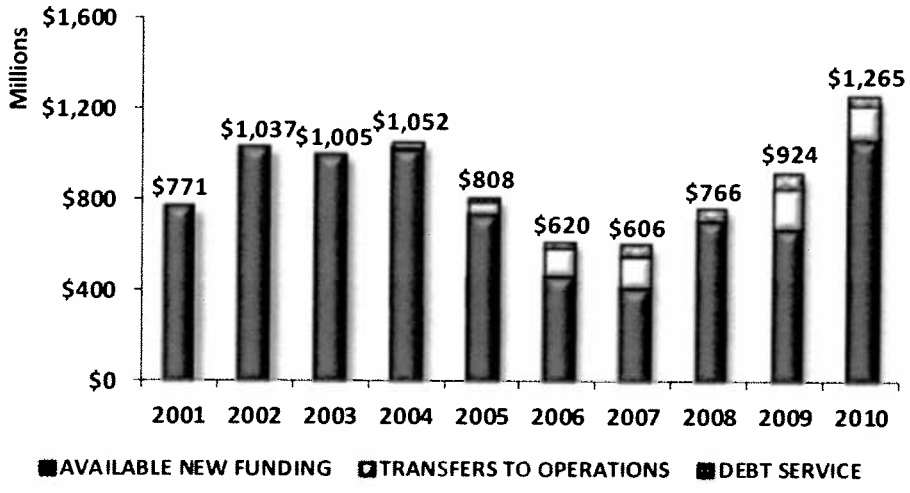
The amount of new capital funds budgeted to finance the maintenance, enhancement and expansion of the transit system's infrastructure. Capital funds budgeted in one year may not actually be expended until subsequent years due to the longer-term nature of capital project implementation. Capital funding amounts include capital funding transferred to operations and debt service paid on capital bonds, which began in 2004. The region's capital program is shown for the past ten years to demonstrate the variance in capital funds availability over time.

Capital Program Funding (in Millions)



Capital Program Funding

Adjusted for inflation
Constant 2001 dollars



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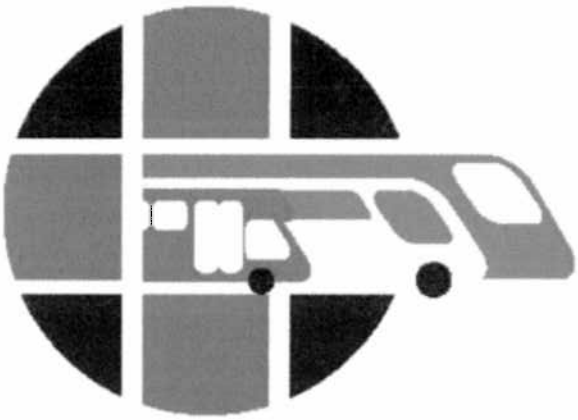
Performance Measures



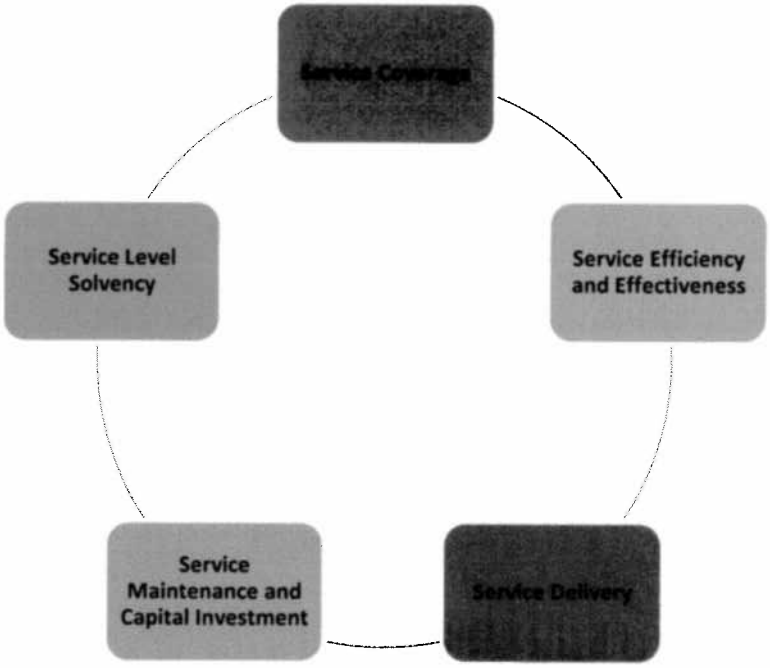
2011 Regional Report Card

Regional Transportation Authority

Prepared by Department of Finance & Performance Management
September 2012

REGIONAL PERFORMANCE MEASURES
2011 Regional Report Card

RTA staff has undertaken the development of a performance measurement and reporting program to evaluate the impact and effectiveness of public transit in Northeastern Illinois. Overall regional performance is a function of five major areas:



- **Service Coverage** - monitors both how much service is available to people in the region (in terms of population and square miles) and how much of that service capacity is used.

- **Service Efficiency and Effectiveness** - evaluates the level of resources spent on delivering service in relation to the level of service provided and the extent to which passengers are using that service.

- **Service Delivery** - reflects the quality of the service delivered.

- **Service Maintenance and Capital Investment** - indicates the allocation of capital funds and the replacement and maintenance of infrastructure components on a schedule consistent with their life expectancy.

- **Service Level Solvency** - assesses financial condition to ensure that there are sufficient resources to meet current and ongoing budgetary needs (both operating and capital).

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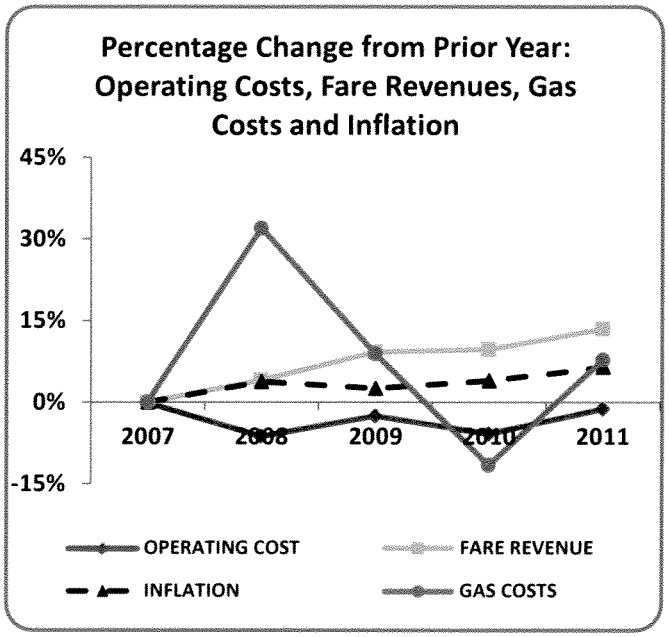
EXECUTIVE SUMMARY

The Regional Performance Measures Report Card has been developed by the RTA as part of its oversight function to support the evaluation and management of the region's public transit system, emphasizing both transparency and accountability. The 2011 Report Card is the fifth report in the series. By aggregating data from the CTA, Metra, and Pace, it assesses how all three agencies, taken together, are meeting the transit needs of the region. Overall, the performance measures in this report show many positive trends for the RTA region for 2011 as well as over the full five-year period, particularly in the areas of service consumption and cost effectiveness. Declines in performance in recent years have been noted in the areas of service coverage, cost efficiency, and service maintenance and capital investment, which can all be related to strategies that each Service Board has implemented to meet the continuing economic challenges following the financial crisis and recession that began in 2008.



Following two years of ridership declines that resulted from fare increases, service cuts, and regional job losses, there was a rebound in 2011. Each Service Board reported ridership gains for the year for a net system-wide gain of 3.0% compared to 2010. By year-end 2011, the region was experiencing a marginal gain in jobs but a significant jump in gas prices (up 21.8% compared to 2010), which may have made transit use more appealing for the region's riders. At the same time, the end of the Seniors Ride Free Program somewhat mitigated ridership gains at each of the Service Boards, particularly for Metra. Steady gains in fare revenue, resulting from fare increases and adjustments, as well as the end of the Seniors Ride Free Program, exceeded inflation increases over the five-year period – a positive sign of service solvency for the region's transit providers. Operating costs increased at a rate lower than inflation and largely resulted from service reductions. The one-year trend for five of the seventeen measures in this report was favorable, with eleven unfavorable trends and one with no change from 2010. In contrast, five-year trends show that of the sixteen performance measures analyzed, thirteen measures showed favorable results compared to 2007, one was unchanged, and two were unfavorable.

This report card describes the performance measures associated with five major areas: service coverage, service efficiency and effectiveness, service delivery, service maintenance and capital investment, and service level solvency over the five-year period 2007-2011.

Service coverage indicators monitor both how much service is available to people in the region (supply) and how much of that supply is actually used by the public (consumption). The past five years have seen some volatility in the amount of service supplied, which peaked in 2009. However, the 2011 rebound in passenger trips occurred at the same time as a five-year low in vehicle revenue miles per service area square mile. For 2011, passenger miles reached a ten-year high and the number of passenger trips taken per resident rose after two years of declines. Transit capacity, a measure of supply, describes the number of trips available to be taken. This measure is derived from the average number of seats per transit vehicle (and standing room, if applicable), overall miles traveled by transit vehicles, and average trip length. The need to serve high peak period demand determines the level of maximum capacity and results in excess system capacity during the off-peak periods. Transit capacity per capita peaked in 2009, following a record-high year for ridership. It declined 7.5% in 2010 and another 2.5% in 2011 as the Service Boards reduced service by reducing vehicle revenue miles, which decreased 1.6% in 2011 to a level 4.9% below the 2007 level. Declining transit capacity figures in 2010 and 2011 did not erase the gains achieved in 2007-2009, however. There has been a net increase of 7.7% in transit capacity per area resident since 2007, which indicates increased transit availability and coverage. During this five-year period there has also been a small increase in the regional population.

Even with a reduction in capacity and vehicle revenue miles in 2011, all three service consumption measures showed favorable results. Service consumption can be stated in terms of ridership and total passenger miles, which is the cumulative distance traveled by all passengers. Ridership (total and on a per capita basis) and passenger miles decreased in 2009 and 2010, mirroring declines in the job market and falling gasoline prices, and increased in 2011. Ridership was 3.0% higher in 2011 than 2010 and is 4.6% higher than 2007. On a per capita basis, ridership rose in 2011 to 77 rides taken per area resident annually, up from 75 trips taken per resident in 2007. In 2011, Governor Quinn signed legislation that altered the Seniors Ride Free Program so that as of September 1, 2011, only low-income Illinois residents enrolled in the Department of Aging's Circuit Breaker program would be eligible to take regional transit free of charge, with non-qualifying seniors remaining eligible to ride at a reduced fare. The effect of this legislation has led to a significant reduction in the number of free rides provided, particularly for Metra. Passenger miles peaked in 2011 and exceeded 4 billion miles, 4.5% higher for the year and 3.6% higher than 2007, indicative of increased ridership as well as longer average trip lengths.

There were a number of changes to CTA services throughout the five-year period, including the 2008 Brown Line capacity expansion project, South Loop bus route service enhancements in 2009, and service reductions implemented in February 2010 that included the elimination of nine express routes, reduction in frequency for 119 bus routes and seven rail lines, and reduced hours for 41 bus routes. Throughout the five-year period, CTA has continued to aggressively reduce the number and coverage of slow zones and has implemented bus tracker and train tracker capabilities to offer riders improved service and amenities.

Metra added new "Sunrise Express" service in 2007 on the Union Pacific North Line to provide early morning reverse-commute options. In 2008, additional weekend service was added on the Union

Pacific North Line and the Milwaukee North Line, and in 2009 new Saturday service was introduced on the SouthWest Service Line.

Pace bus fixed-route service improvements occurred with the South Cook and Will County Initiatives in 2008 and 2009. In 2011, Pace added one new route, Saturday service to one route, a new express service and two new Call-n-Ride services. In addition, Pace restructured five routes, reduced service on three routes, discontinued service on five routes and discontinued Saturday service on one route. In November 2011, Pace implemented the Bus-on-Shoulder Project, which improved two existing express routes from Plainfield to Chicago. Pace vanpool service, which had expanded steadily through 2008 and then saw declines in 2009 and 2010, experienced an increase of 28 vanpools in 2011, resulting in a 1.6% increase in ridership for the year. ADA paratransit service has continued to grow, with a significant 23.4% increase in 2011, although some of that growth is attributable to reporting changes.

Service efficiency and effectiveness measures evaluate the cost of supplying transit services. In 2011, regional operating costs increased by approximately $100 million, a 4.9% increase that exceeded inflation rates for the year. Total operating costs experienced significant dips in 2008, attributable to a decline in CTA's general fund expenses resulting from the issuance of $1.9 billion in pension obligation bonds, and again in 2010, due to service cuts. Over the five-year period, operating costs have declined by 1.1% (7.3% when considered on an inflation-adjusted basis).

Higher operating costs coupled with reductions in transit capacity unfavorably impacted the service efficiency measure of operating cost per unit of transit capacity, which increased from $0.119 in 2010 to $0.126 in 2011, a 5.8% change. However, there is a favorable five-year trend that shows an 8.9% drop in operating cost per unit of transit capacity compared to 2007, which is 14.7% less when considered on an inflation-adjusted basis. Over the same time, the cost effectiveness measures (operating cost per trip and operating cost per passenger mile) decreased 11.4% and 10.6%, respectively, when considered on an inflation-adjusted basis. These are particularly significant and positive trends considering the reduction in service coverage (vehicle revenue miles and vehicle revenue hours) for the five years under analysis.

Service delivery indicators focus on customer service and safety. On-time performance is a key indicator of service delivery, and although the Service Boards use different methodologies to assess on-time performance for each mode, weighting their values by the number of passengers carried provides a regional measure that shows an improving trend through 2009, a 1 percentage point decrease in 2010, and another 1 percentage point decline in 2011. Reportable major safety and security incidents data are comparable for only the last four years of this report. In 2008, the National Transit Database (NTD) expanded the definition of what constituted a "major" incident, creating an increase in the incidence of this measure. Comparing performance from 2008 through 2010 (using consistent reporting definitions) shows a steady decline in the number of incidents per passenger, indicative of improved service delivery. In 2011, there was an uptick that brought the incidence level to 0.086 per 100,000 passenger trips. For the first time, the Regional Report Card is including three new measures of customer satisfaction based on surveys performed for each Service Board. In 2011, 77% of customers were satisfied or very satisfied with the value of service received for the fare paid, 83% of

customers gave overall transit service satisfactory or very satisfactory ratings, and 90% of customers indicated that they would recommend regional transit services to others. Customer satisfaction surveys are scheduled to be repeated on two-year cycles, with trends being discussed in future Regional Report Cards.

Service maintenance and capital investment performance indicators evaluate reliability and the State of Good Repair of transit assets. Funding for the 2011 capital program decreased significantly in 2011 and was 23.4% lower than 2010 levels. The amount of the capital program devoted to maintenance expenditures increased each year of the five years under review, and accounted for 96% of the 2011 capital program. Conversely, the amount of the capital program devoted to expansion projects decreased each year, from a high of 16% in 2007 to zero in 2011. Enhancement projects maintained their proportion of capital program dollars at 4% in 2010 and 2011, down from a high of 10% reached in 2008. The amount of capital funds devoted to maintenance might be expected to stay at its current high proportions as 10-year capital funding needs go unmet. In 2010, 10-year capital funding needs totaled $24.6 billion, which included nearly $14 billion in backlog projects that would be required to bring the existing system to a State of Good Repair; however, the 2010 capital program totaled $1.35 billion -- less than 10% of the amount needed to eliminate the backlog. For 2011, the 10-year capital funding needs rose to $30.9 billion, with $18.5 billion in backlog projects. This funding need will likely grow in future years with inflation and other factors such as: underfunding of capital needs, aging of the vehicle fleet, and the availability and evaluation of more comprehensive fleet data. The number of miles between major mechanical failures, which refers to vehicle reliability, declined 3.6% in 2011, but is a favorable 6% higher than in 2009, despite a 6% reduction in vehicle miles traveled and a system-wide minor increase in the average fleet age. Following two years of steady results, the percent of vehicles beyond their useful life showed a slight uptick in 2009 as a group of Metra and CTA rail vehicles reached an age beyond their useful life. In 2010, as the CTA eliminated 274 older vehicles, the percentage of vehicles beyond their useful life declined to 26%, and then increased back to 28% in 2011 -- the same level as in 2007. The increase is largely due to an increase in the number of vanpool vehicles that have reached the end of their stated useful life, with 47.6% more than five years old.

Service level solvency measures for 2011 were somewhat favorable compared to 2010. Fare revenues were higher for each mode and Service Board except for ADA paratransit (which remained flat for the year) for an overall 3.4% gain. However, after factoring for inflation, that gain gets reduced to 0.7% for the year and to 6.3% over the five year period. CTA rail and Metra saw reduced fare revenues on a per-trip basis at -0.5% and -0.1%, respectively, since the ridership gains for those modes exceeded gains in their farebox revenues. The regional non-fare revenue per passenger trip, or the amount coming from sources other than the farebox including public funding, held steady to 2010 once adjusted for inflation. Over the five-year time frame, this measure decreased by $0.43 per passenger trip (inflation-adjusted), a positive sign indicating a reduced reliance on non-fare revenue streams to cover trip costs. Available new capital program funding showed an unfavorable result for 2011, down 26% compared to 2010, but has increased 98% from 2007 levels, which was the second-lowest year since 2002. Ten years' worth of funding is shown to demonstrate the wide variance in total capital program funding, which ranges from a low of $690 million in 2006 to a high of $1.5 billion in 2010.

REGIONAL REPORT CARD - SNAPSHOT

	Performance Measure	2011 Value	1-Year Trend	5-Year Trend
Service Capacity	Transit Capacity (Trips) per Area Resident	324	↓	↑
	Vehicle Revenue Miles per Service Area Square Mile	59,148	↓	↓
	Passenger Trips (Ridership)	641,388,305	↑	↑
	Passenger Trips per Area Resident	77	↑	↑
	Passenger Miles	4,041,757,482	↑	↑
Service Efficiency and Effectiveness	Operating Cost per Unit of Transit Capacity – *Inflation-Adjusted , 2007 dollars*	$0.118	↑	↓
	Operating Cost per Passenger Trip – *Inflation Adjusted, 2007 dollars*	$3.14	↓	↓
	Operating Cost per Passenger Mile – *Inflation Adjusted, 2007 dollars*	$0.50	↓	↓
Service Delivery	On-Time Performance	87%	↓	↑
	Major Incidents per 100,000 Passenger Trips *1 and 4-year trends shown*	0.086	↑	↑
	Customer Loyalty Rating	90%	N/A	
	Customer Value of Service Rating	77%		
	Customer Satisfaction Rating	83%		
Service Maintenance and Capital Investment	Capital Program: Maintenance/Enhancement/Expansion Projects	$1.03 billion	↓	↑
	10-Year Capital Funding Needs	$30.9 billion	↑	N/A
	Miles Between Major Mechanical Failures *1 and 3-year trends shown*	25,183	↓	↑
	Percent of Vehicles Beyond Useful Life	28%	↑	↔
Service Level Solvency	Fare Revenue per Passenger Trip – *Inflation Adjusted, 2007 dollars*	$1.19	↓	↑
	Non-Fare Revenue per Passenger Trip – *Inflation Adjusted, 2007 dollars*	$1.95	↔	↓
	Capital Program Funding – *Inflation Adjusted, 2002 dollars*	$969.8 million	↓	↑

Direction of arrows indicates 2011 value in comparison to 2010 (1-year) and to 2007 (5-Year) figures. The color of the arrow indicates whether the change is favorable (green), unfavorable (red), or is equal (yellow) to comparison figure.

NOTES

1) This analysis is based on published data from the National Transit Database (NTD), RTA's audited financials, and operating data from the three Service Boards.

2) General expenditures associated with the RTA as the funding, planning and oversight agency for the region have been added to the Total Operating Expense figures obtained from the NTD and aggregated for the Service Boards.

3) The inflation rate used is the Consumer Price Index (CPI) published by the Bureau of Labor Statistics, for the Chicago-Gary-Kenosha area. Population data is taken from Annual Estimates of the Resident Population for Counties of Illinois, published by the U.S. Census Bureau (April 2012).

4) Changes from the 2010 Regional Report Card:

- For 2009 only, NTD required Metra to change how it reported capital project credits, making Metra expense data for 2009 inconsistent from the other years reported. For 2009, capital project credits, which represented 5% of Metra's operating costs, were not allowed to be subtracted from expenses as they had been in the years prior. For 2010, NTD allowed Metra to report capital credits as offsets to operating expenses, as it had done in the years prior to 2009.
- ADA ridership data has not included companion or personal care attendant data in prior years' reports, but are included in the 2011 report (for the year 2011 only) and going forward, per a clarification to NTD reporting policy.
- Metra's on-time performance methodology was amended as of May, 2011 to exclude "extra" trains added to handle special events that were not included in normal operating schedules. Prior to May 2011 all "extra" trains were included in the count of all trains and were always reported as on-time in the overall on-time performance calculation. With the change in methodology, "extra" trains are excluded from the overall on-time performance calculation unless those trains' schedules include all intermediate station stop times and are publicly distributed via Metra's website and/or paper flyers.
- The Service Delivery section has been amended to include new measures reflecting customer satisfaction ratings for loyalty, value of service, and overall customer satisfaction. These measures were derived from customer satisfaction survey data collected throughout 2011 for each Service Board. Future customer satisfaction surveys are scheduled to be conducted every two years.
- CTA changed its methodology for counting vehicle revenue hours and vehicle revenue miles in 2011. Through 2010, CTA counted a significant share of non-revenue service (pull-outs, pull-ins and deadheads) as revenue service. The FTA asked CTA to stop including that service for the 2011 submittal. Although 2011 bus

vehicle revenue miles and vehicle revenue hours were lower than in 2010, this change in methodology will exaggerate the reduction significantly. Under the old methodology, the decline in CTA bus vehicle revenue miles would have been -2.6% but is herein reported as -7.8%. Vehicle revenue miles would have been -1.7% compared to 2010 under the old methodology but is reported herein as -5.3%. The overall regional figures are also impacted by this methodology change and would have been about 1.5% more favorable under the old methodology for vehicle revenue hours and 1.3% more favorable for vehicle revenue miles.

- The Miles between Major Mechanical Failures metric has been amended to present only the past three years of data. Prior to 2009, NTD did not require the reporting of major mechanical failures for purchased transportation; therefore, past reports included all the vehicle mileage traveled but none of the purchased transportation mechanical failures, which served to artificially increase the miles between major mechanical failures. Three years of data are shown for this measure (2009-2011) in the current report, so all failures are included for each mode and type of service.

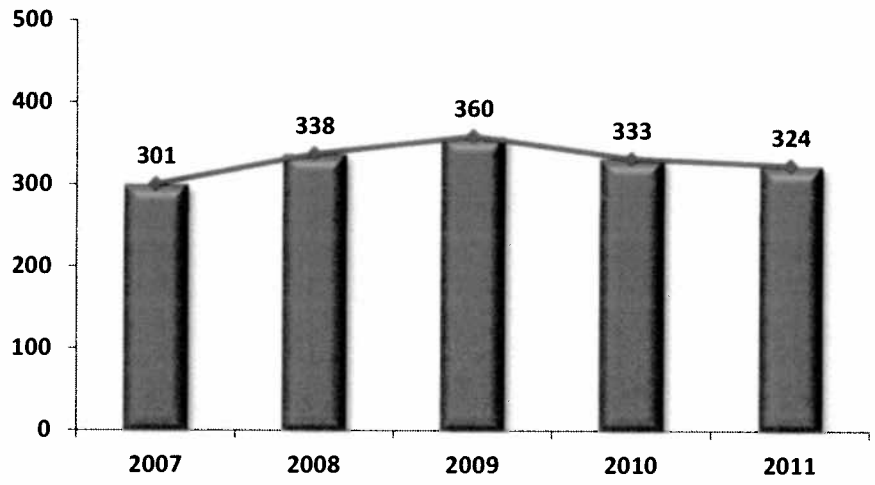
SERVICE COVERAGE:
Service Supplied

Transit Capacity (Trips)

The amount of service provided as measured in trips available to be taken.

Transit Capacity per Area Resident

The number of trips available for each resident in the region to take annually.

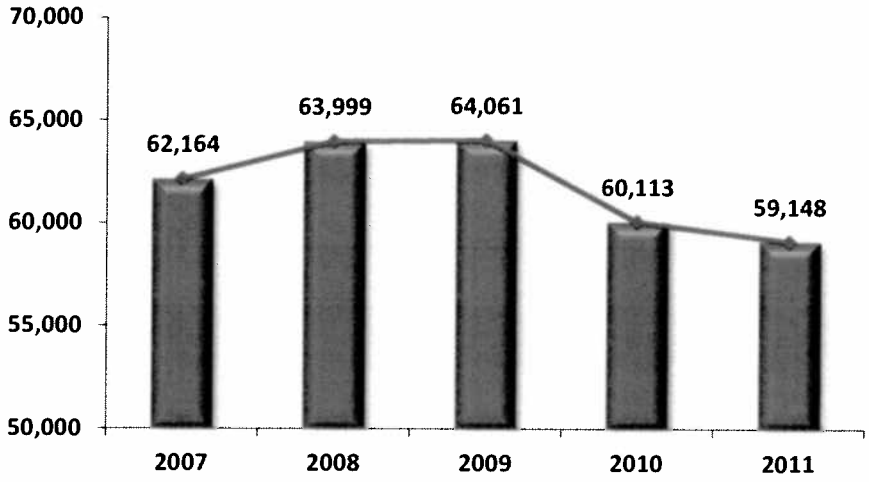


Vehicle Revenue Miles

The amount of service provided as measured in miles traveled by vehicles while in service.

Vehicle Revenue Miles per Service Area Square Mile

The number of miles of travel provided annually per square mile of the service area.



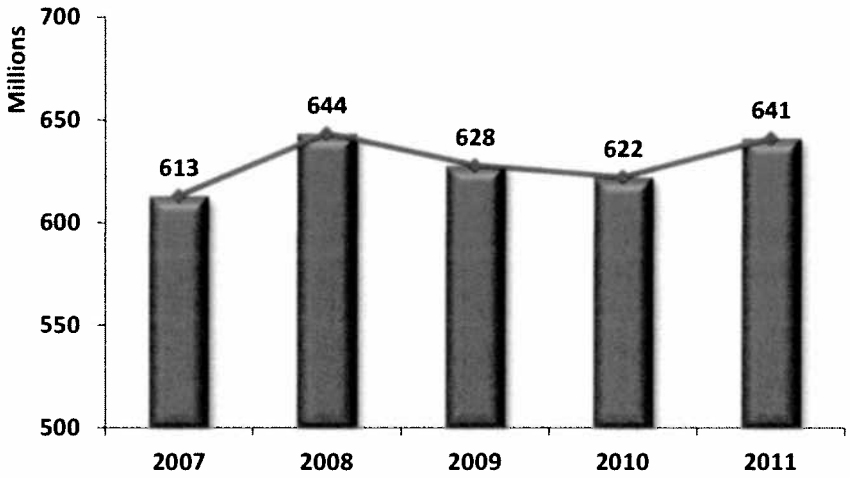
SERVICE COVERAGE:

Service Consumed

Passenger Trips (Ridership)

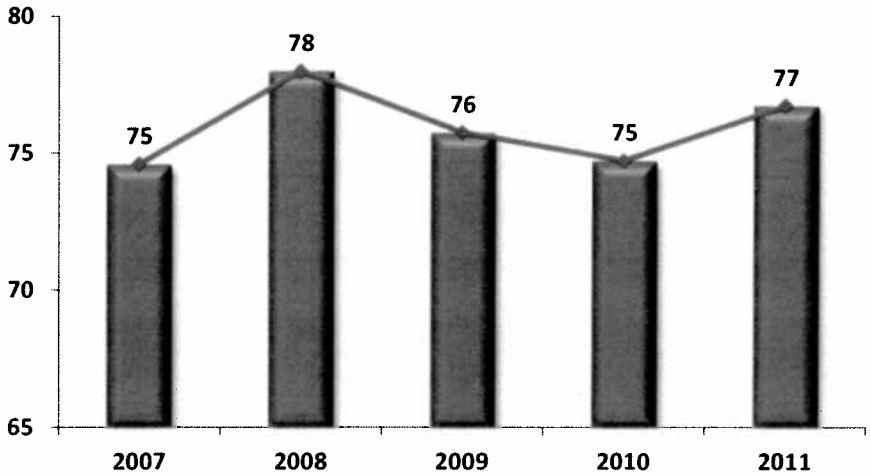
The number of times passengers board buses and trains, including transfers from one bus or train to another in order to complete their trips.

Passenger Trips (in millions)



Passenger Trips per Area Resident

The average number of rides taken per resident annually.



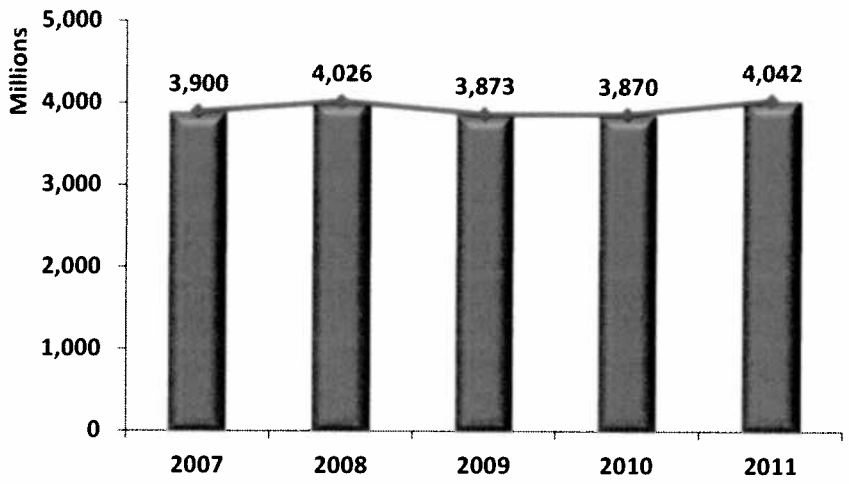
SERVICE COVERAGE:

Service Consumed

Passenger Miles

The cumulative sum of the distances ridden by all passengers.

Passenger Miles (in millions)



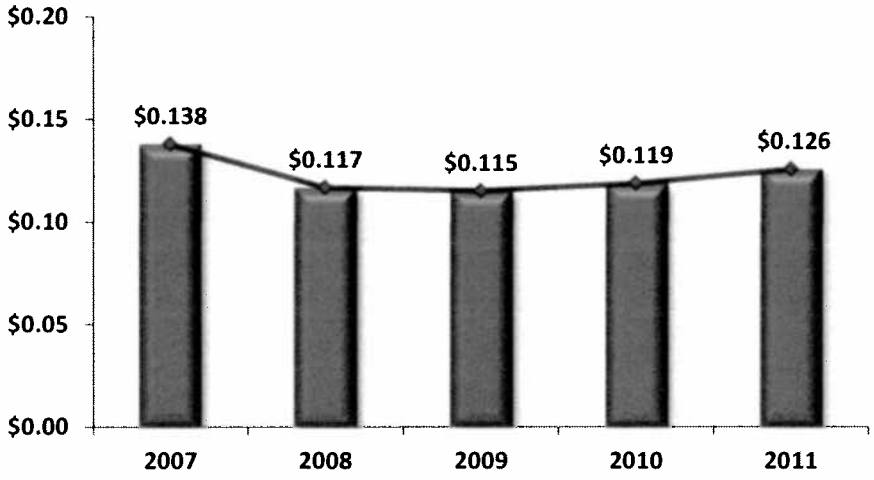
Operating Cost*

The expenses of operating the transit system.

Operating Cost per Unit of Transit Capacity

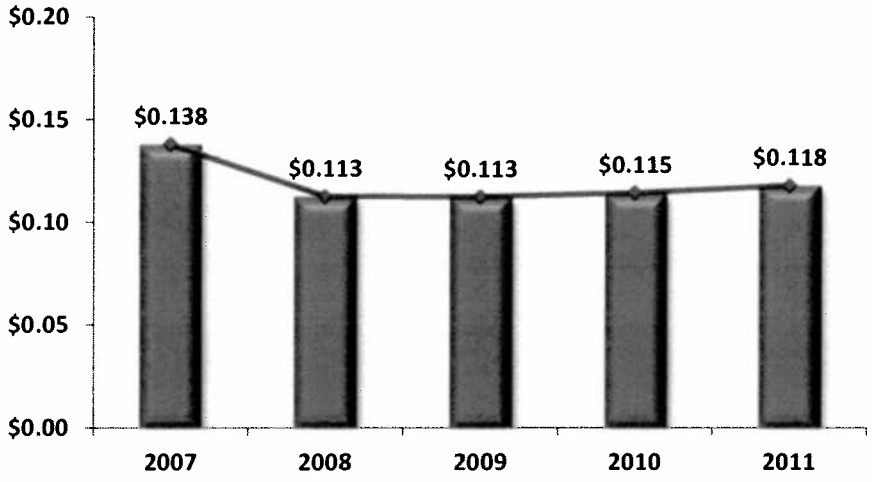
The average cost of providing a passenger seat or space for each mile of an individual trip, whether or not it is taken.

*Note: in 2009, NTD required a change in how Metra reported capital project credits (see Note 4, page 5).



Operating Cost per Unit of Transit Capacity

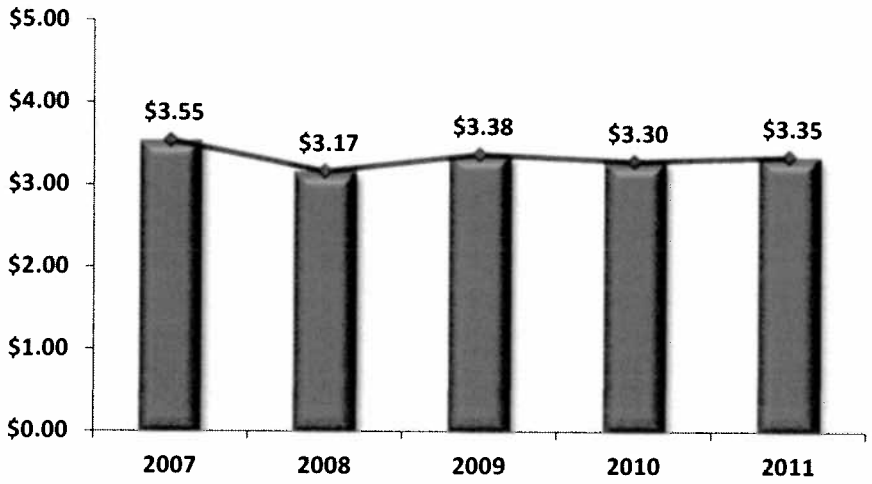
Adjusted for inflation
Constant 2007 dollars



SERVICE EFFICIENCY AND EFFECTIVENESS:
Cost Effectiveness

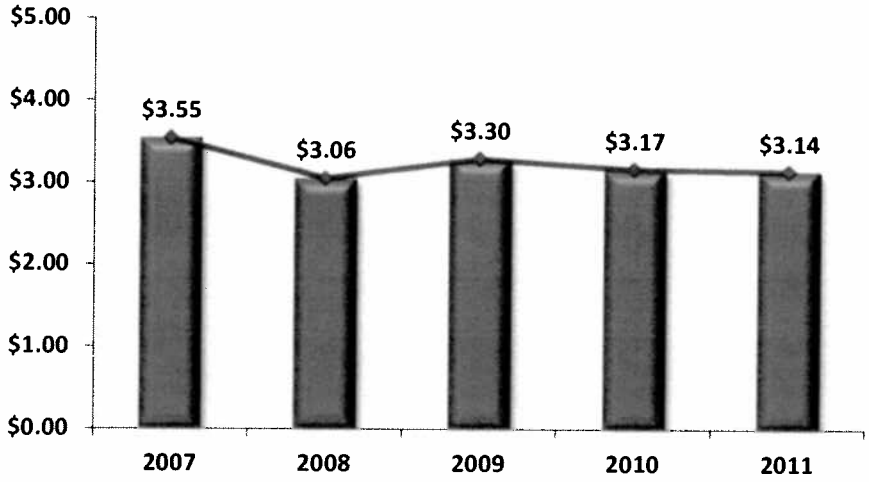
Operating Cost per Passenger Trip

The average cost of each individual trip taken.



Operating Cost per Passenger Trip

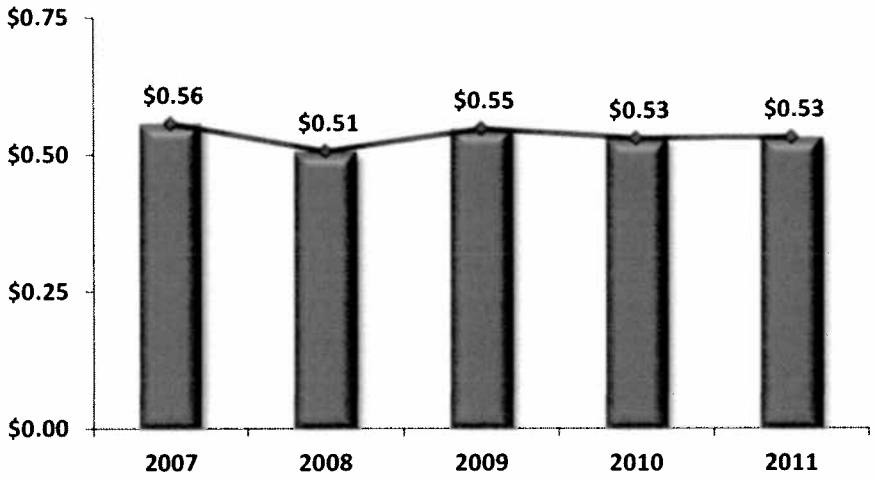
Adjusted for inflation
Constant 2007 dollars



SERVICE EFFICIENCY AND EFFECTIVENESS:
Cost Effectiveness

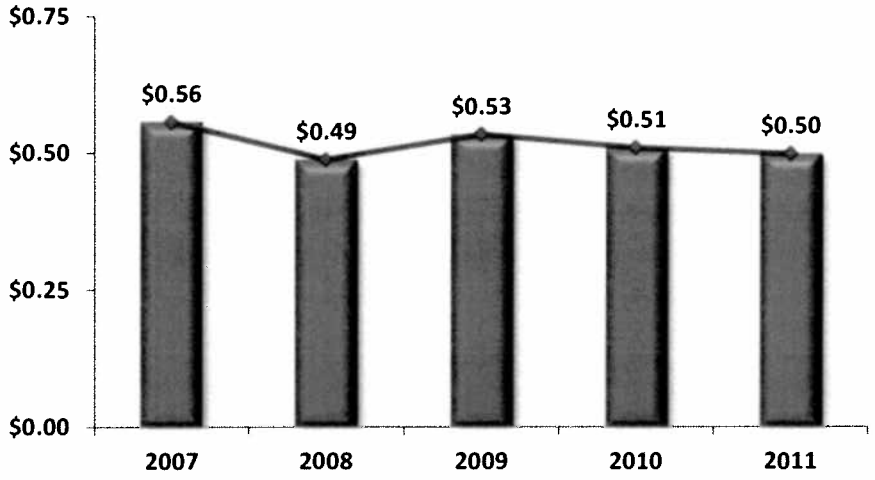
Operating Cost per Passenger Mile

The average cost of providing each mile of each individual trip taken.



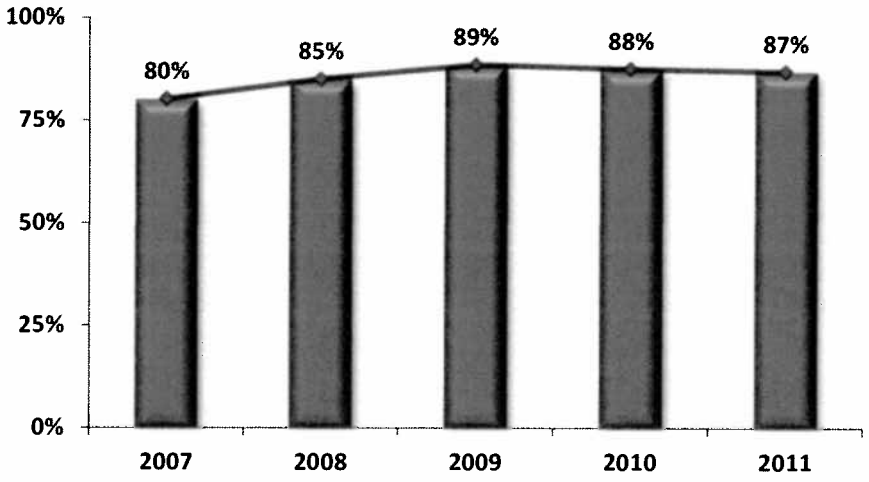
Operating Cost per Passenger Mile

Adjusted for inflation
Constant 2007 dollars



On-Time Performance*

The percentage of time that buses and trains are considered on schedule, based on each Service Board's on-time performance measurement definition.

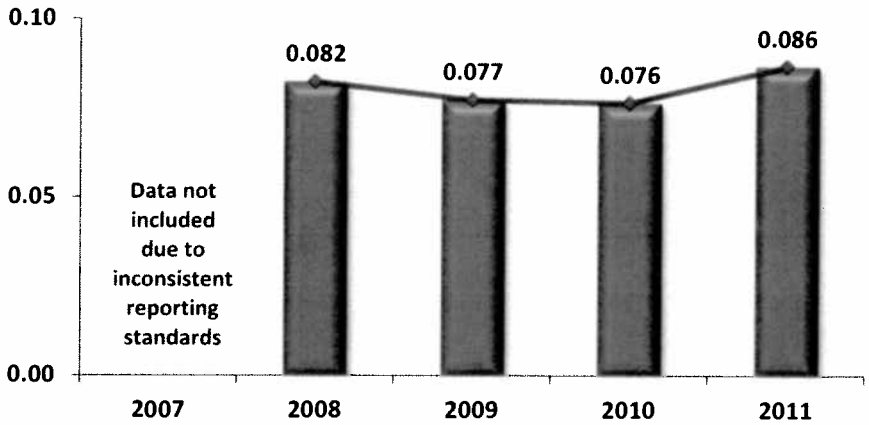


Major Safety and Security Incidents

Accidents, casualty, and crime statistics reported under the Federal Transit Administration (FTA) National Transit Database (NTD) reporting system. The NTD lowered its reporting thresholds for incidents in 2008, resulting in a substantial increase in the number of reportable events and making them incomparable to prior years.

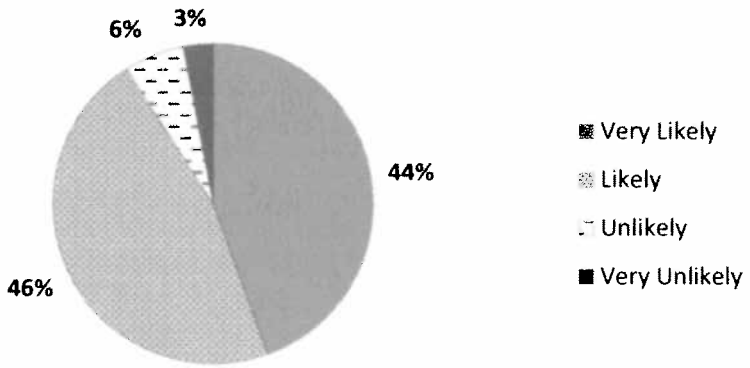
Major Incidents per 100,000 Passenger Trips

The number of combined major safety and security incidents per 100,000 trips taken.



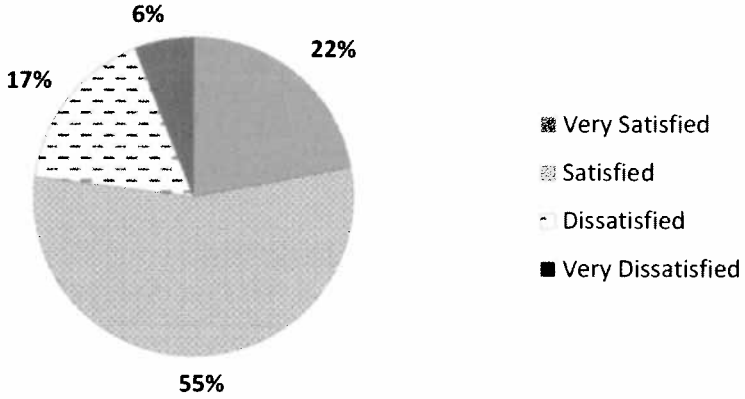
Customer Loyalty Rating

The likelihood that a transit customer would recommend the transit service to others.



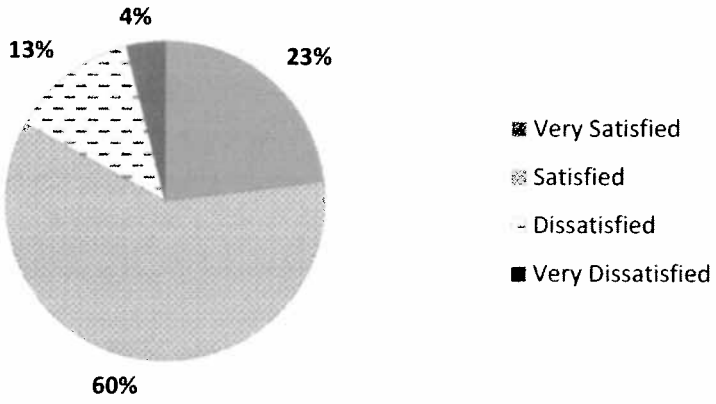
Customer Value of Service Rating

A customer's perception of the quality of service in relation to the fare paid for service.



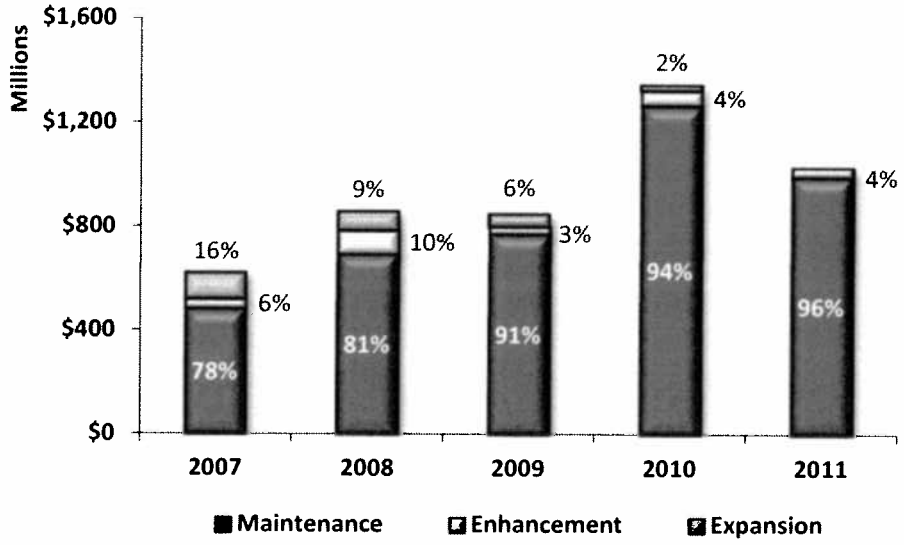
Customer Satisfaction Rating

Customers' ratings of satisfaction with the transit service overall.



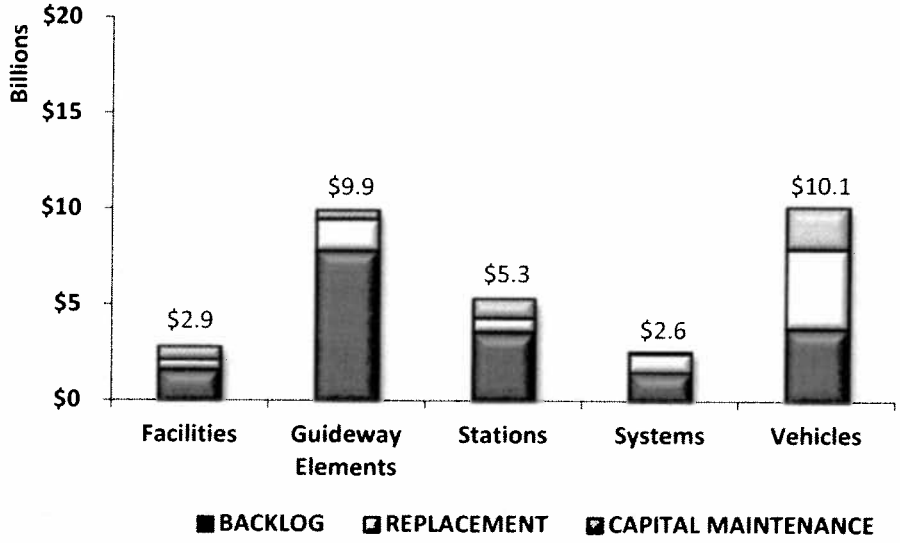
Capital Program Maintenance / Enhancement / Expansion

The annual allocation of projects budgeted within each category as a percent of the total capital program.



10-Year Capital Funding Needs

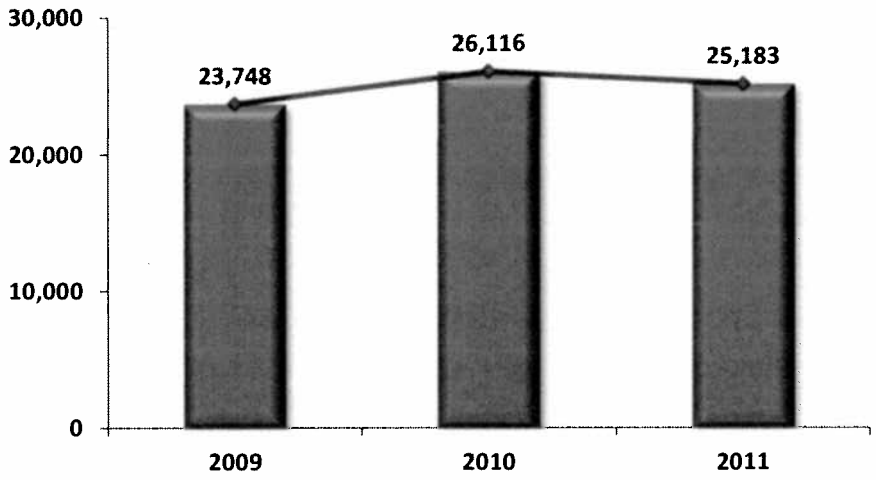
The estimated cost of bringing RTA system-wide assets up to a State of Good Repair over the next ten years totals over $30.9 billion, which includes $18.5 billion in backlog projects.



Miles Between Major Mechanical Failures

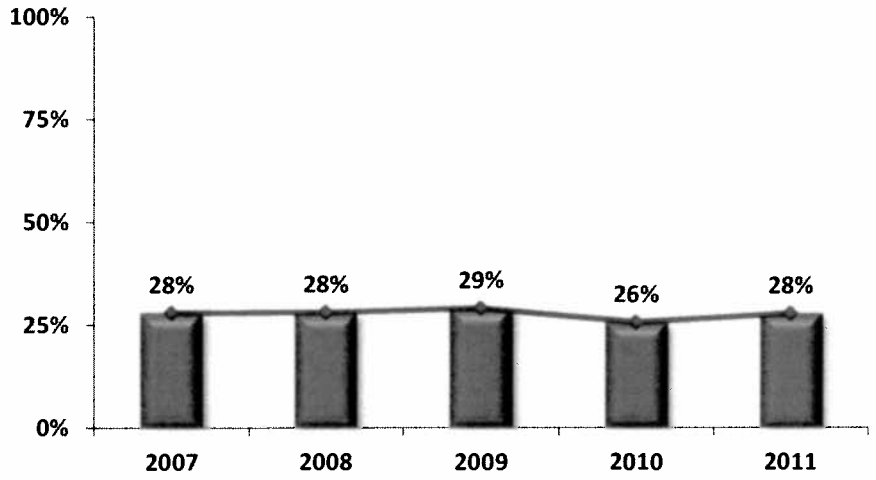
The average distance that revenue vehicles of all modes travel in service (total vehicle revenue miles plus deadhead miles) between mechanical failures that prevent them from completing a scheduled trip or from starting the next scheduled trip.

*Note: prior to 2009, NTD did not require the reporting of major mechanical failures for purchased transportation; therefore, three years of data are shown for this measure so that all failures are included for each mode and type of service.



Percent of Vehicles Beyond Useful Life

The percentage of vehicles in the total revenue vehicle fleet that have reached the end of their minimum useful life as defined by the Federal Transit Administration (4 years for new automobiles or vans, 12 years for new buses, and 25 years for new rail cars). Rehabilitations that may be undertaken to keep vehicles in service beyond FTA guidelines are not included in these data.

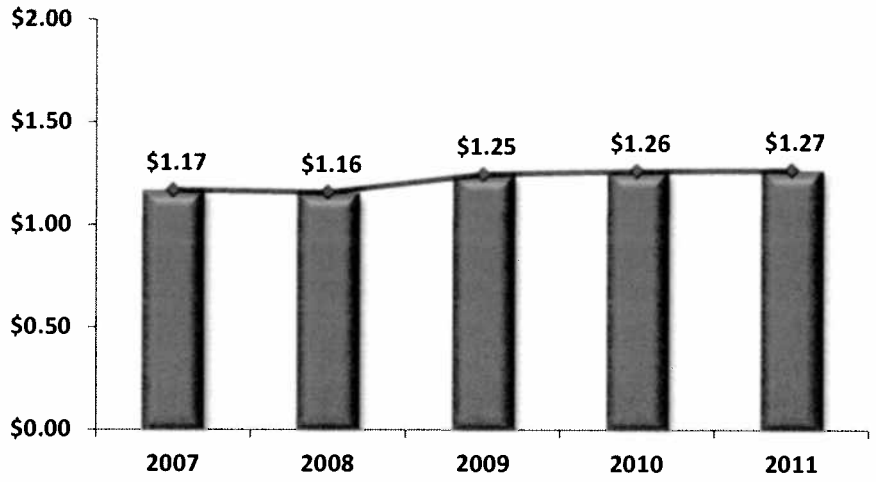


Fare Revenue

The total amount of money that passengers pay in fares.

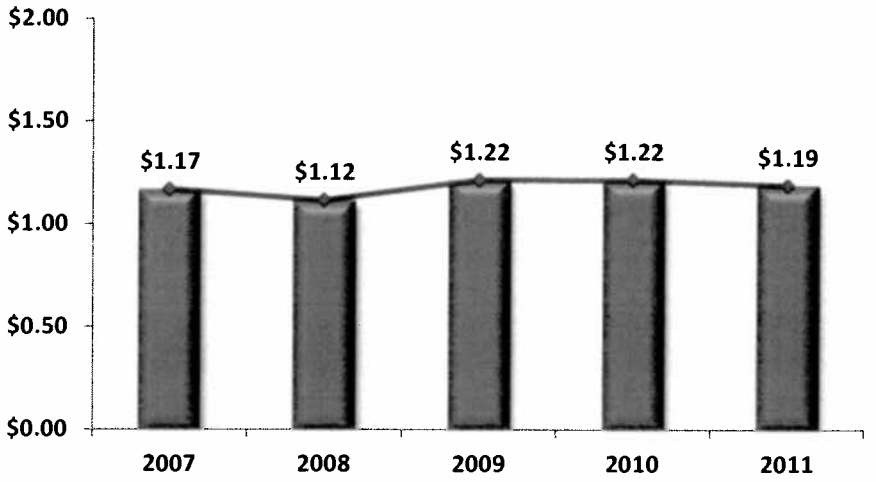
Fare Revenue per Passenger Trip

The average fare paid by customers per trip.



Fare Revenue per Passenger Trip

Adjusted for inflation
Constant 2007 dollars

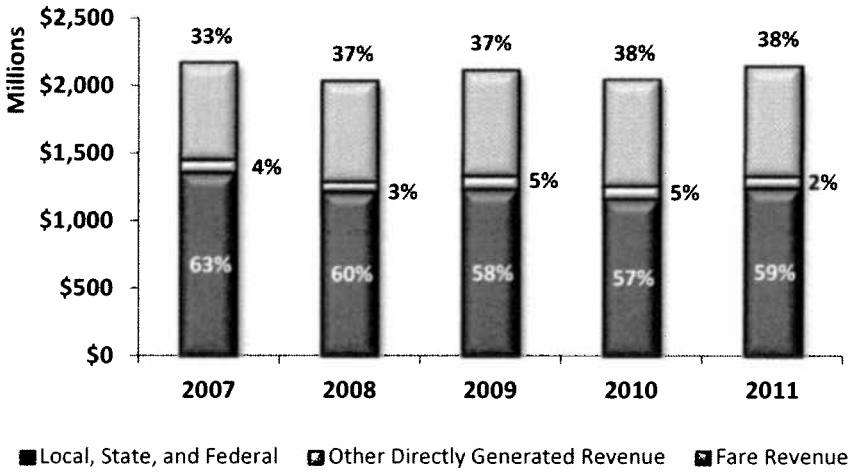


Non-Fare Revenue (Farebox Recovery Shortfall)

The amount of revenue from all sources, other than fare revenue, that is required to cover the total cost of operations. Non-fare revenue includes system-generated revenue (advertising, concessions, etc.) and state, local, and federal revenue.

Non-Fare Revenue Compared to Total Revenue

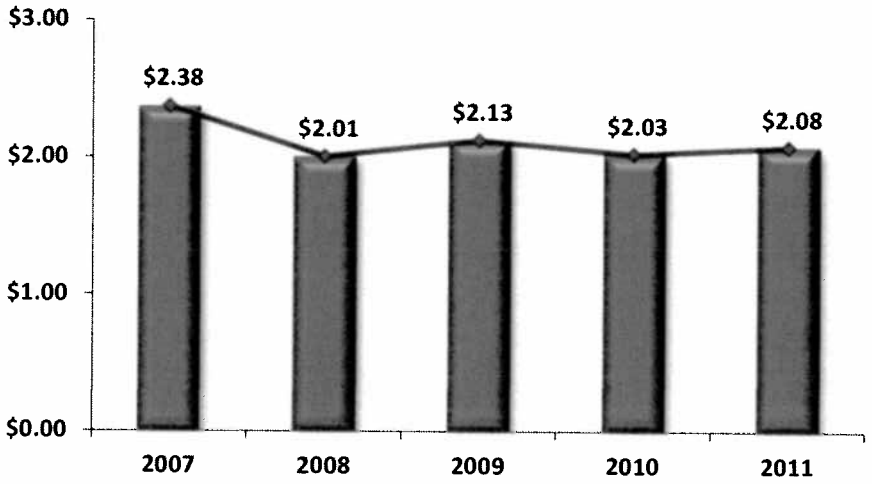
Operating costs are covered through the balance between fare revenue, other directly generated revenue (advertising, concessions, etc.) and all other revenue (local, state, and federal).



SERVICE LEVEL SOLVENCY:
Operations

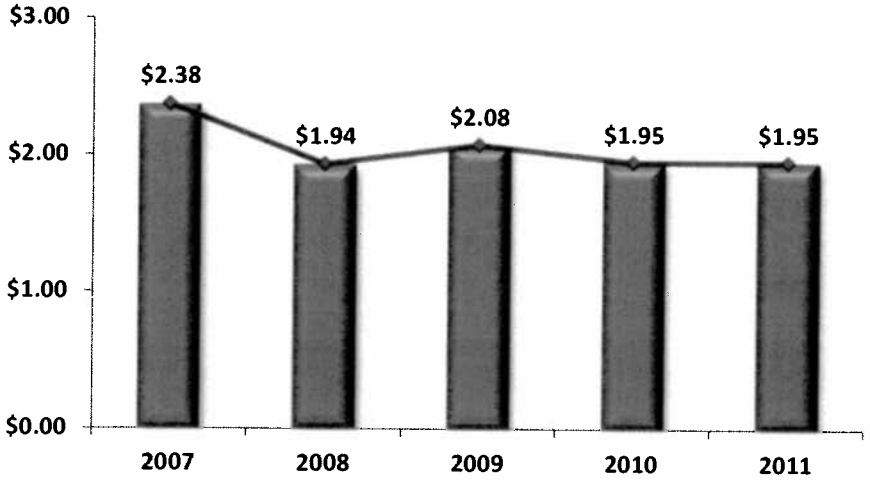
Non-Fare Revenue per Passenger Trip

The amount of revenue from sources other than fares required to cover the average cost of a passenger trip.



Non-Fare Revenue per Passenger Trip

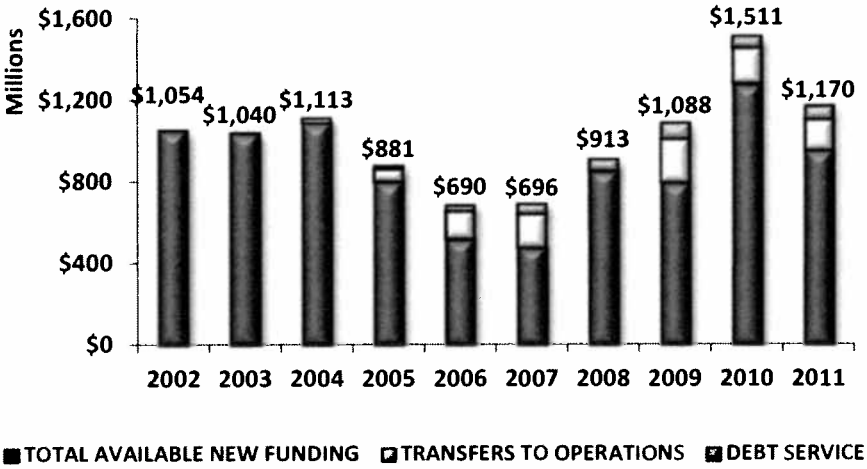
Adjusted for inflation
Constant 2007 dollars



Capital Program Funding

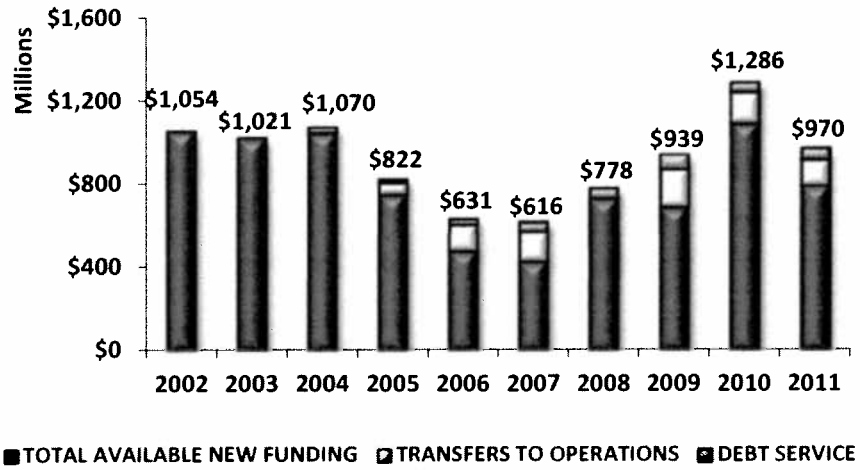
The amount of new capital funds budgeted to finance the maintenance, enhancement and expansion of the transit system's infrastructure. Capital funds budgeted in one year may not actually be expended until subsequent years due to the longer-term nature of capital project implementation. Capital funding amounts include capital funding transferred to operations and debt service paid on capital bonds, which began in 2004. The region's capital program is shown for the past ten years to demonstrate the variance in capital funds availability over time.

Capital Program Funding (in millions)



Capital Program Funding

Adjusted for inflation
Constant 2002 dollars



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2 Regional Report Card

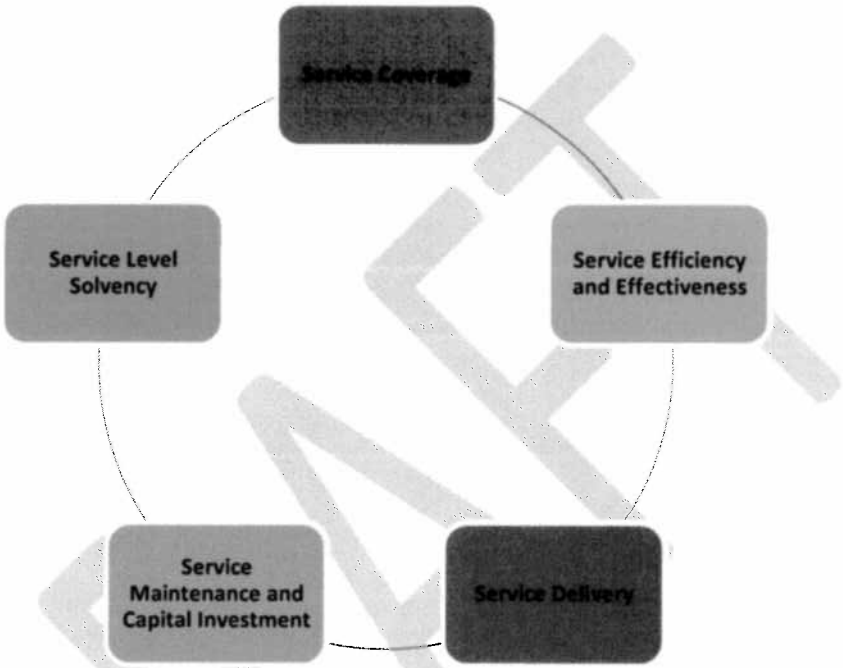
PERFORMANCE MEASURES

Regional Transportation Authority

September 2013
Prepared by the Department of
Finance & Performance Management

REGIONAL PERFORMANCE MEASURES
2012 Regional Report Card

RTA staff has undertaken the development of a performance measurement and reporting program to evaluate the impact and effectiveness of public transit in Northeastern Illinois. Overall regional performance is a function of five major areas:



- **Service Coverage** - monitors both how much service is available to people in the region (in terms of population and square miles) and how much of that service capacity is used.
- **Service Efficiency and Effectiveness** - evaluates the level of resources spent on delivering service in relation to the level of service provided and the extent to which passengers are using that service.
- **Service Delivery** - reflects the quality of the service delivered.
- **Service Maintenance and Capital Investment** - indicates the allocation of capital funds and the replacement and maintenance of infrastructure components on a schedule consistent with their life expectancy.
- **Service Level Solvency** - assesses financial condition to ensure that there are sufficient resources to meet current and ongoing budgetary needs (both operating and capital).

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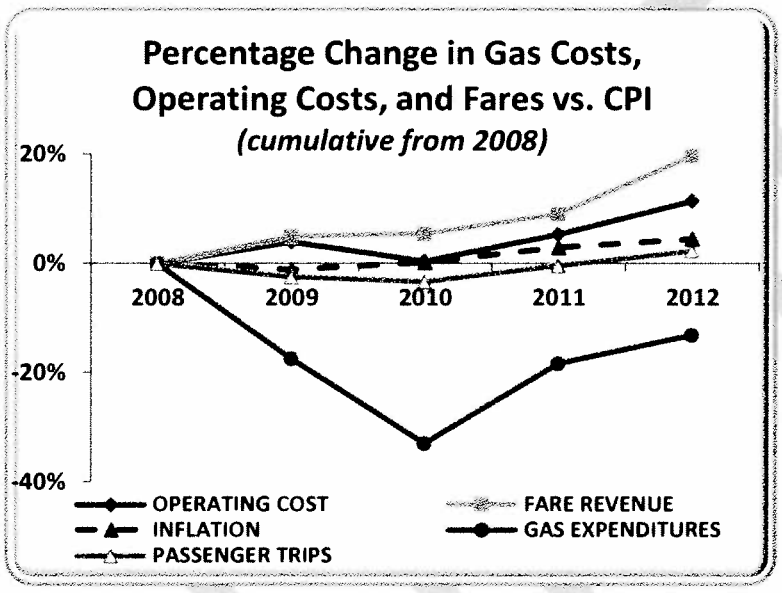
DRAFT

EXECUTIVE SUMMARY

The Regional Report Card was created in response to enactment of the 2008 RTA Act amendment. In the interest of increased public accountability and transparency, the Act amendment required the development of performance measures for regional transit that describe performance in each of five service areas: service coverage, service efficiency and effectiveness, service delivery, service maintenance and capital investment, and service level solvency. With cooperation and input from the region's three Service Boards (CTA, Metra, and Pace), the Regional Report Card is comprised of nineteen measures across five service areas, with results from each Service Board aggregated for the purpose of describing the performance level of the Chicagoland transit system as a whole. Overall, results for 2012 indicate that the positive turnaround of transit performance that began in 2011 continued on through 2012, with many measures showing favorable trends for the RTA region.



Following two years of ridership declines that resulted from fare increases, service cuts, and regional job losses, there was a rebound in 2011 that continued into 2012, which had the highest ridership of the five years reviewed. Each Service Board and mode reported ridership gains for the year for a net system-wide gain of 2.7% compared to 2011; some of that gain is attributable to the extra weekday that occurred with the leap year in 2012, which necessitated the provision of an extra day of service. Throughout 2012, the region was experiencing declining unemployment rates and significantly increasing gas prices (up 6.4% compared to 2011), two major variables impacting customers' decisions to use transit.

With increased ridership, each Service Board and mode realized gains in fare revenue; however, Metra's significant fare increase resulted in year-over-year gains of 23.5%. On a systemwide level, the RTA region saw a 9.7% increase in fare revenues in 2012 and a 19.6% increase from 2008. Operating costs increased 4.1% for the year and 9.7% compared to 2008, mitigated by service reductions and budget trimming measures. Even with leaner budgets, the region's transit operators were able to improve their already favorable results for miles between major mechanical failures, a significant feat made even more impressive with an ever-aging fleet which includes 2,004 vehicles in service beyond their useful life – over 30% of the total fleet. The next few years will see the replacement of many of those older vehicles, with both CTA and Metra making substantial investments in their fleets. Other major capital projects, such as the reconstruction of the Dan Ryan Branch of the Red Line, resulted in a capital program that more than doubled from 2011 to 2012. The overall year-over-year changes in

performance were favorable for 13 of 19 measures, with 6 unfavorable measures. Compared to 2008, five-year trends show that of eighteen measures analyzed, nine were favorable, seven were unfavorable, and two were unchanged.

The 2012 Regional Report Card describes regional transit performance within the context of five major areas: service coverage, service efficiency and effectiveness, service delivery, service maintenance and capital investment, and service level solvency over the five-year period between 2008 and 2012. For the first time, the Regional Report Card includes targets for a number of performance measures. Targets were created using 2012 data as a base year, then applying annual growth rates developed during the 2013 budget process. Three-year targets are shown, indicating performance expectations based on the operational and financial assumptions made by the Service Boards during the budget development.

Service coverage indicators monitor both how much service is available to people in the region (supply) and how much of that supply is actually used by the public (consumption). The past five years have seen some volatility in the amount of service supplied, in terms of available transit capacity and vehicle revenue miles, which both peaked in 2009 followed by two years of declines as CTA made significant reductions to its service: in 2010, vehicle revenue miles were reduced by 15.7% for bus and 5.2% for rail. In 2011, further reductions of 7.8% for bus and 1.1% for rail were reported, partly due to reduced service and partly due to a change in the methodology used to calculate revenue service (see page 8, note 8). In 2012, bus vehicle revenue miles remained level to 2011, while rail experienced a 1.4% increase. For passenger trips, the rebound in ridership that began in 2011 continued in 2012, resulting in the highest ridership figures since 1990. On a per-resident basis, the number of trips taken over the course of a year increased by two in both 2011 and 2012. Furthermore, the average trip length increased in both 2011 and 2012, indicating that passengers traveled more and for longer distances compared to prior years.

There were a number of changes to CTA services throughout the five-year period, including the 2008 Brown Line capacity expansion project, South Loop bus route service enhancements in 2009, and service reductions implemented in February 2010 that included the elimination of nine express routes, reduction in frequency for 119 bus routes and seven rail lines, and reduced service hours for 41 bus routes. Throughout the five-year period, CTA has continued to aggressively reduce the number and prevalence of slow zones and has implemented bus tracker and train tracker capabilities to offer riders improved service and amenities.

Metra has been the only Service Board to maintain and even increase its service coverage over the past five years, as evidenced by increased vehicle revenue hours and vehicle revenue miles, despite the economic recession that resulted in many transit operators having to decrease service. In 2008, Metra added additional weekend service on the Union Pacific North Line and the Milwaukee North Line. In 2009, new Saturday service was introduced on the SouthWest Service Line. In 2012, Metra completely rebuilt two stations as part of an aggressive capital program that also included groundbreaking at five other stations, completing a grade separation project, and receiving the first shipment of new Highliner rail cars for its Electric District Line.

Pace bus fixed-route service improvements occurred with the South Cook and Will County Initiatives in 2008 and 2009. In 2011, Pace added one new route, Saturday service to one route, two new Call-n-Ride services, and the Bus-on-Shoulder Project, which improved two existing express routes from Plainfield to Chicago, in addition to restructuring a number of routes. In 2012, Pace expanded its Bus-on Shoulder Project, implemented two new Call-n-Ride services, took on additional service for three CTA routes, and restructured two other routes that had overlapped CTA service. Pace vanpool service, which had expanded steadily through 2008 and then saw declines in 2009 and 2010, experienced an increase of 28 vanpools in 2011, followed by a gain of 44 vanpools in 2012, resulting in a 10.3% increase in ridership for the year. ADA paratransit service has continued to grow, with a significant 7.8% ridership increase in 2012.

Service efficiency and effectiveness measures evaluate the cost of supplying transit services. In 2012, regional operating costs increased by approximately $124 million, a 5.8% increase that exceeded inflation rates for the year. This rise in operating costs outpaced increases in transit capacity, ridership, passenger miles traveled, and vehicle revenue miles on a one-year basis as well as on a five-year basis. Specifically, transit capacity (the trips available for use by customers) increased by 3.9% in 2012, which lessened the effects of increased costs and resulted in an annual 1.8% rise in operating cost per unit of transit capacity for 2012 and a 9.6% increase from 2008. Operating cost per trip, a measure of cost effectiveness, increased 4.5% compared to 2008. Operating cost per passenger mile remained unchanged at $0.51 when considered on an inflation-adjusted basis as passengers traveled more miles per trip, mitigating increases in operating costs. Compared to 2008, the inflation-adjusted operating cost per vehicle revenue mile increased 13.0%, indicating reduced service efficiencies as increased operating costs were exacerbated by reduced service coverage. As a result, in 2012 regional transit service cost $9.61 per vehicle revenue mile to operate versus a cost of $8.51 in 2008 (holding 2008 dollars constant).

Service delivery indicators focus on customer service and safety. On-time performance is a key indicator of service delivery, and although the Service Boards use different methodologies to assess on-time performance for each mode, weighting their values by the number of passengers carried provides a regional measure that shows a slightly downward trend from 2009, although 2012 on-time performance shows a 2-percentage point improvement compared to 2008. The number of reportable safety and security incidents per passenger declined steadily from 2008 through 2010, indicative of improved service delivery. Upticks were noted in 2011 and 2012, although the absolute number of incidents remains very low at 0.092 per 100,000 passenger trips.

Service maintenance and capital investment performance indicators evaluate reliability and the State of Good Repair of transit assets. Capital program funding for maintenance, enhancement, and expansion programs more than doubled between 2011 and 2012, reflecting an infusion of over a billion dollars for CTA rail projects. This growth in funding reflects $267 million in state bond funding, coupled with $519 million of carryover funds from prior years as well as $288 million from federal sources. With increasing capital program dollars being devoted to maintenance projects (from 81% in 2008 to 95% in 2012), expansion projects, which had comprised 9% of the 2008 capital program, totaled 0% in 2011 and 2012. Even with the largest capital program in over a decade, the region still has significant

unmet capital funding needs. The Capital Asset Condition Assessment Update Report for Calendar Year 2011 cites a project backlog of $18.7 billion, which reflects the total value of already past-due project work. In addition to that sum, another $12.4 billion was calculated as necessary over the next ten years for regular maintenance and replacement projects to reach a State of Good Repair for a total of $31.1 billion in needs. The current $2 billion capital program constitutes only 7% of the estimated 10-year capital funding needs, a sum that will likely grow in future years with inflation and other factors such as: underfunding of capital needs, aging of the vehicle fleet, and the availability and evaluation of more comprehensive asset data. Furthermore, no state funding exists for the ADA capital program.

After dropping slightly in 2011, the number of miles between major mechanical failures, which illustrates vehicle reliability, increased 9.3% in 2012, and was 46.8% higher than in 2009. This measure is the only one reported as a four-year trend due to reporting changes at the National Transit Database. There was an average of 27,513 miles traveled between major mechanical failures in 2012, which is indicative of successful and aggressive maintenance and rehabilitation programs by the Service Boards that keep vehicles in good condition despite their average vehicle fleet age. Of a total active fleet of 6,610 vehicles, 351 were put into service in 2012; hundreds more are on order and will be put into service in the near future. Although the introduction of newer vehicles (and the retirement of older ones) will help reduce the average fleet age, as of 2012 over 30% of the region's fleet inventory included vehicles beyond their stated useful life. 54.0% of CTA rail cars, 59.8% of Metra trains, and 48.5% of Pace vanpool vehicles are still in service beyond their useful life. In contrast, none of CTA buses or Pace dial-a-ride vehicles are beyond their useful life. 5.5% and 7.7% of Pace buses and ADA paratransit vehicles, respectively, are beyond their useful life.

Service level solvency measures for 2012 were mostly favorable compared to 2011 and over the five-year period. Improved fare revenues were noted at each Service Board and for each mode: CTA overall fares were up 4.0%, Metra was up 23.5%, and Pace was up 2.4%. On a system-wide basis, fare revenues increased 9.7% in 2012, largely due to the Metra fare increase implemented in February. Since 2008, system-wide fare revenues are 19.6% higher: CTA is up 16.3%, Metra 25.5%, and Pace 24.8%. CTA and Metra maintained favorable fare revenue increases on a per-trip basis; however, Pace's ridership increases for fixed-route, vanpool, and ADA paratransit outperformed revenue increases, resulting in an unfavorable solvency ratio. With the exception of Metra, the rise in each service mode's fare revenues was not enough to offset increased operating costs, leading to an increased reliance on non-fare revenue sources to bridge the gap. However, there was about a 1% reduction in public funding required to meet those cost increases, which is a favorable trend, as it indicates that other revenue sources (such as parking, advertising, and concessions) are being used to contain costs. Since 2008, the portion of non-fare revenue covered by public funding has declined from 60% to 57%.

The final measure of service level solvency, capital program funding, was very positive for 2012, with the highest level of new funding of the past ten years. The past few years have seen an infusion of capital dollars into the region: American Recovery and Reinvestment Act (ARRA), Illinois Jump Start and Jobs Now capital bond programs, and the federal MAP-21 transportation reauthorization are several

programs that have allowed the Service Boards to increase capital expenditures. However, the Illinois General Assembly has not yet authorized the Jump Start bonds and so this funding source remains uncertain. CTA saw the largest increase, corresponding to capital outlays for the Dan Ryan Branch reconstruction in 2013. Following a year with significant capital availability for new rail cars, Metra saw a 40.3% decline in 2012 but ended the year 90.3% higher when compared to 2008. Pace continued its steady rise in capital funding with a 7.8% gain in 2012 and has more than doubled its funding from 2008. On a system-wide basis, available new funding has grown 42.7% since 2003 for the RTA region; however, the availability of capital funds is inconsistent and insufficient to meet the demands presented by service maintenance and capital investment needs.

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REGIONAL REPORT CARD - SNAPSHOT

	Performance Measure	2012 Value	1-Year Trend	5-Year Trend
Service Coverage	Transit Capacity (Trips) per Area Resident	330	↑	↓
	Vehicle Revenue Miles per Service Area Square Mile	61,667	↑	↓
	Passenger Trips (Ridership)	658,906,590	↑	↑
	Passenger Trips per Area Resident	78.7	↑	↑
	Passenger Trips per Vehicle Revenue Mile	2.91	↑	↑
	Passenger Miles	4,235,725,770	↑	↑
Service Efficiency and Effectiveness	Operating Cost per Unit of Transit Capacity – *Inflation-Adjusted , 2008 dollars*	$0.123	↑	↑
	Operating Cost per Passenger Trip – *Inflation Adjusted, 2008 dollars*	$3.31	↑	↑
	Operating Cost per Passenger Mile – *Inflation Adjusted, 2008 dollars*	$0.51	↓	↔
	Operating Cost per Vehicle Revenue Mile – *Inflation Adjusted, 2008 dollars*	$9.61	↑	↑
Service Delivery	On-Time Performance	87.2%	↑	↑
	Reportable Safety & Security Incidents per 100,000 Passenger Trips	0.092	↑	↑
Service Maintenance and Capital Investment	Capital Program: Maintenance/Enhancement/Expansion Projects	$2.07 billion	↑	↑
	10-Year Capital Funding Needs	$31.1 billion	↑	N/A
	Miles Between Major Mechanical Failures *1 and 4-year trends shown*	27,513	↑	↑
	Percent of Vehicles Beyond Useful Life	30.3%	↑	↑
Service Level Solvency	Fare Revenue per Passenger Trip – *Inflation Adjusted, 2008 dollars*	$1.30	↑	↑
	Non-Fare Revenue per Passenger Trip – *Inflation Adjusted, 2008 dollars*	$2.01	↓	↔
	Capital Program Funding – *Inflation Adjusted, 2003 dollars*	$1.39 billion	↑	↑

Direction of arrows indicates 2012 value in comparison to 2011 (1-year) and to 2008 (5-Year) figures. The color of the arrow indicates whether the change is favorable (green), unfavorable (red), or is equal (yellow) to comparison figure.

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NOTES

1) This analysis is based on published data from the National Transit Database (NTD), RTA's audited financials, and operating data from the three Service Boards.

2) General expenditures associated with the RTA as the funding, planning, and oversight agency for the region have been added to the total operating expense figures obtained from the NTD and aggregated for the Service Boards.

3) The inflation rate used is the Consumer Price Index (CPI) published by the Bureau of Labor Statistics, for the Chicago-Gary-Kenosha area (series ID: CUURA207SA0, extracted February 15, 2013). Population data is taken from Annual Estimates of the Resident Population for Counties of Illinois, published by the U.S. Census Bureau (March 2013).

4) For 2009 only, NTD required Metra to change how it reported capital project credits, making Metra expense data for 2009 inconsistent from the other years reported. For 2009, capital project credits, which represented 5% of Metra's operating costs, were not allowed to be subtracted from expenses as they had been in the years prior. For 2010, NTD again allowed Metra to report capital credits as offsets to operating expenses, as it had done in the years prior to 2009.

5) The Miles between Major Mechanical Failures metric presents only the past four years of data. Prior to 2009, NTD did not require the reporting of major mechanical failures for purchased transportation; therefore, reports preceding 2009 included all of the vehicle mileage traveled but none of the purchased transportation mechanical failures, which served to artificially increase the miles between major mechanical failures. Four years of data are shown for this measure (2009-2012) in this report; all failures are included for each mode and type of service.

6) Prior to 2011, reported ADA ridership did not include companions or personal care attendants, which were included in the 2011 data and going forward, per a clarification to NTD reporting policy.

7) Metra's on-time performance methodology was amended as of May 2011 to exclude "extra" trains added to handle special events that were not included in normal operating schedules. Prior to May 2011 all "extra" trains were included in the count of all trains and were always reported as on-time in the overall on-time performance calculation. With the change in methodology, "extra" trains are excluded from the overall on-time performance calculation unless those trains' schedules include all intermediate station stop times and are publicly distributed via Metra's website and/or paper flyers.

8) CTA changed its methodology for counting vehicle revenue hours and vehicle revenue miles in 2011. Through 2010, CTA counted a significant share of non-revenue service (pull-outs, pull-ins and deadheads) as revenue service. The FTA asked CTA to stop including that service for the 2011 submittal. Although 2011 bus vehicle revenue miles and vehicle revenue hours were lower than in 2010, this change in methodology exaggerated the reduction significantly. The overall regional figures were also impacted by this methodology change and would have been about 1.5% more favorable under the old methodology for vehicle revenue hours and 1.3% more favorable for vehicle revenue miles.

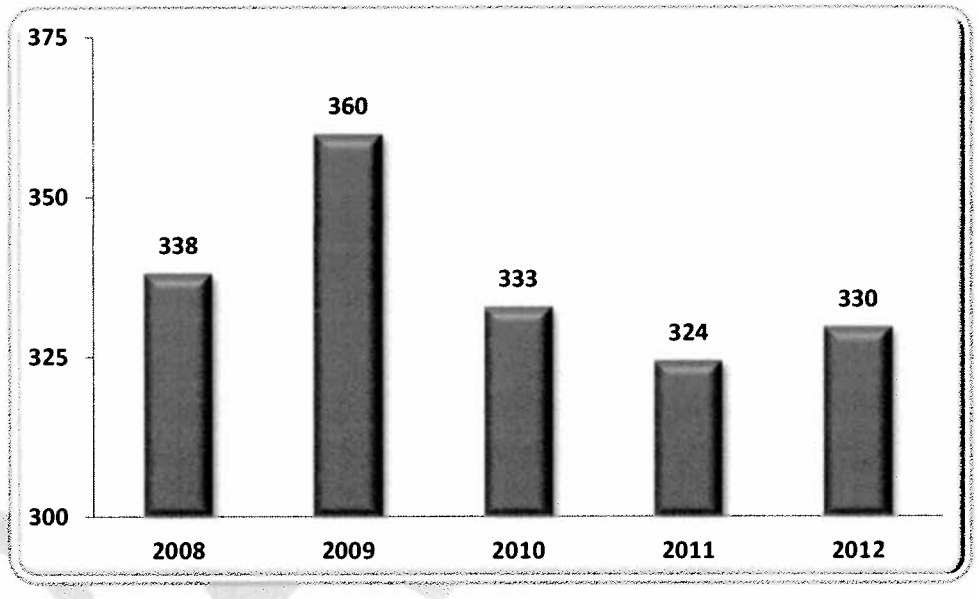
9) The 2012 report now includes 2015 targets for several performance measures, determined by using each Service Board's projected annual budgetary data for operational (passenger trips, passenger miles, vehicle revenue hours, and vehicle revenue miles) and financial (operating cost and fare revenue) indicators. Financial measures include inflation adjustments, which were also calculated for the 2015 target development exercise, using inflation rates of 1.4% for 2013 and 2.0% for 2014 and 2015, per the Survey of Professional Forecasters (May 2013).

10) The 2012 report includes a new metric, Percent of Assets in a State of Good Repair. This measure refers to the general physical condition of specific assets, based on current physical condition and age distribution, with data taken from a sample of assets throughout the RTA region. As part of the Capital Asset Condition Assessment project, assets are given condition ratings (on a scale of 1-5) consistent with the numbering system used by the Federal Transit Administration. For the purpose of this report, assets rated 2.5 or better are considered to be in a State of Good Repair. The Percent of Assets in a State of Good Repair is a measure of outstanding needs relative to the replacement value of all existing transit assets (e.g., a measure of 80% would suggest that reinvestment needs are equal to 1 – 0.80 = 20% of total asset replacement value). Therefore, the percent of assets in a State of Good Repair is a financial measure of investment needs and cannot be used to assess other asset attributes such as performance and safety.

SERVICE COVERAGE:
Service Supplied

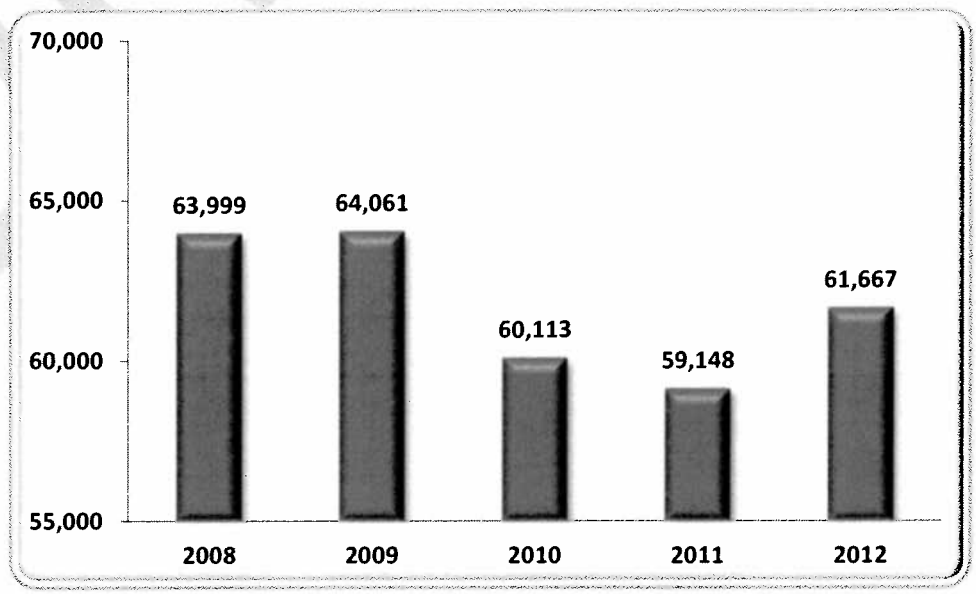
Transit Capacity (Trips)
The amount of service provided as measured in trips available to be taken.

Transit Capacity per Area Resident
The number of trips available for each resident in the region to take annually.



Vehicle Revenue Miles
The amount of service provided as measured in miles traveled by vehicles while in revenue service.

Vehicle Revenue Miles per Service Area Square Mile
The number of miles of travel provided annually per square mile of the service area.

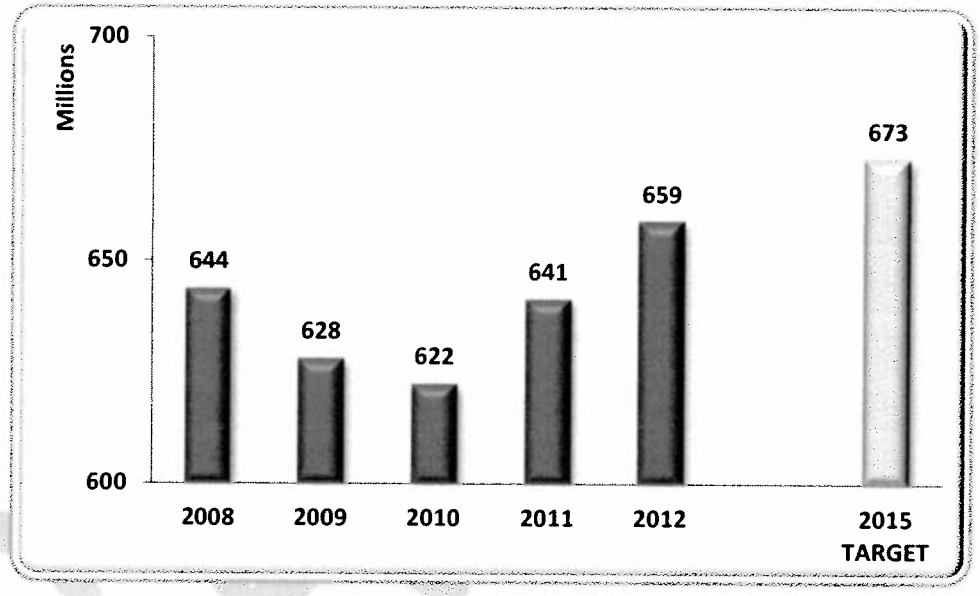


SERVICE COVERAGE:
Service Consumed

Passenger Trips (Ridership)

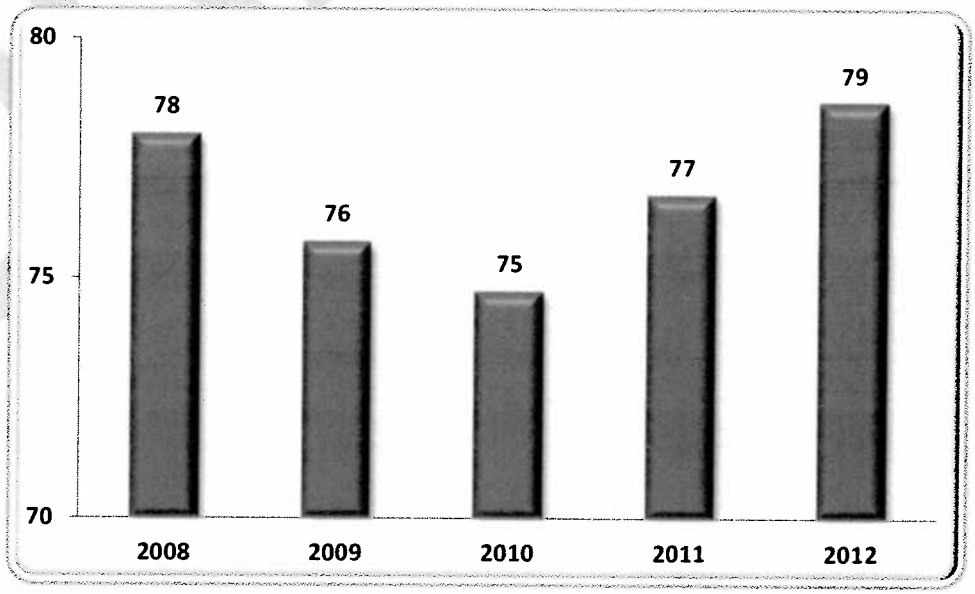
The number of times passengers board buses and trains, including transfers from one bus or train to another, in order to complete their trips.

Passenger Trips (in millions)



Passenger Trips per Area Resident

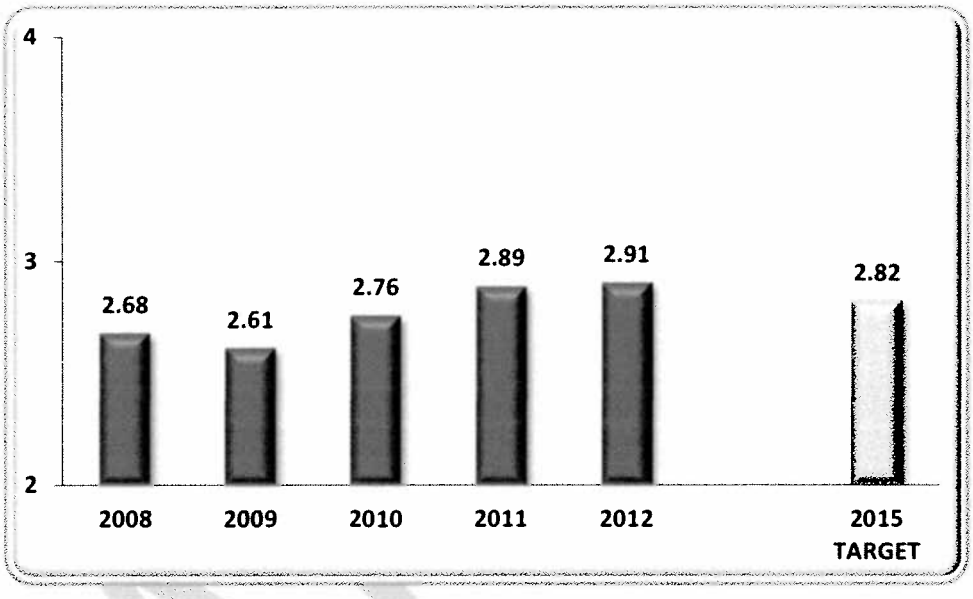
The average number of rides taken per resident annually.



SERVICE COVERAGE:
Service Consumed

Passenger Trips per Vehicle Revenue Mile

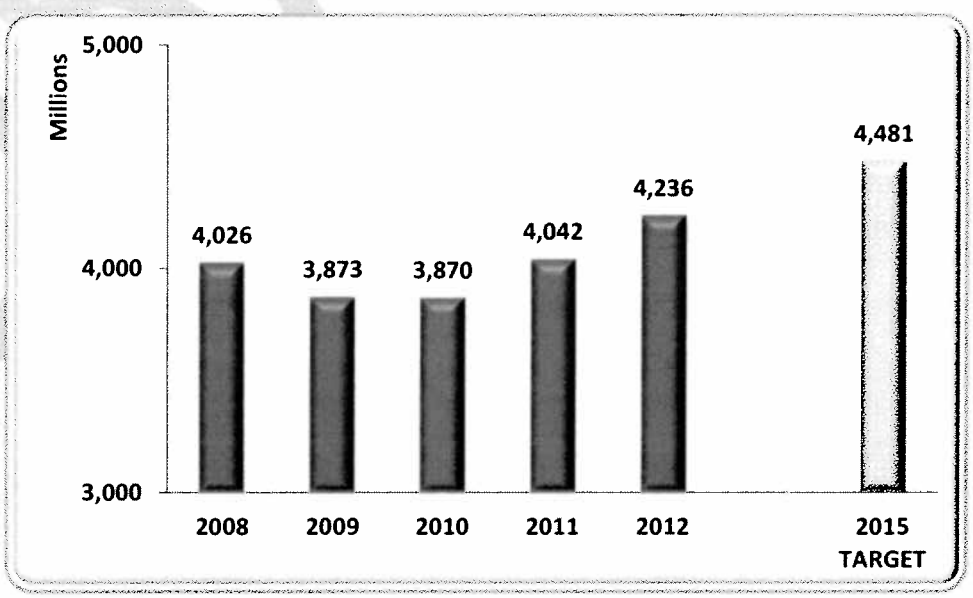
The number of passenger trips divided by the miles that vehicles travel while in revenue service.



Passenger Miles

The cumulative sum of the distances ridden by all passengers.

Passenger Miles (in millions)

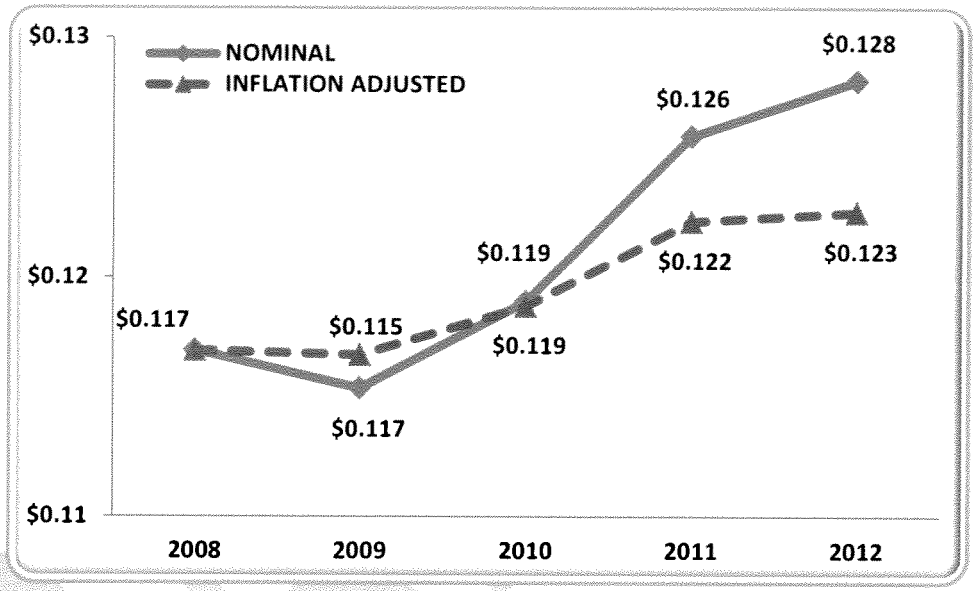


SERVICE EFFICIENCY AND EFFECTIVENESS:
Service Efficiency

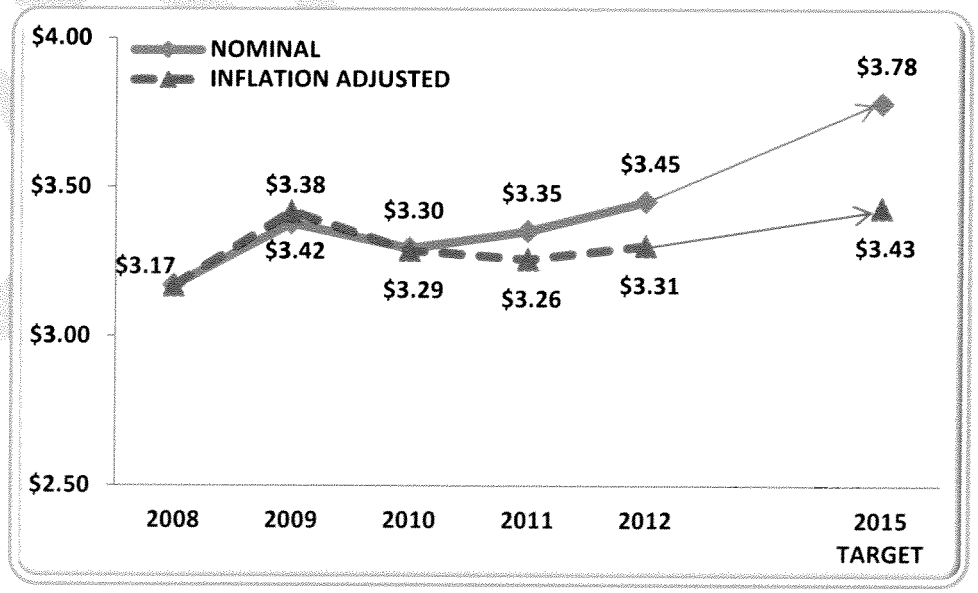
Operating Cost
The expenses of operating the transit system.

Operating Cost per Unit of Transit Capacity
The average cost of providing a passenger seat or space for each mile of an individual trip, whether or not it is taken.

Note: in 2009, NTD required a change in how Metra reported capital project credits (see Note 4, page 7).



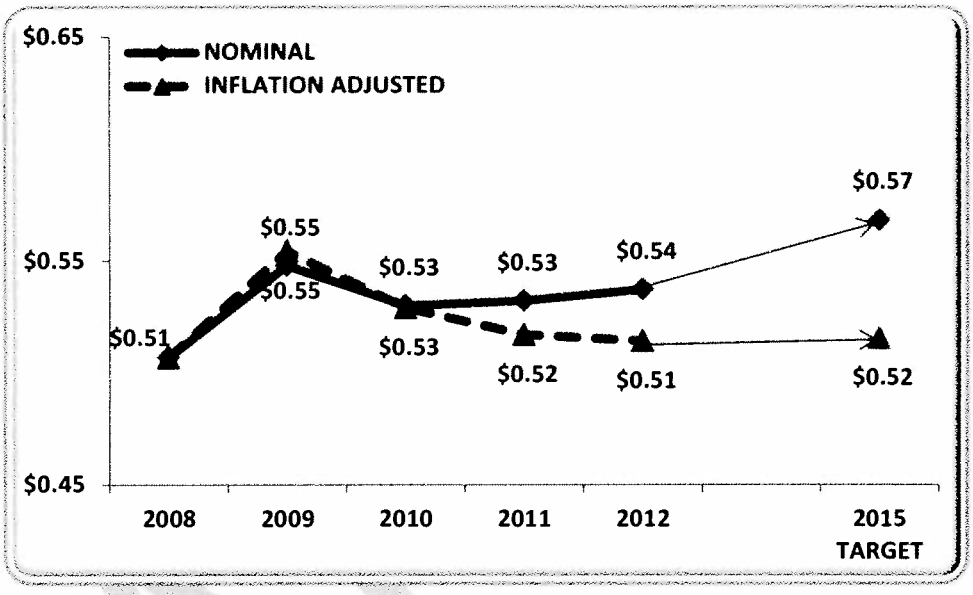
Operating Cost per Passenger Trip
The average cost of each individual trip taken.



SERVICE EFFICIENCY AND EFFECTIVENESS:
Cost Effectiveness

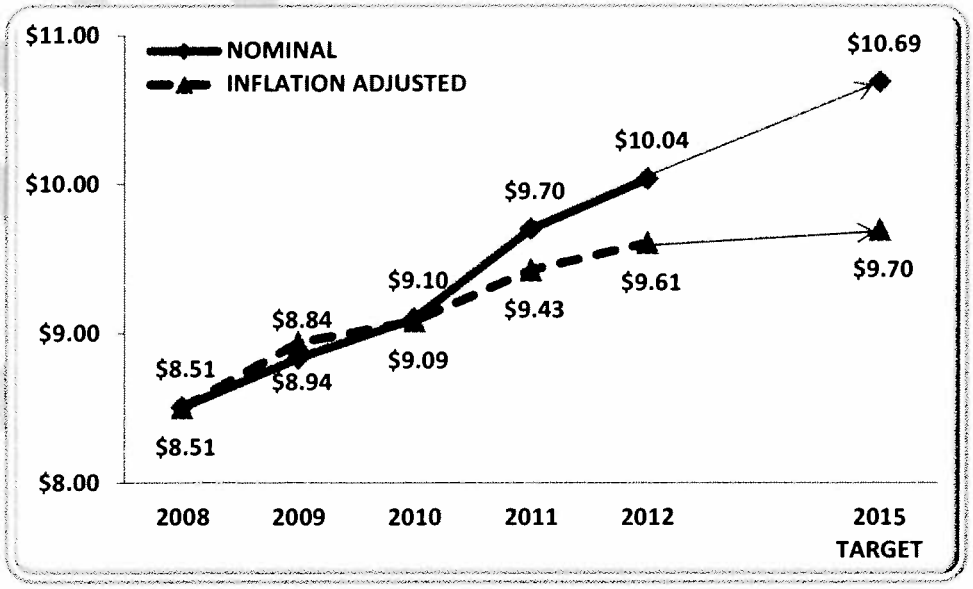
Operating Cost per Passenger Mile

The average cost of providing each mile of each individual trip taken.



Operating Cost per Vehicle Revenue Mile

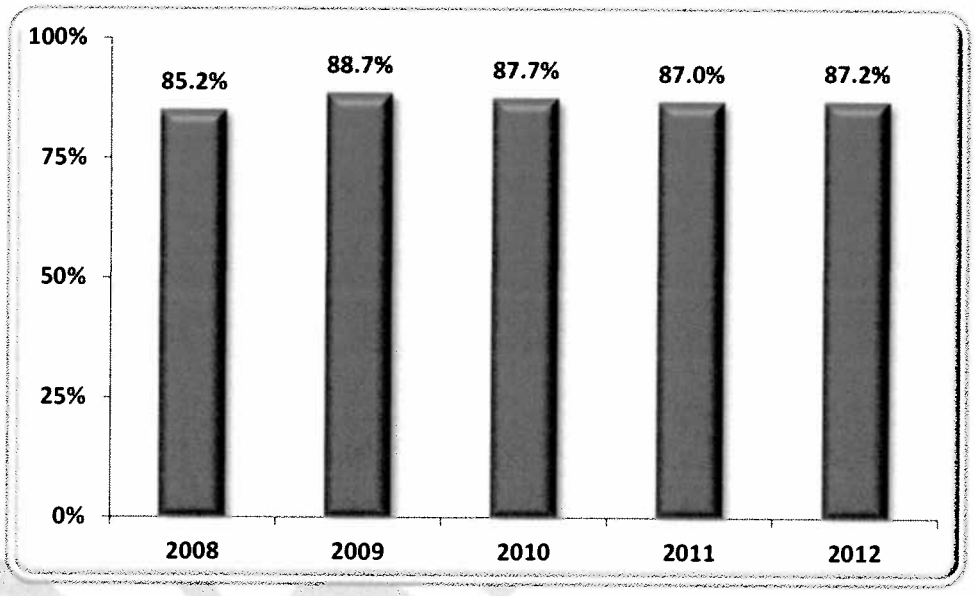
The average cost of providing each vehicle revenue mile of service.



SERVICE DELIVERY:
Customer Service and Safety

On-Time Performance

The percentage of time that buses and trains are considered on schedule, based on each Service Board's on-time performance measurement definition.

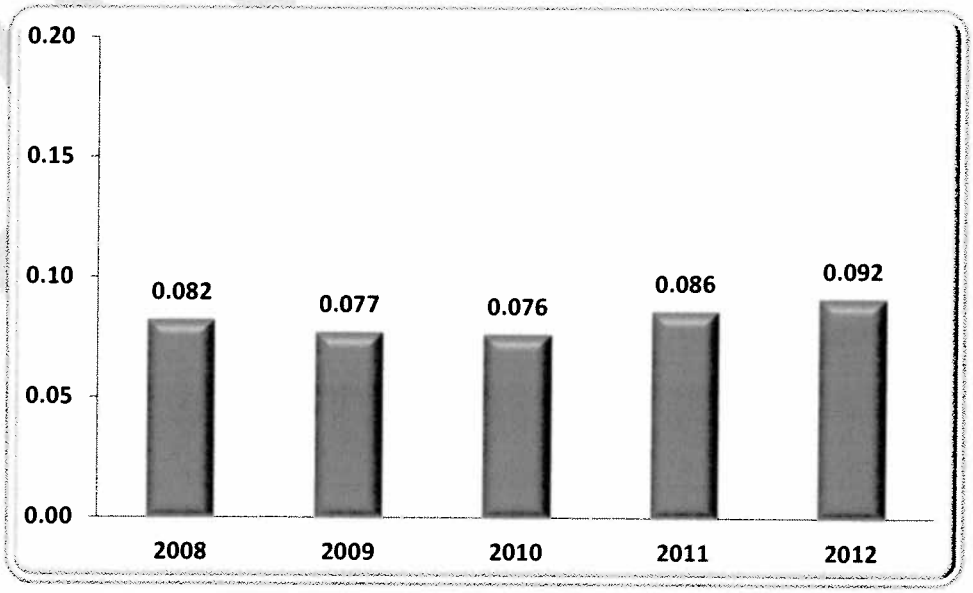


Reportable Safety and Security Incidents

Accidents, casualty, and crime statistics reported under the Federal Transit Administration (FTA) National Transit Database (NTD) reporting system.

Reportable Incidents per 100,000 Passenger Trips

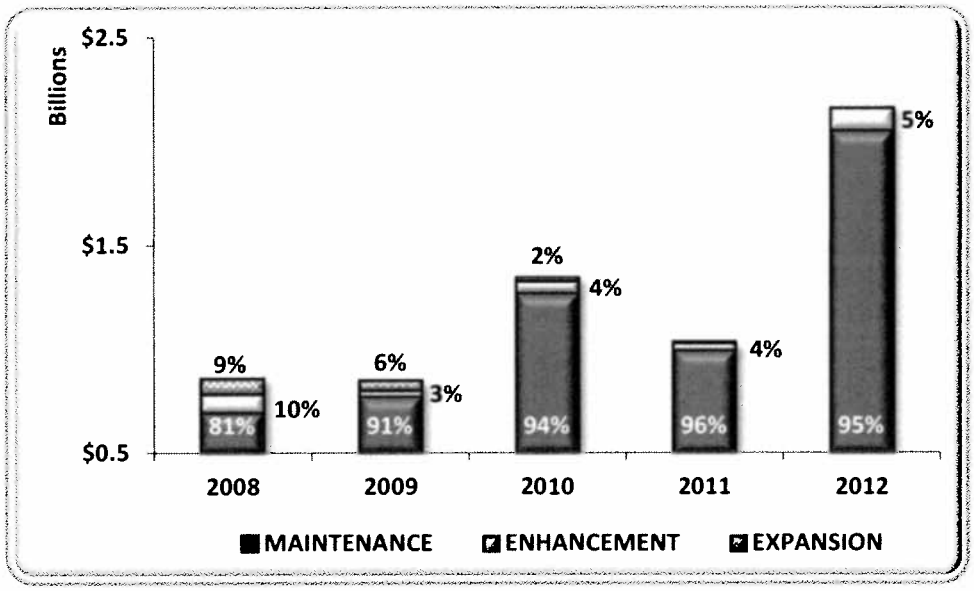
The number of combined major safety and security incidents per 100,000 trips taken.



SERVICE MAINTENANCE AND CAPITAL INVESTMENT:
State of Good Repair

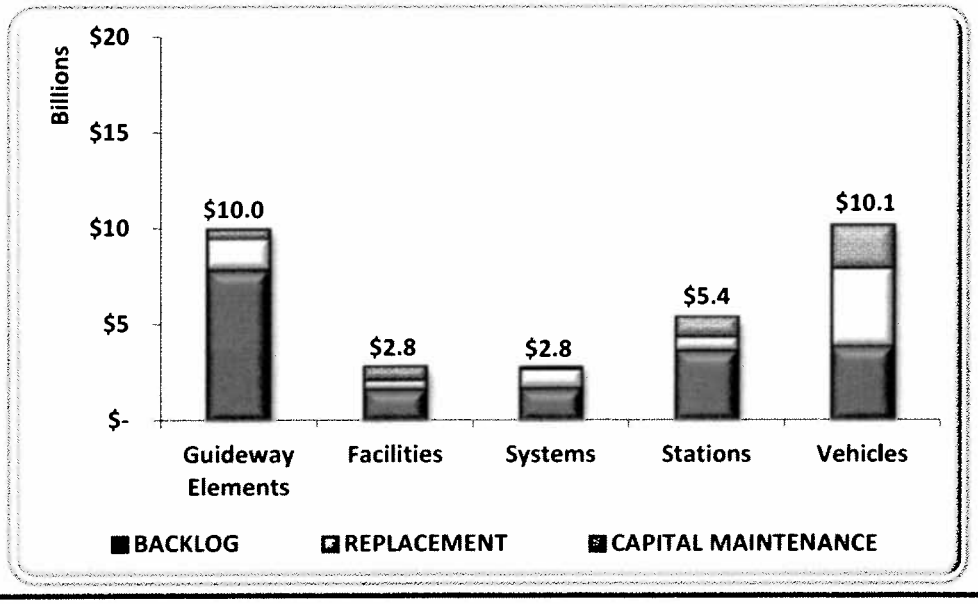
Capital Program Maintenance / Enhancement / Expansion

The annual allocation of projects budgeted within each category as a percent of the total capital program. Each year's capital program is the sum of new, de-obligated, and reprogrammed funding available to repair, augment, and grow service.



10-Year Capital Funding Needs

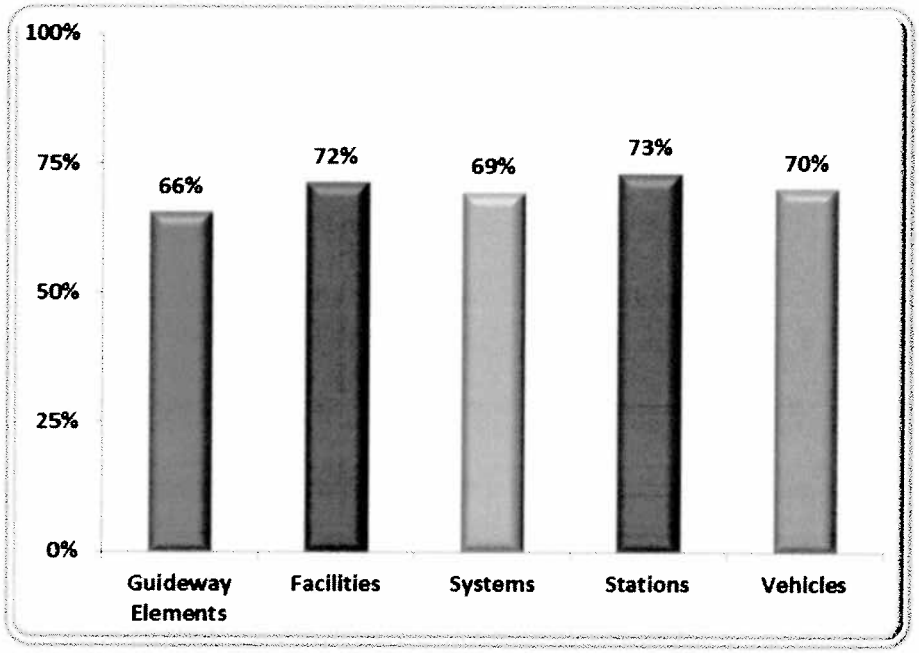
The estimated cost of bringing RTA system-wide assets up to a State of Good Repair over the next ten years totals over $31.1 billion, consisting of $18.7 billion in backlog projects and $12.4 billion for regular maintenance and replacement projects.



SERVICE MAINTENANCE AND CAPITAL INVESTMENT:
State of Good Repair

Percent of Assets in a State of Good Repair

The general physical condition of the region's capital assets, based on analysis of the current physical condition and age distribution of each Service Board's transit assets from inventory data reported as of December 2011. The condition rating levels established by the RTA for purposes of categorizing physical condition are numbered 1 (worn) through 5 (excellent), consistent with the rating system used by the Federal Transit Administration; assets rated 2.5 or better are considered in this report to be in a State of Good Repair. Subway tunnel structures are considered permanent assets and are excluded from this asset rating exercise, as they are not intended to be replaced, but rather rehabilitated indefinitely. Metra guideway data are under development and are also excluded from this year's report, but will be included in future reports as a more complete dataset becomes available. Adjustments were also made to exclude Pace maintenance facilities which may still be within their useful life, but which Pace categorized as functionally obsolete.

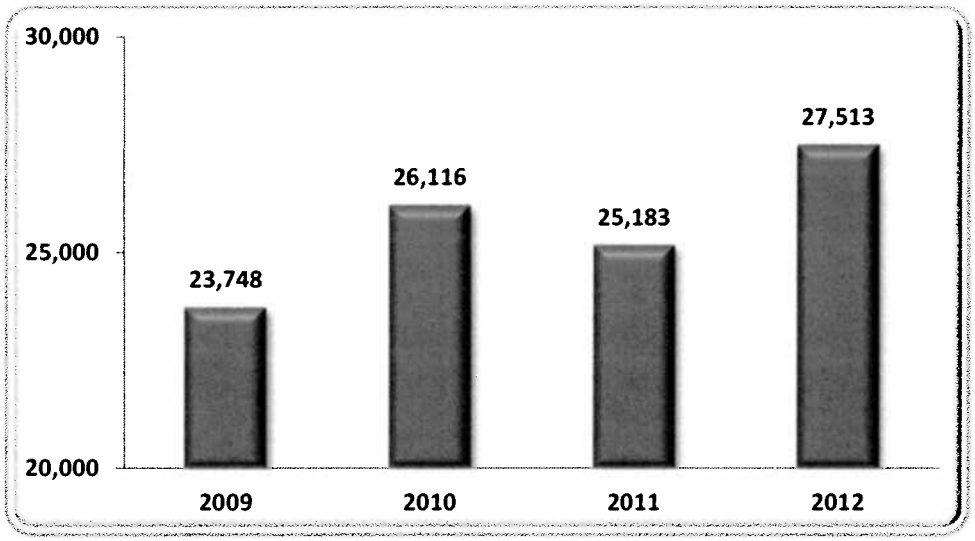


SERVICE MAINTENANCE AND CAPITAL INVESTMENT:
Reliability

Miles Between Major Mechanical Failures

The average distance that revenue vehicles of all modes travel in service (total vehicle revenue miles plus deadhead miles) between mechanical failures that prevent them from completing a scheduled trip or from starting the next scheduled trip.

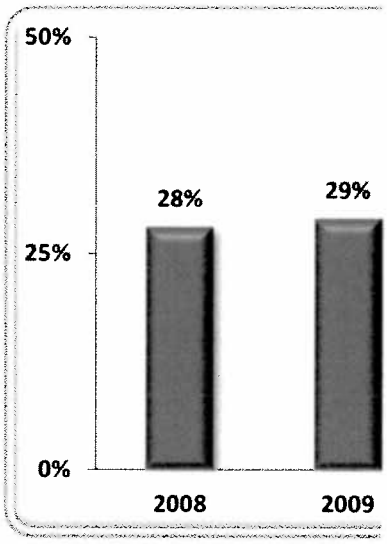
Note: prior to 2009, NTD did not require the reporting of major mechanical failures for purchased transportation; therefore, only four years of data are shown for this measure so that all failures are included for each mode and type of service.



Percent of Vehicles Beyond Useful Life

The percentage of vehicles in the total revenue vehicle fleet that have reached the end of their minimum useful life as defined by the Federal Transit Administration.

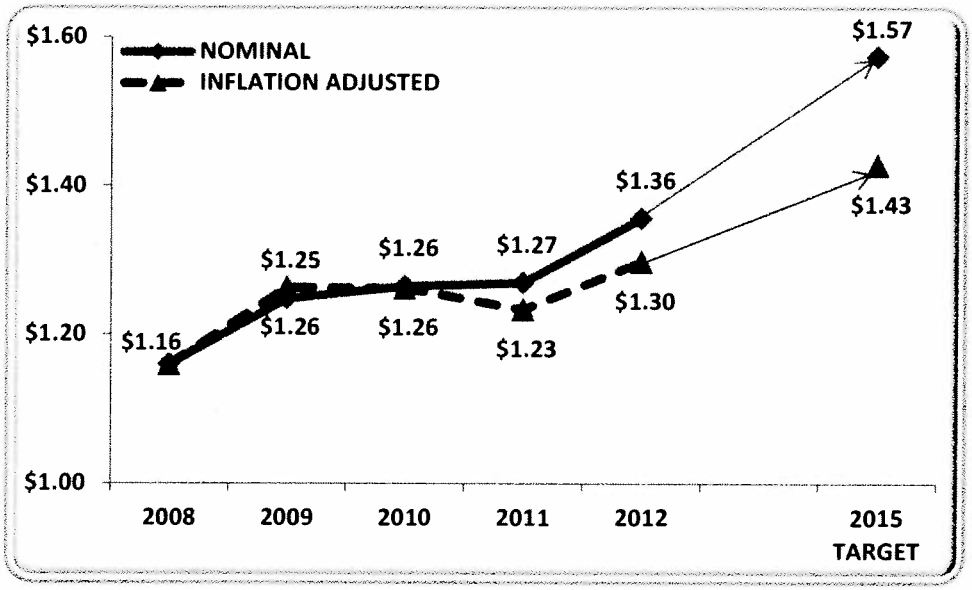
Useful life is defined as 4 years for new cars or vans, 12 years for new buses, and 25 years for new rail cars. Data do not reflect rehabilitations that are undertaken to keep vehicles in service beyond FTA guidelines.



SERVICE LEVEL SOLVENCY:
Operations

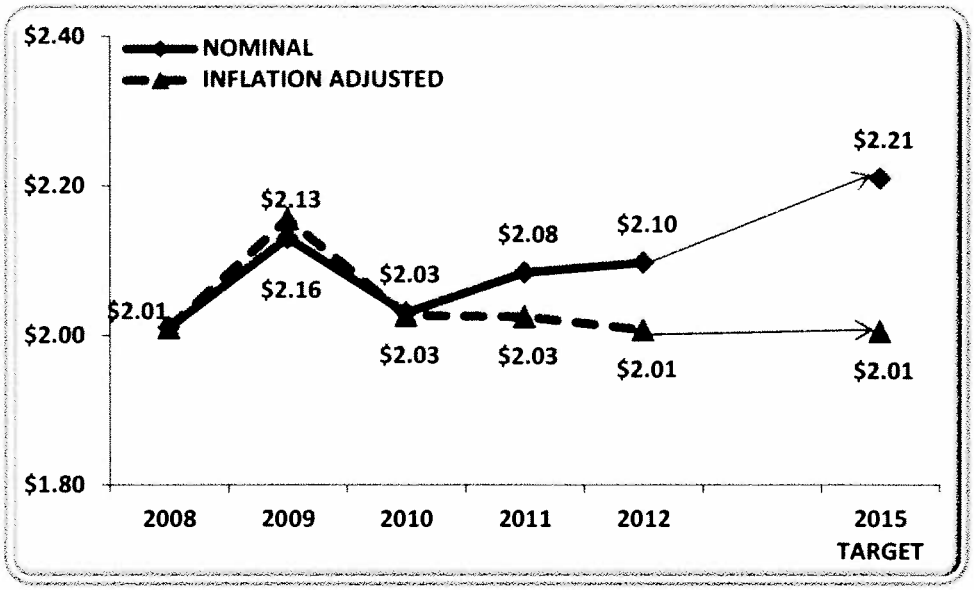
Fare Revenue
The total amount of money that passengers pay in fares.

Fare Revenue per Passenger Trip
The average fare paid by customers per trip.



Non-Fare Revenue
The amount of revenue from sources other than fares required to cover the average cost of a passenger trip.

Non-Fare Revenue per Passenger Trip



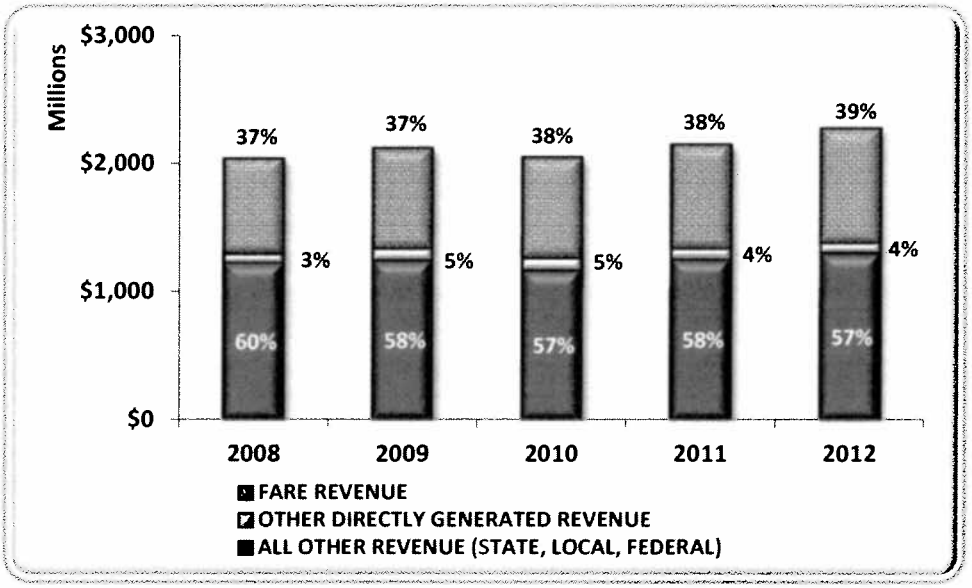
SERVICE LEVEL SOLVENCY:
Operations

Non-Fare Revenue (Farebox Recovery Shortfall)

The amount of revenue from all sources, other than fare revenue, that is required to cover the total cost of operations. Non-fare revenue includes system-generated revenue (advertising, concessions, etc.) and state, local, and federal revenue.

Non-Fare Revenue Compared to Total Revenue

Operating costs are covered through the balance between fare revenue, other directly generated revenue (advertising, concessions, etc.) and all other revenue (local, state, and federal).

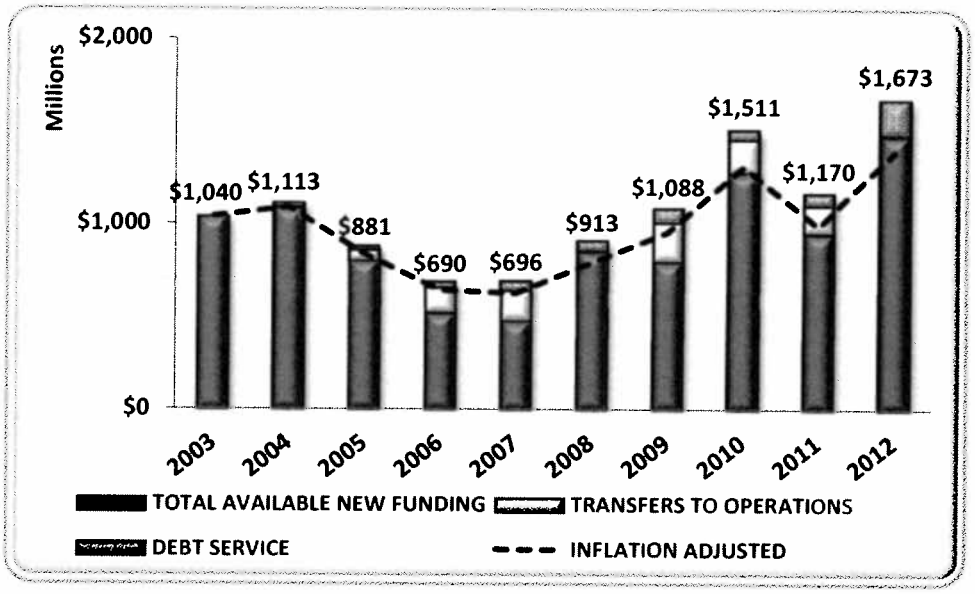


SERVICE LEVEL SOLVENCY:
Capital

Capital Program Funding

The amount of new capital funds budgeted to finance the maintenance, enhancement and expansion of the transit system's infrastructure. Capital funds budgeted in one year may not actually be expended until subsequent years due to the longer-term nature of capital project implementation. Capital funding amounts include capital funding transferred to operations and debt service paid on capital bonds, which began in 2004. The region's capital program is shown for the past ten years to demonstrate the variance in capital funds availability over time.

Capital Program Funding (millions)



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Regional Transportation Authority

MOVING BEYOND CONGESTION

SUB-REGIONAL PERFORMANCE MEASURES

2009 REPORT

Overall regional performance is a function of five major areas:

- Service Coverage - monitors both how much service is available to people in the region (in terms of population and square miles) and how much of that service capacity is used.

- Service Efficiency and Effectiveness - evaluates the level of resources spent on delivering service in relation to the level of service provided and the extent to which passengers are using that service.

- Service Delivery - reflects the quality of the service delivered.

- Service Maintenance and Capital Investment - indicates the allocation of capital funds and the replacement and maintenance of infrastructure components on a schedule consistent with their life expectancy.

- Service Level Solvency - assesses financial condition to ensure that there are sufficient resources to meet current and ongoing budgetary needs (both operating and capital).

Prepared by Department of Research, Analysis & Policy Development
Regional Transportation Authority, December 2010

EXECUTIVE SUMMARY

The Sub-Regional Performance Measures Report has been developed as a companion report to the Regional Report Card with a shared purpose of supporting the evaluation and management of the region's public transit system, emphasizing transparency and accountability. While the Regional Report Card offers a look at data from CTA, Metra, and Pace combined, the Sub-Regional Report differs in that it considers each Service Board and service mode as a unique reporting entity. The report is based on data from the National Transit Database (NTD) to ensure comparability between agencies in definition and collection of data elements. Nevertheless, caution should be exercised when reviewing measures by service board and/or mode; the transit services operated by CTA, Metra, and Pace differ significantly from one another in underlying cost structure and many aspects of service delivery. The purpose of this report is to analyze the components of the regional measures to better understand their impact on overall performance and to understand the trends in performance of each operating agency compared to its own previous performance.

During the five-year period 2005-2009 covered in this report, transit performance in the region was marked by generally improving trends and corresponding increases in ridership until the 2008 national and regional economic collapse. As regional unemployment rose and tax revenues declined, the impact on both ridership and the financial health of the RTA system has been significant. In January 2008, the Illinois State Legislature passed new funding and reform legislation for the RTA. The anticipated result was a new, secure source of funding for transit operation in Northeastern Illinois. With the onset of the recession, funding levels never achieved the goals set. However, without the passage of that legislation and the increased sources of funding provided, the RTA system would have been in a dire financial situation. As it was, the RTA system was able to withstand the economic downturn better than many of its peers in other cities.

In addition, the difficult financial situation that the RTA confronted during the period examined in this report led to tight control of costs and generally improved efficiency on a per unit of service basis. The report also emphasizes the challenges that lie ahead for the RTA system as a continuing weak economy results in low tax revenues and as the need for capital investment in the existing infrastructure significantly exceeds available funding sources.

As with the Regional Report Card, the sub-regional performance measures refer to five major areas of service provision: service coverage, service efficiency and effectiveness, service delivery, service maintenance and capital investment, and service level solvency. During the period being analyzed, all city and suburban ADA paratransit operations were consolidated at Pace in 2006, which affected nearly every indicator for Pace when considered at a service board level.

Service coverage indicators monitor both how much service is available to the region's residents (supply) and how much of that supply is actually used by the public (consumption). Vehicle revenue hours and vehicle revenue miles are basic indicators of the amount of service that transit agencies supply for consumers; the RTA system experienced overall increases of 6.1% and 6.6%, respectively, over the past five years.

CTA experienced losses for these indicators, primarily attributable to the transition of paratransit services to Pace, which consequently experienced gains of 70% for vehicle revenue hours and 66% for vehicle revenue miles. Pace vanpool also showed significant gains for these measures as increases in the cost of gasoline led more people to seek alternatives to driving; however, vanpool saw 8-10% losses for these measures in 2009, when gasoline prices fell after rising steeply in 2008 and as the recession affected employment levels. Metra showed steady positive gains, totaling over 12% in revenue miles and hours over the past five years, resulting from the implementation of service expansions and enhancements. New start expansion projects were completed in 2006 on the Union Pacific West Line and the North Central Service, early morning reverse commute service was added on the Union Pacific North Line in 2007, and off-peak weekend service additions on the Union Pacific North Line, the Milwaukee North Line and the SouthWest Service in 2008 and 2009.

Passenger trips primarily trended upward over the past five years, with a regional increase of 7.7% through 2008. Then, under the effects of the recession, ridership declined 2.4% in 2009. Pace bus had an especially steep drop in ridership in 2009 (-15%) from a combination of a fare increase implemented in January 2009 and the poor economy. Metra showed a similar pattern of growth through 2008 (+12%) and decline in 2009 (-6.7%) as the Chicago region experienced a 5% loss of jobs. CTA experienced the least fall-off in 2009 ridership with a decline on bus of almost 3%, but rail ridership increased 2.2% related to completion of the Brown Line capacity expansion project.

Service efficiency and effectiveness measures evaluate the cost of supplying transit services. Each service board and mode has had increases in their operating costs that, except for CTA rail, have outpaced the inflation rate. The CTA's operating costs were aided by the issuance of nearly $2 billion in pension obligation bonds used to fund the retirement plan and post-employment health care in 2008. Pace had to re-negotiate contracts for city ADA paratransit service, as eight-year contracts previously administered by CTA came to an end, resulting in cost increases for those services. Metra, the service board with the smallest increase in operating costs in 2009, was helped by lower diesel fuel prices in 2009, a factor which had in prior years exacerbated cost increases as diesel prices climbed to record high levels. On a unit-of-service-produced basis, both operating costs per revenue vehicle mile and hour increased at rates below the rate of inflation for the region over the five-year period, demonstrating improvements in efficiency.

Service delivery indicators focus on the quality of service delivered. Each service mode had better on-time performance in 2009 than in 2008; this improving trend is also seen over the three years for which data are available. Although comparable data regarding reportable major safety and security incidents only exist for 2008 and 2009, each service board reported fewer incidents for 2009, with only CTA rail showing an increase for this measure at the mode level. Changes to average trip lengths vary widely among the service boards; CTA passengers have taken shorter trips on bus and rail in 2009 and as a trend over the past five years, while Metra and the non-ADA paratransit modes at Pace have experienced increases in trip lengths. Dial-a-ride stands out with a 13% increase in average trip length since 2007, while ADA paratransit shows a 12% decline since 2007 for this measure, as passengers take more, shorter trips on ADA paratransit and fewer, longer trips on dial-a-ride services.

Service Maintenance and Capital Investment performance indicators evaluate reliability and state of good repair. The capital program budget for maintenance, expansion, and enhancement projects for the region has decreased from 2005 by 8.4%, or $77.8 million. For 2009, CTA's capital program budget is the lowest it has been for the five years under review. Conversely, Metra and Pace are at their highest levels, with 73% and 65% increases, respectively, from 2008, mostly due to the support of stimulus dollars from the federal American Recovery and Reinvestment Act. For all the service boards, the majority of the capital budget is allotted to maintenance projects, and this percentage has been increasing over the past five years. Increased maintenance costs are required to keep older vehicles on the road, and although the region has seen significant reductions in the number of vehicles in operation beyond their useful life, there were still 2,019 over-age vehicles (29%) on the system in 2009. The newly-completed Capital Asset Condition Report has found that the service boards will need over $24.6 billion over the next ten years to get regional assets to a State of Good Repair: $15 billion for CTA, $7.4 billion for Metra, and $2.3 billion for Pace.

Service Level Solvency measures showed some improvement for 2009, largely due to fare increases at CTA and Pace. Over the five-year period, all three service boards showed considerable gains in fare revenues -- CTA (+21%), Metra (+19%), and Pace (+18%) -- demonstrating a stronger solvency position. There has also been a 9% increase in the overall regional non-fare revenue required to support operations over the past five years. CTA showed a loss of nearly 7% related to the transfer of ADA paratransit service to Pace, Metra yielded an increase of nearly 12%, and Pace experienced a 98% increase in non-fare revenue, reflecting their widened paratransit service area and increased reliance on subsidies for those trips, as well as increases in local support for regular fixed route bus service. The cost recovery ratio for the region in 2009 remained at the 2008 level, with 37% of expenses covered by fares based on NTD data and definitions, which represented a small improvement over earlier levels. The RTA recovery ratio, which allows certain adjustments as specified in the RTA Act, was 56%. Although total capital funding increased in 2009 by 19%, new funding available for programming (net of transfers to operations and payment of debt service) decreased by nearly 7% for the region, and remains 27% below the region's high funding levels of 2004. In 2009, CTA had 39% less available new capital funding than in 2008 as a result of having to divert over $200 million to operations and nearly $80 million to debt service. Conversely, Metra and Pace saw increases of 74% and 73% in available new funding, respectively. Funding levels for all three service boards in 2009 benefited from the federal stimulus money from the American Recovery and Reinvestment Act passed in February 2009. Projected funding needs of $24.6 billion over the next ten years, based on the Capital Asset Condition Report, exceed projected funding levels by three times.

NOTES

(1) This analysis is based on published data from the National Transit Database (NTD), RTA's audited financials, and operating data from the three Service Boards.

(2) In July 2006, operation of ADA paratransit for the Chicago service area was transferred from CTA to Pace, thus establishing Pace as the regional operator of all ADA paratransit service. Prior to 2007, the Pace dial-a-ride data on the charts includes suburban ADA paratransit service. In 2007, Pace began reporting regional ADA paratransit service separately from dial-a-ride.

(3) In 2009, NTD required Metra to change how it reported capital project credits making Metra expense data between 2008 and 2009 inconsistent. In 2009, capital project credits were no longer allowed to be subtracted from expenses as they had been in years 2006 through 2008. Capital project credits represented 5% of Metra's operating costs in 2009.

(4) The customer satisfaction index score and unconstrained budget ratio indicators are under development and will be included in future reports.

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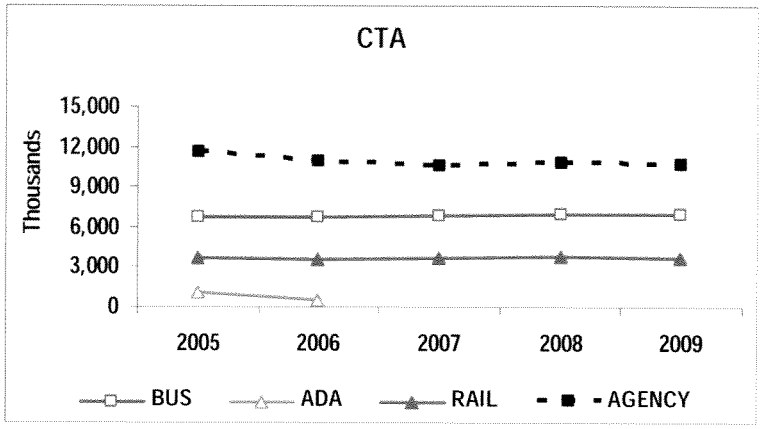
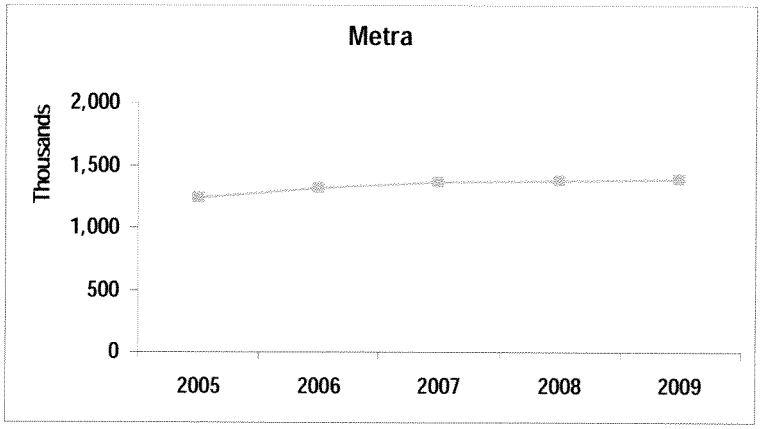
Vehicle Revenue Hours

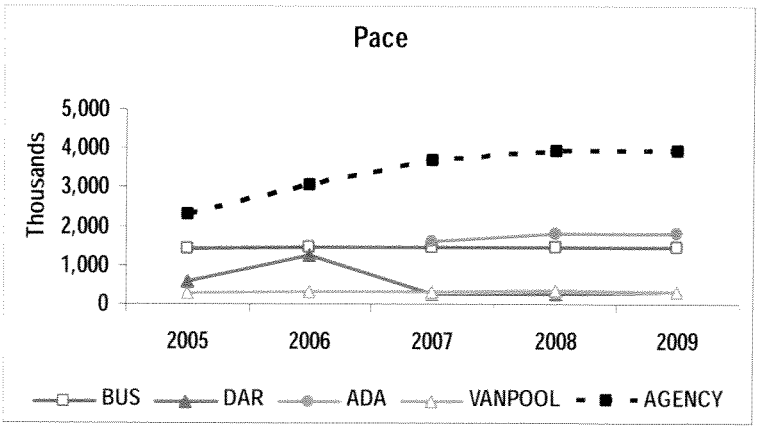
Vehicle revenue hours are the hours that vehicles travel while in revenue service, including layover/recovery time, but excluding vehicle repositioning (deadhead) time.

Recent Data and Interpretation

The RTA system has experienced an overall 6.1% increase in vehicle revenue hours over the past five years. CTA bus and rail service each had slight increases over the five-year period. In July 2006, operation of all paratransit services were consolidated at Pace, resulting in a decline in CTA's total vehicle revenue hours. The Brown Line capacity enhancement project affected levels of rail service during this period as reconstruction work was undertaken. In 2008, the resumption of four-track operations between Belmont and Fullerton allowed increased frequency on the Red, Brown, and Purple Lines, contributing to an increase in revenue hours. Metra had a 12.7% increase in vehicle revenue hours since 2005 related to new start expansion projects implemented in 2006, new early morning reverse commute service in 2007, and enhanced weekend services in 2008 and 2009. Pace's vehicle revenue hours increased significantly since 2005, mostly due to the transition of paratransit from CTA; bus service increased by 2.4% and vanpool increased 17.7%. In 2009, only Metra saw an increase in vehicle revenue hours compared to the previous year (0.8%) related to weekend service adjustments implemented in May 2008 and March 2009; CTA and Pace saw slight decreases of 1% and 0.3%, respectively.

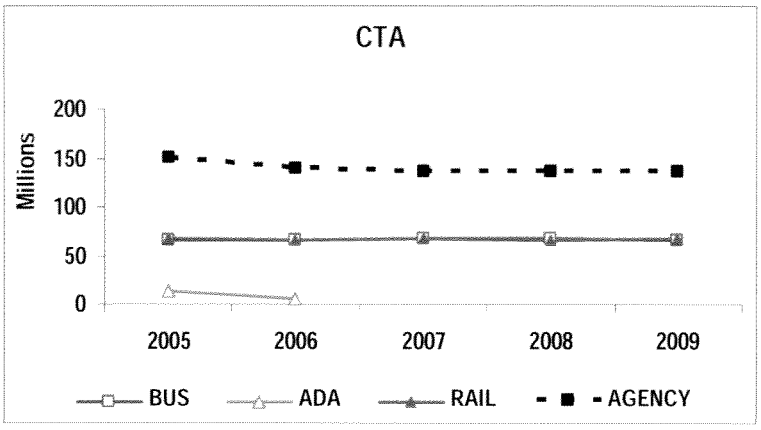






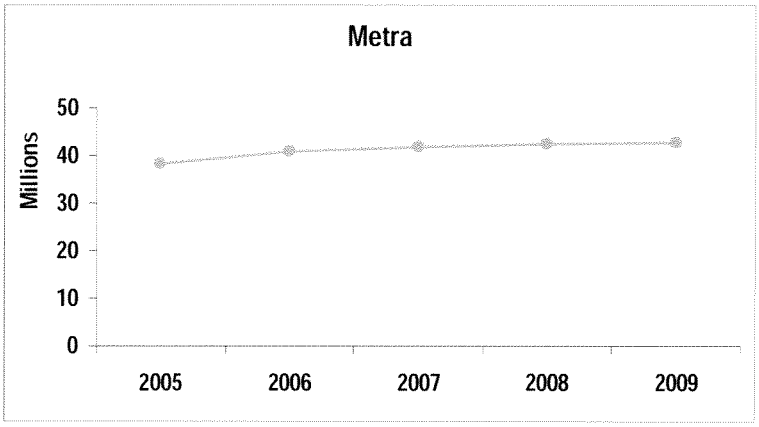
Vehicle Revenue Miles

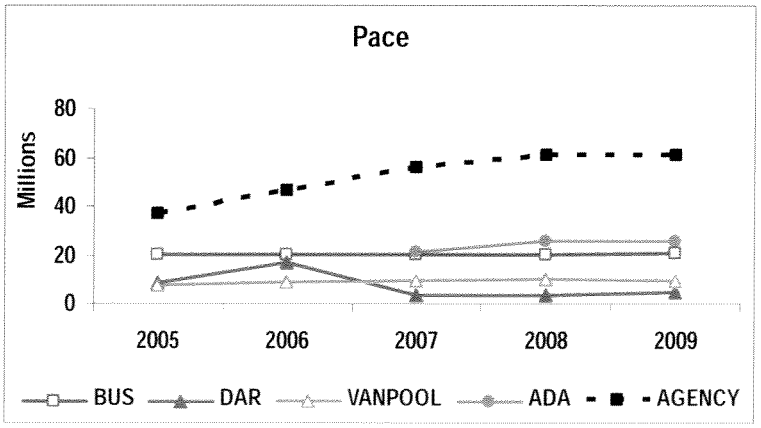
Vehicle revenue miles are the miles that vehicles travel while in revenue service i.e., excluding repositioning (deadhead) mileage. Vehicle revenue miles reflect the amount of transit service supplied and available for use by the public. Revenue miles supply the service consumers are buying – a trip of a certain distance.



Recent Data and Interpretation

The RTA system has experienced five years of steady, incremental increases in vehicle revenue miles, indicating the increased availability of transit service across the region. The trend in revenue miles followed the trend in revenue hours. CTA bus and rail vehicle revenue miles held steady since 2005. Metra and Pace have both had steady increases over the past five years. Vehicle revenue miles were practically unchanged in 2009 compared to 2008 for all three service boards.





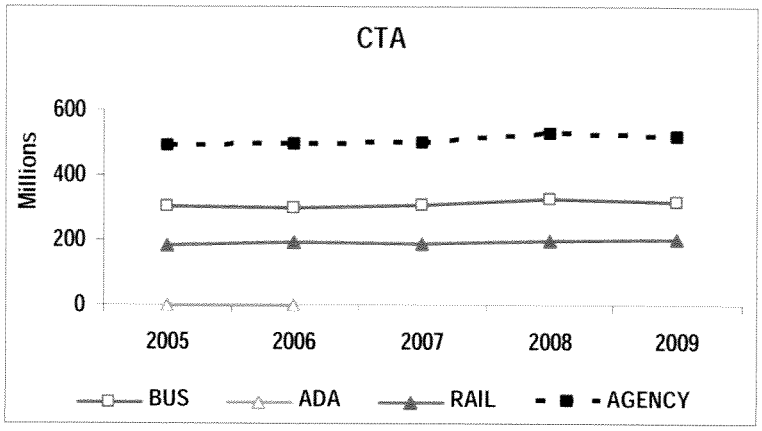
SERVICE COVERAGE:
Service Supplied and Consumed

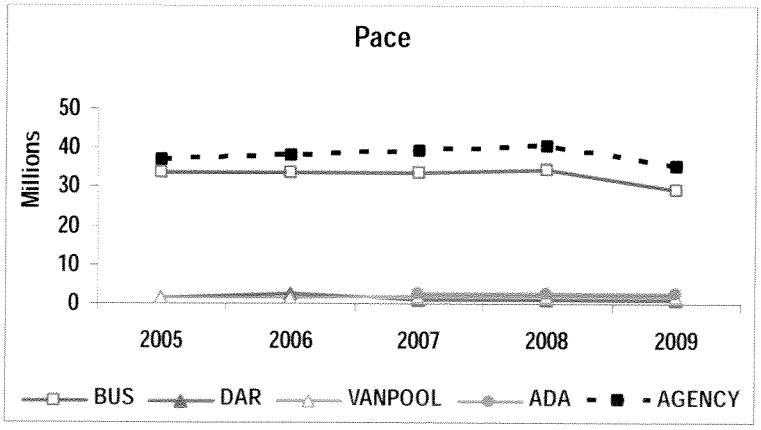
Passenger Trips

The number of passenger boardings on public transportation vehicles. A trip is counted each time a passenger boards a vehicle to travel from their origin to their destination.

Recent Data and Interpretation

Regional ridership increased by 5.1% over the five-year period. All three agencies saw ridership gains through 2008 and declines in 2009, reflecting the national trend of decreased transit ridership as a result of the economic downturn. The Chicago region, however, did not experience the same steep ridership losses found at some transit systems. Between 2008 and 2009 regional ridership decreased by 2.4%, as jobs in the Chicago metropolitan area decreased by 5.2% and the unemployment rate increased from 6.2% to 10.0%. CTA rail ridership, aided by the reopening of full service on the Brown Line, bucked this trend and grew by 2.2% in 2009 and 8.5% over the five-year period. Metra ridership, which closely follows regional jobs, declined by 6.7% in 2009 after growing by 12% between 2005 and 2008. Pace bus service also experienced a significant ridership decline (-15.5%) in 2009 related to the economic downturn. In addition, Pace fares increased in January 2009 for the first time in eight years, contributing to some of the ridership loss. Pace dial-a-ride service and paratransit service, which are less closely tied to jobs, continued to grow in 2009.



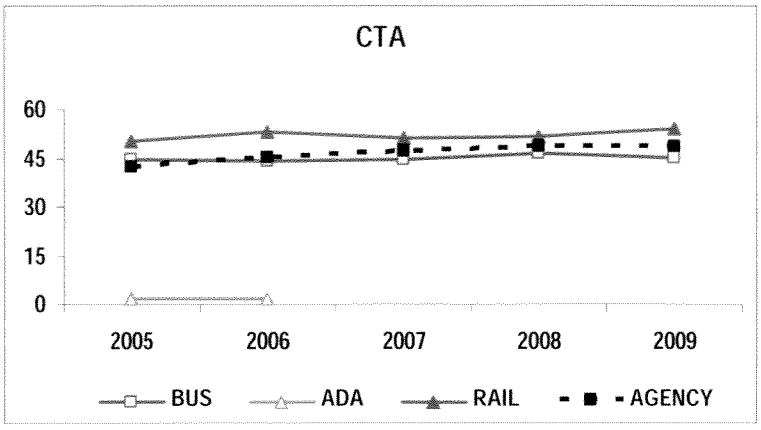


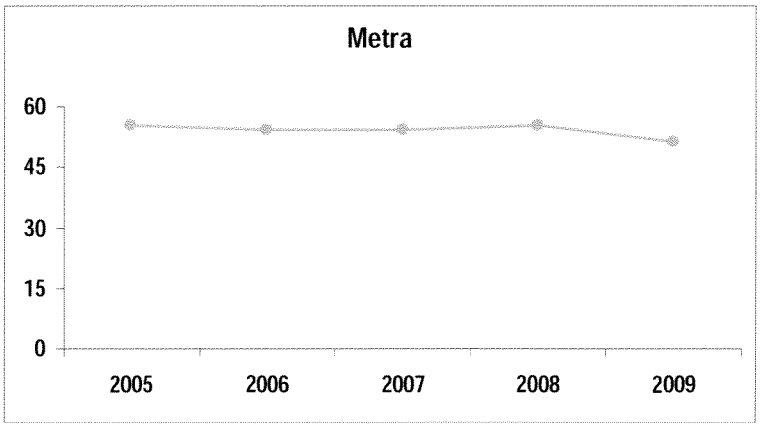
Passenger Trips per Vehicle Revenue Hour

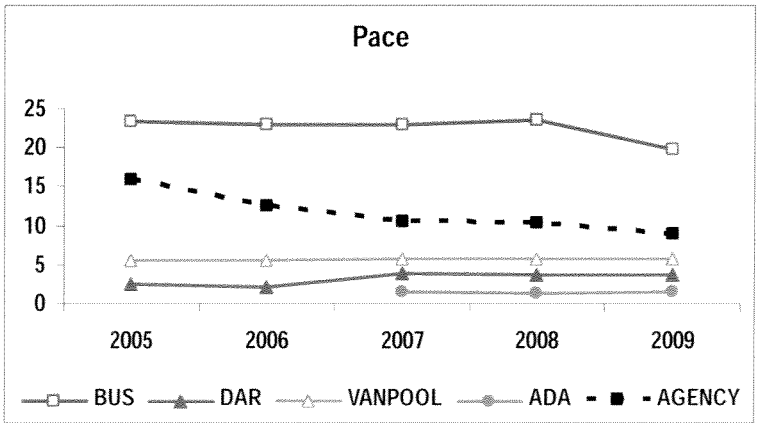
The number of passenger trips divided by the hours that vehicles travel while in revenue service. Passenger trips per revenue hour show how effectively the transit service supplied is used by the public.

Recent Data and Interpretation

System-wide, the increase in vehicle revenue hours exceeded the increase in passenger trips over the five-year period, resulting in a net loss of 0.9% for the number of passenger trips per vehicle revenue hour. CTA experienced a gain in trips per hour over the five-year period, led by rail's 7.4% growth; CTA bus increased by 1.2%. In 2009, CTA did not see any net change in trips per hour. Metra's trips per hour held steady through 2008 as increased passenger trips kept up with revenue hours added for new services. However, in 2009 ridership fell while service levels remained constant, causing the trips per hour measure to decline by 7.5%. Pace's decline in this measure can be attributed to the transition of paratransit service from CTA, with fewer trips per hour on smaller vehicles, and the decline in bus ridership in 2009. Ridership on all three service boards, and for transit on a national level, has suffered losses from the continued economic recession and high levels of unemployment.





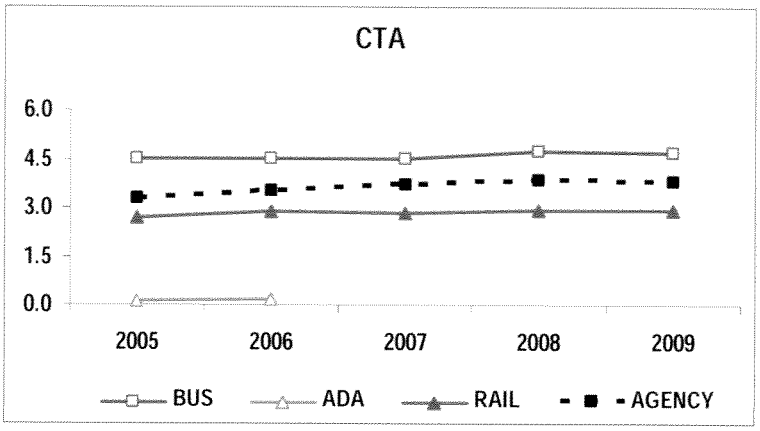


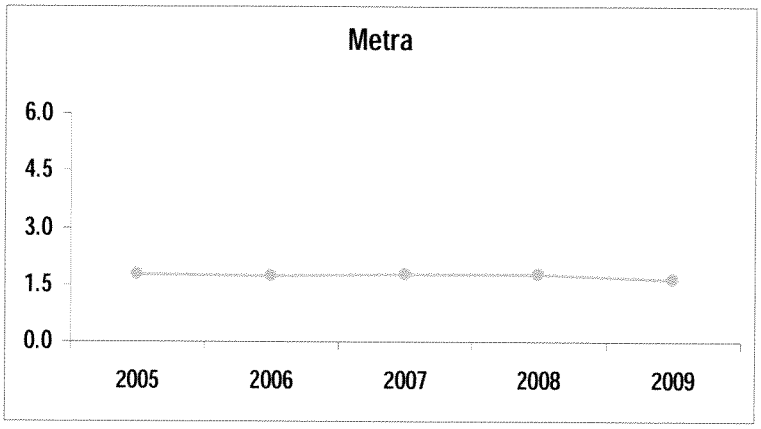
Passenger Trips per Vehicle Revenue Mile

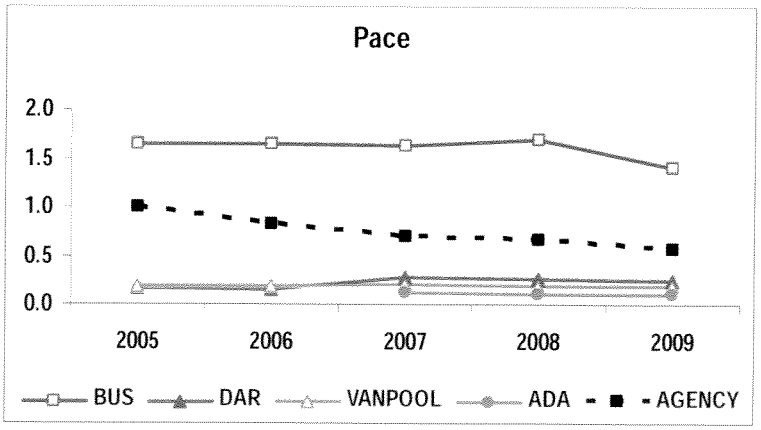
The number of passenger trips divided by the miles that vehicles travel while in revenue service. Passenger trips per revenue mile show how effectively the transit service supplied is used by the public.

Recent Data and Interpretation

Passenger trips per revenue mile have remained relatively unchanged in the Chicago region since 2005. CTA experienced growth in both bus (4.1%) and rail (9.0%), indicating increased service effectiveness as ridership grew over the last five years. Metra performance held steady through 2008 and then dropped in 2009 with the decline in ridership resulting from regional job losses. Pace bus service also experienced a decline in 2009 after holding steady since 2005. The value of this indicator decreased for Pace as an agency with the growth in the provision of paratransit service, which has a lower passenger per vehicle mile value due to the use of small vehicles. All three service boards saw reductions in this measure in 2009 resulting from the continued economic recession and high unemployment rate.





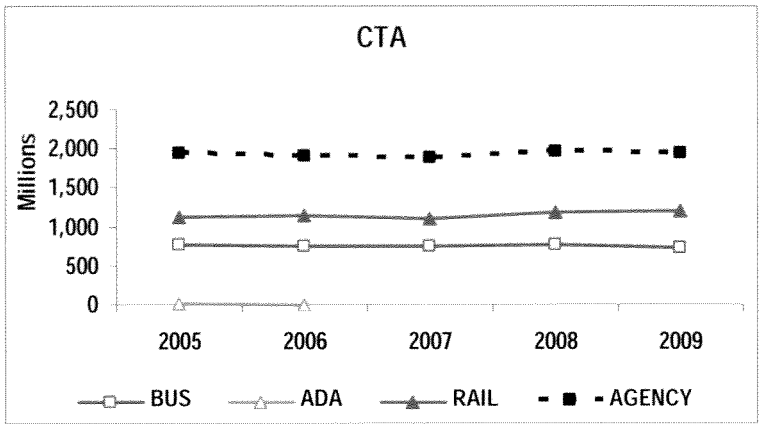


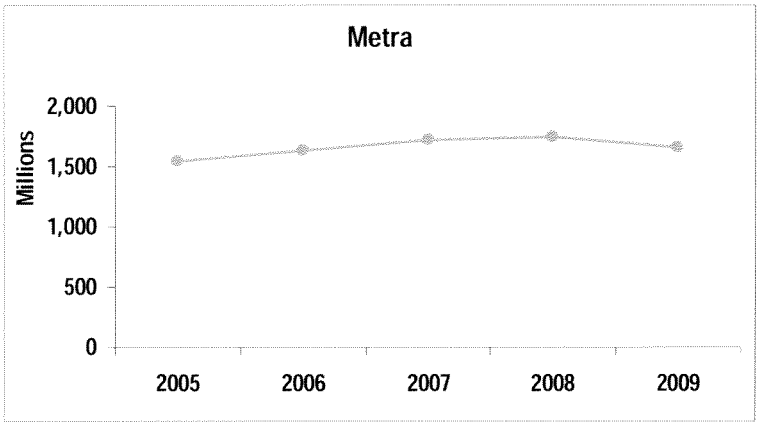
Passenger Miles

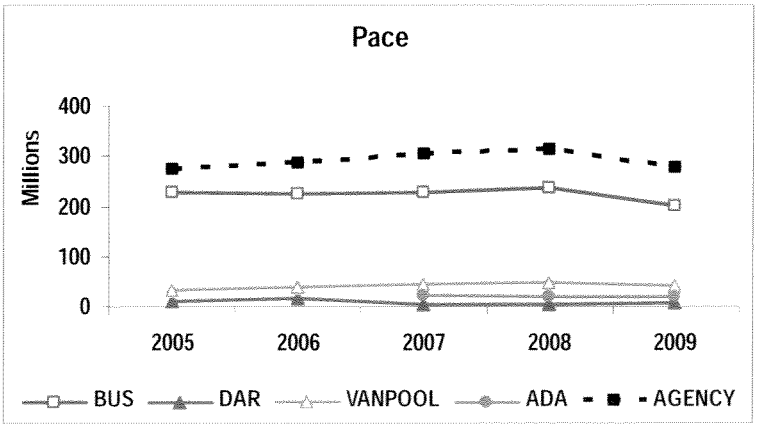
Cumulative sum of the distances ridden by each passenger. Passenger miles are equal to the average trip length multiplied by total passenger trips.

Recent Data and Interpretation

Over the past five years, all three service boards noted increases in passenger miles, with a net gain of 3.1% for the Chicago region. However, losses in ridership in 2009 resulted in decreases in passenger miles for the year for all three operators.

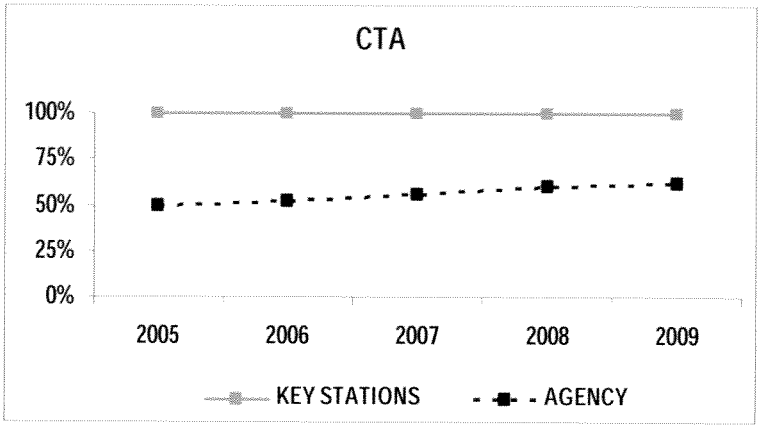


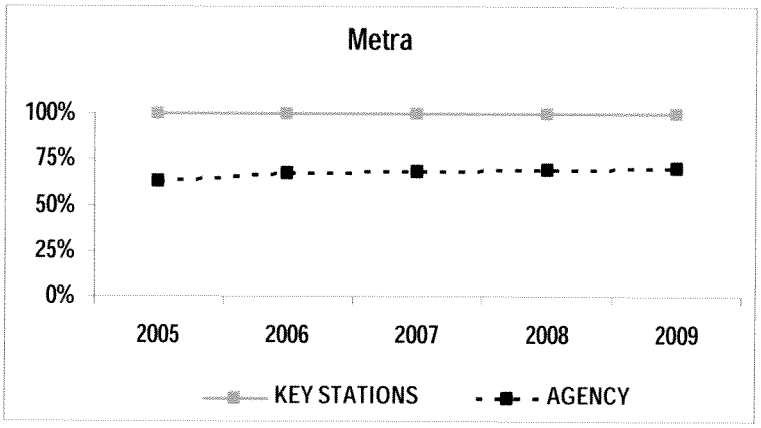




Percentage of Stations ADA Accessible

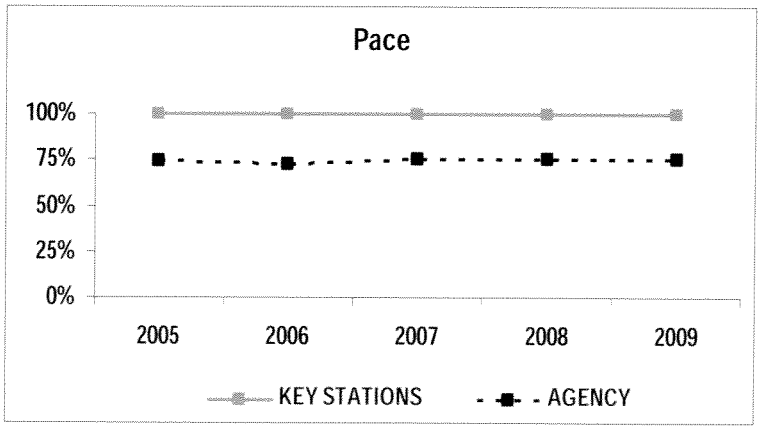
ADA accessibility refers to the ability to accommodate passengers with disabilities, either by removing barriers to transit use or by providing specially-equipped vehicles to allow equal access to transit. ADA accessibility standards for transit are established in Title 49, parts 27 and 38 of the Americans with Disabilities Act of 1990. In addition to complying with federal laws, meeting ADA accessibility standards in the public transit industry allows for increased mobility for all of the region's population and is a quality of life issue. "Key" stations include those stations whose number of passengers exceeds its system average by at least 15%, stations which are major transfer points to other transit modes, stations at the end of a line, or stations that serve major activity centers.





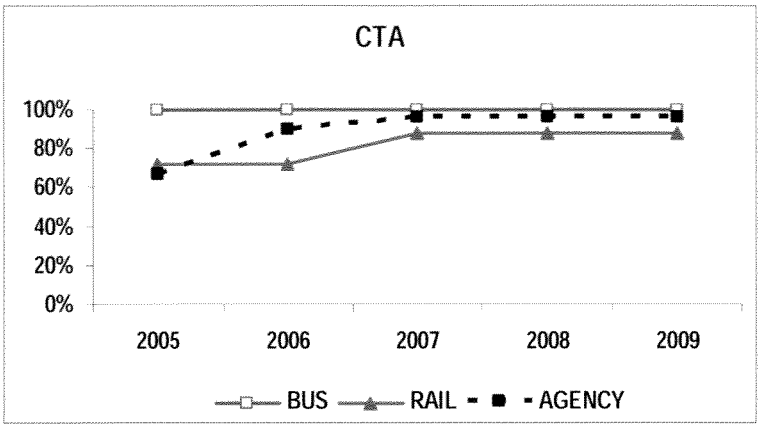
Recent Data and Interpretation

The region and each service board have seen increases in the number of ADA-accessible stations over the past five years. 100% of RTA's key stations are ADA-accessible, and 69% of all stations are ADA-accessible. The Pace stations actually refer to CTA or Metra train stations that Pace serves, in addition to other facilities such as Pace transportation centers.



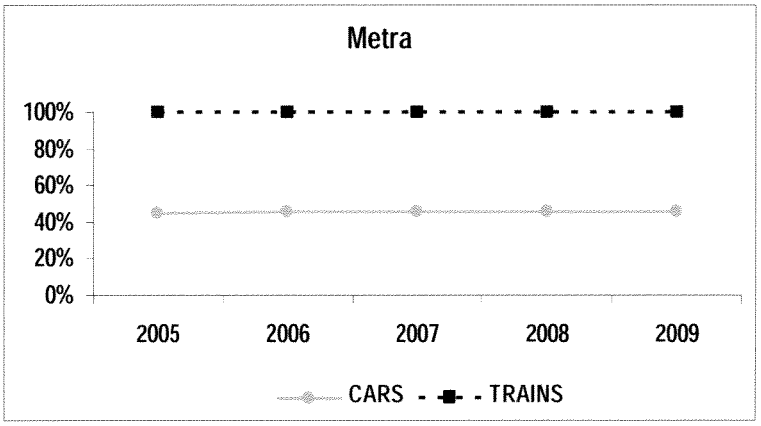
Percentage of Vehicles ADA Accessible

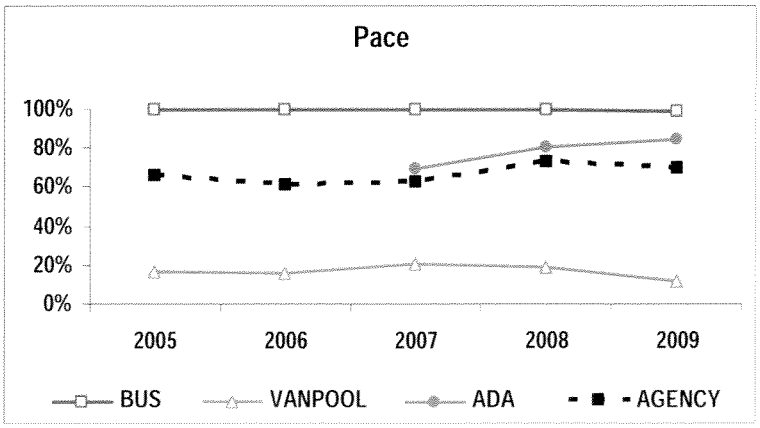
ADA accessibility refers to the ability to accommodate passengers with disabilities, either by removing barriers to transit use or by providing specially-equipped vehicles to allow equal access to transit. ADA accessibility standards for transit are established in Title 49, parts 27 and 38, of the Americans with Disabilities Act of 1990.



Recent Data and Interpretation

The region and each service board have seen increases in the number of ADA-accessible vehicles over the past five years. 100% of CTA and 99% of Pace buses are ADA-accessible. In regards to regional rail fleets, 88% of CTA's 'L' trains are ADA-accessible, and 46% of Metra's commuter rail cars are ADA-accessible. All CTA and Metra trains are ADA-accessible, however. CTA provides at least two accessible cars on all trains, with four accessible cars on all eight-car trains (two in the front of the train and two in the back). All Metra trains include at least one ADA-accessible car.



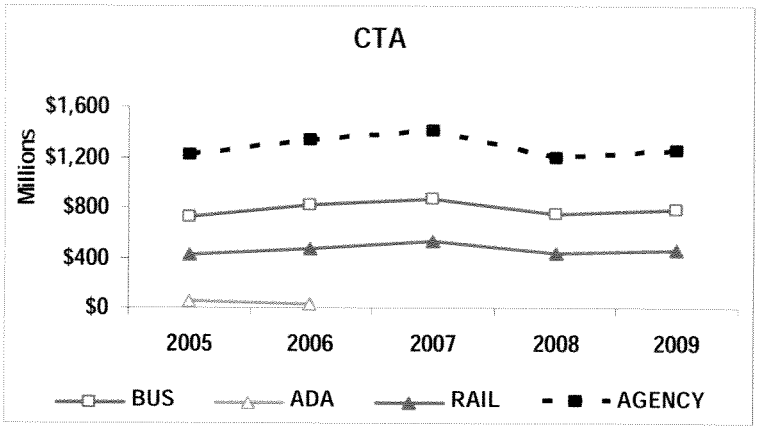


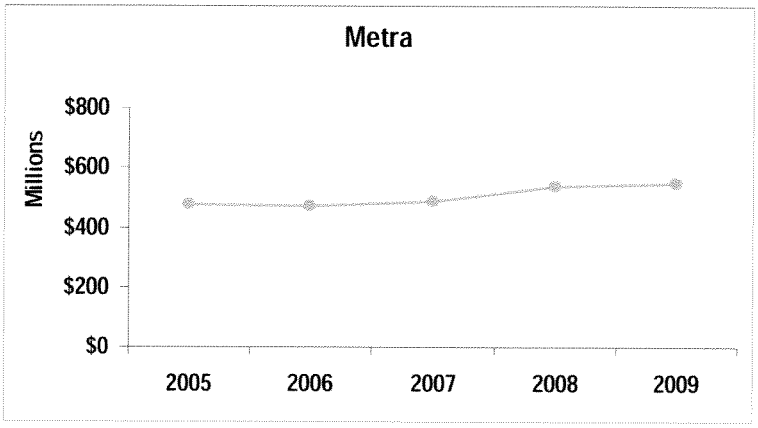
Operating Cost

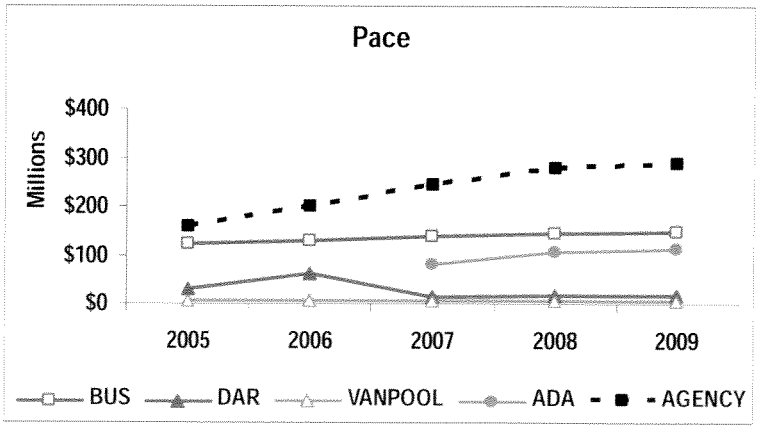
Total expenses associated with the operation of the transit agency.

Recent Data and Interpretation

Growth in operating costs exceeded inflation over the past five years. The volatile and rising cost of fuel placed an increasing burden on transit operations, in addition to increasing costs for health care in a labor-intensive industry, adding to the high cost of sustaining a mature transit system. Regional operating costs grew 13% over the five-year period compared to an 8.1% growth in inflation as measured by the regional Consumer Price Index. Pace's operating costs have been impacted by the consolidation of all city and suburban ADA paratransit services at Pace, resulting in the provision of additional service as well as the required re-negotiation of private operator contracts, which had been in place for eight years. In 2009 compared to 2008, the RTA region experienced a 4% increase in costs. CTA saw a 4.8% increase in costs in 2009 compared to 2008, largely due to the decrease in CTA labor costs in 2008 that resulted from the issuance of $1.9 billion in pension obligation bonds to fund the retirement plan and post-employment health care. Metra experienced only a 2% increase in costs in 2009, mitigated by lower fuel expenditures compared to the high rates paid for fuel in 2008. Metra capital credits were handled differently by NTD in 2009, resulting in higher operating costs in 2009 (see note 3, page 5). Pace costs increased 3.6% in 2009.





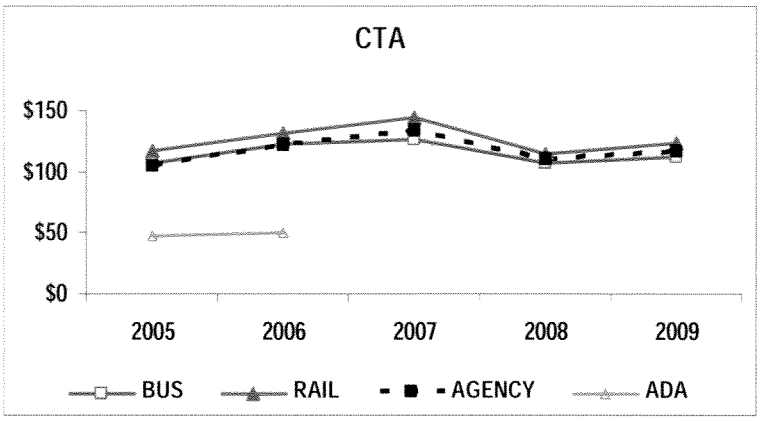


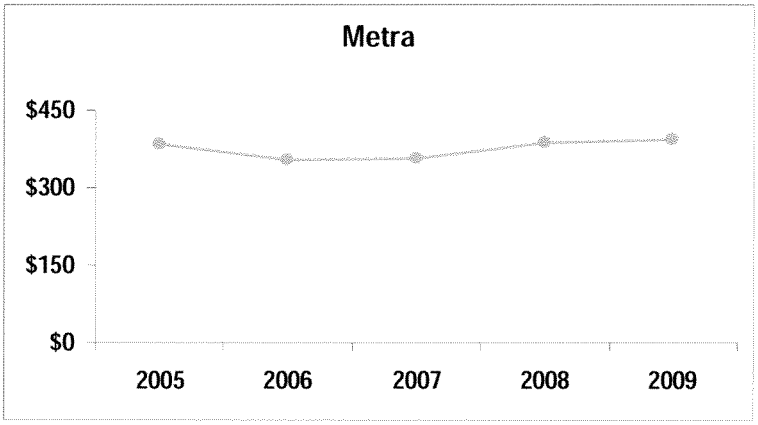
Operating Cost per Vehicle Revenue Hour

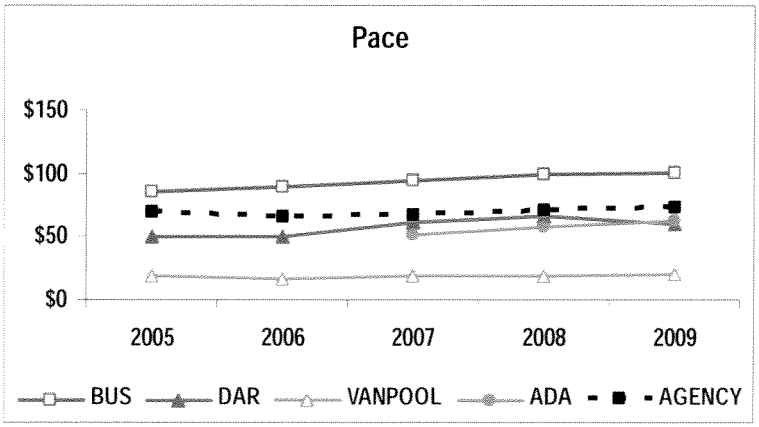
Operating expenses divided by the hours that vehicles travel while in revenue service. This measure demonstrates the actual dollar amounts that transit agencies must pay to operate each hour of service provided to the public.

Recent Data and Interpretation

The region as a whole had 6.5% higher costs per vehicle revenue hour in 2009 than in 2005. This increase is lower than the 8.1% growth in inflation over the same period, and indicates an improvement in the efficiency of providing service. Metra's relatively higher cost per hour of service reflects the costs associated with maintaining a right-of-way throughout a large geographic area and is typical of commuter rail service. In 2009, all three service boards experienced higher operating costs per hour as compared to 2005.

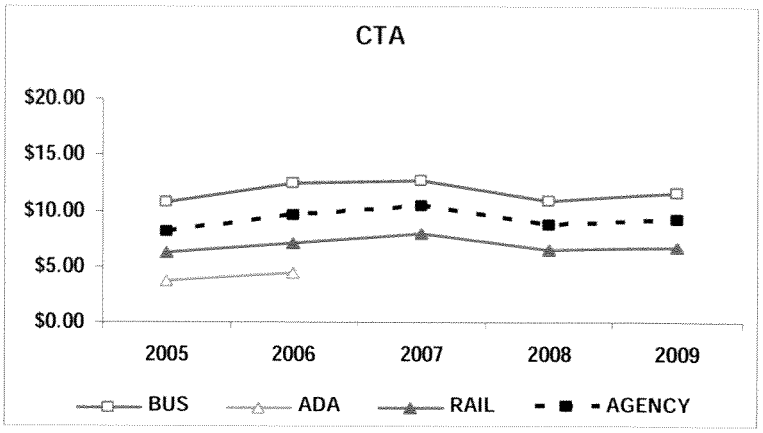






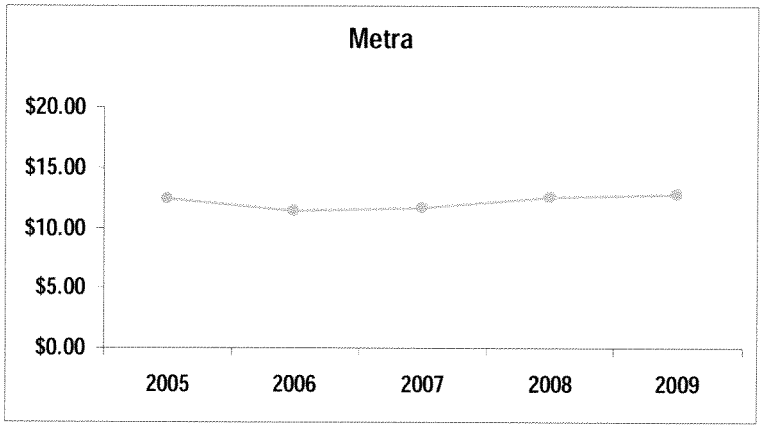
Operating Cost per Vehicle Revenue Mile

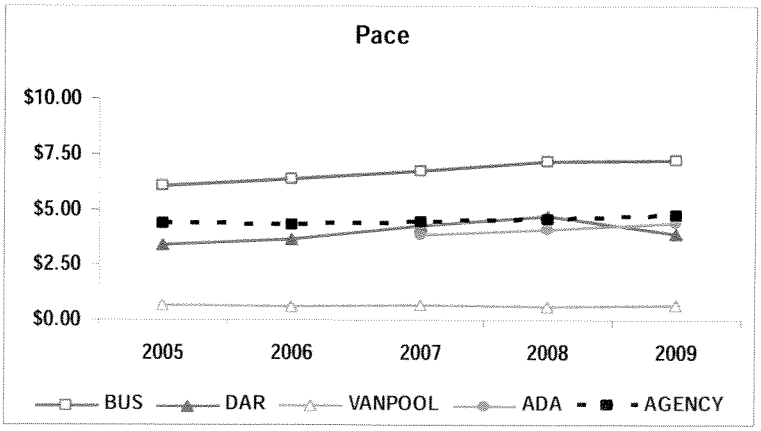
The expenses associated with the operation of the transit agency divided by the miles that vehicles travel while in revenue service. Operating costs show the level of resources spent on service delivery in relation to the service being provided and used.



Recent Data and Interpretation

This measure trends similarly to operating cost per vehicle revenue hour. Regionally, costs per vehicle revenue mile increased 6% for the five-year period, and 3.9% between 2008 and 2009. All three service boards experienced increases in cost per mile over the five-year period, although Metra maintained relatively low cost per mile increases (totaling 2.3% over five years) by keeping operating costs on pace with vehicle revenue miles.



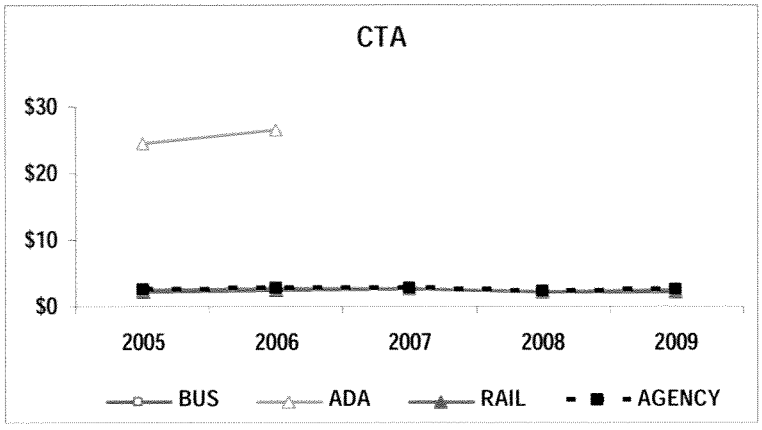


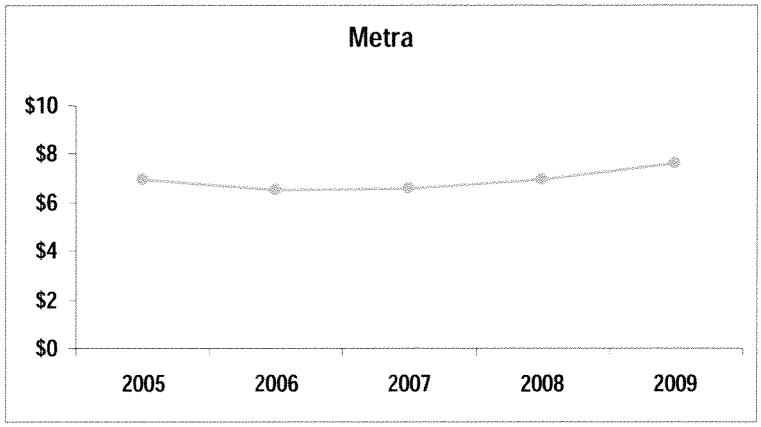
Operating Cost per Passenger Trip

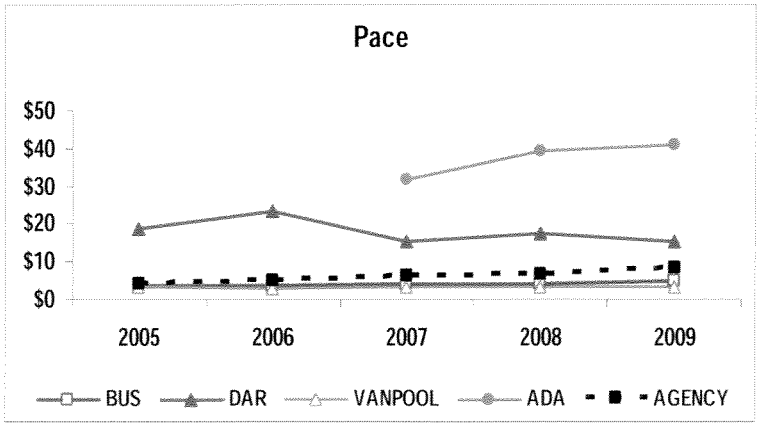
Operating cost divided by the total number of passenger trips. This measure illustrates the gap between the established fare and the cost of providing an individual trip.

Recent Data and Interpretation

The regional increase of 7.5% in cost per trip since 2005 is below the inflation rate, indicating positive control of costs. The cost per trip is lowest on CTA bus and rail service, reflecting the efficiencies gained from providing service in a dense travel market with high passenger volumes and short average trip lengths. CTA's average cost per trip for bus in 2009 is $2.47 and for rail, $2.28. Metra costs per trip are higher, reflecting the longer lengths of each passenger trip. Costs for Metra over the five-year period increased by 9.7%, somewhat higher than the increase in inflation. The wide variation in costs for Pace trips reflect the different types of service provided, the use of small vehicles for some services, and the individualized nature of ADA paratransit trips.





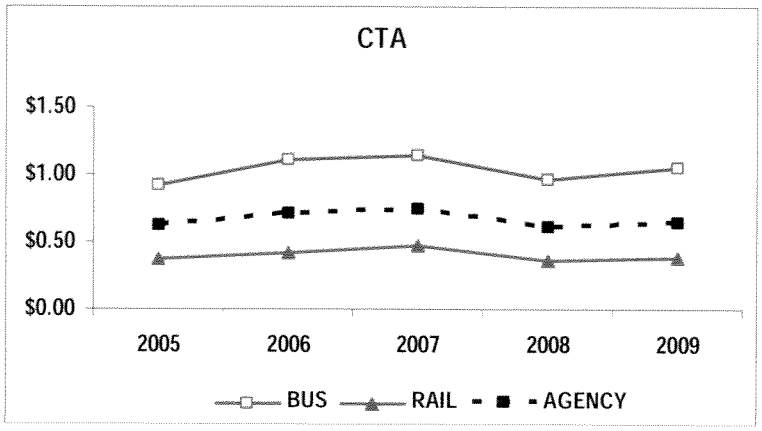


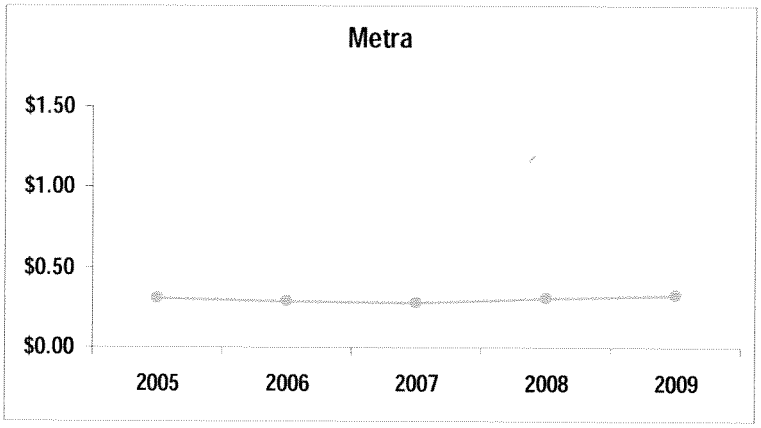
Operating Cost per Passenger Mile

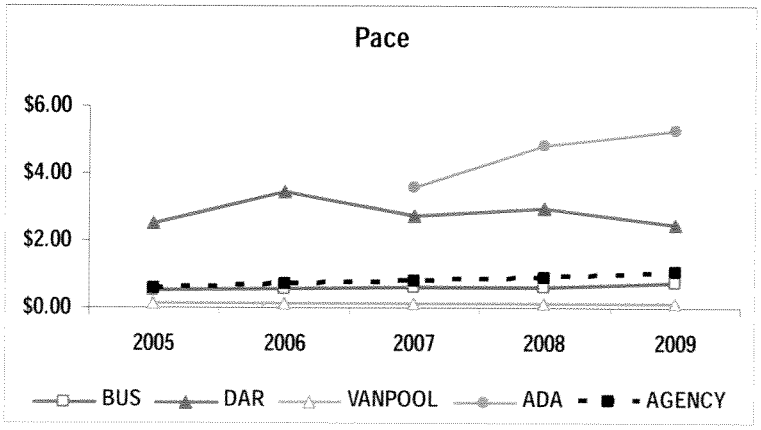
Operating costs divided by the cumulative sum of the distances ridden by all passengers.

Recent Data and Interpretation

Regionally, there was a 9.6% increase in cost per passenger mile since 2005, which is somewhat higher than the rate of inflation. Metra and CTA rail have the lowest cost per passenger mile, reflecting the efficiency of rail on a per passenger mile basis. Pace costs reflect the variety in the types of service provided. Vanpools are remarkably cost-efficient on a per passenger mile basis, since there is no labor cost involved in operating the vehicle. Vans are driven by volunteer operators who receive the benefit of using the van for personal use in addition to vanpool trips. Pace bus also has a low average cost per passenger mile, while dial-a-ride and paratransit costs reflect the higher costs of more personalized services in small vehicles.





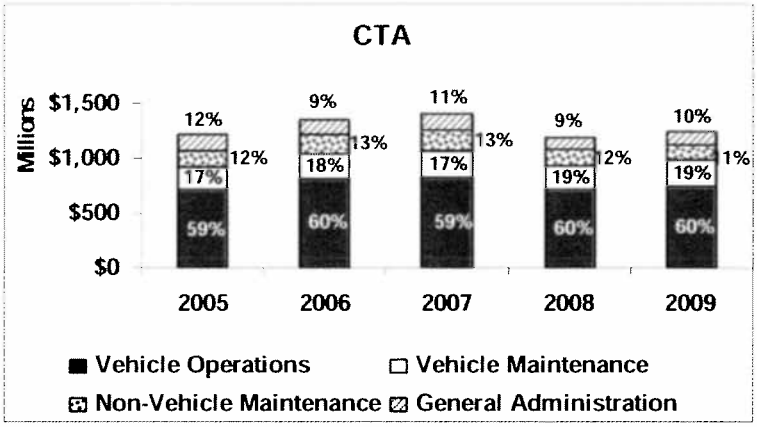


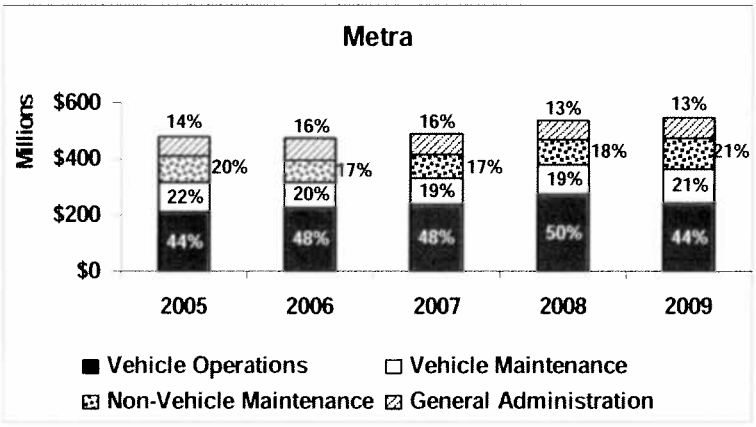
Operating Cost Components

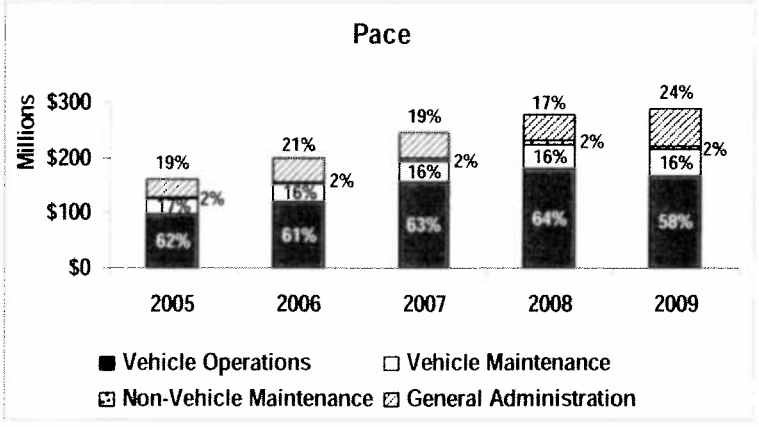
This measure refers to the allocation of costs among specific categories of expenses: general administration, vehicle maintenance, non-vehicle maintenance, and vehicle operations.

Recent Data and Interpretation

The proportion of costs allocated to major functions over the five years has remained relatively stable. Vehicle operations consume the most significant proportion of all expense categories, ranging from 44% to 64% depending on the mode of service. Metra has the lowest percentage of vehicle operation costs, reflecting the efficiency inherent in train service where a single operator drives a multi-car train carrying many passengers. Higher vehicle operations costs on Pace and CTA reflect the more labor-intensive characteristic of bus operations, and in the case of Pace, a mix of smaller vehicles that carry fewer passengers per driver. Metra has the highest proportion devoted to non-vehicle maintenance related to the costs of maintaining an extensive right-of-way and passenger station network. CTA rail has similar infrastructure costs, but the agency total is affected by the low infrastructure requirements for bus. An examination of amounts spent in each category shows that the largest increases have been in maintenance costs, which were 19% higher in 2009 than 2005, followed by vehicle operating costs, which increased 13%, and general administration costs, which grew 12%.





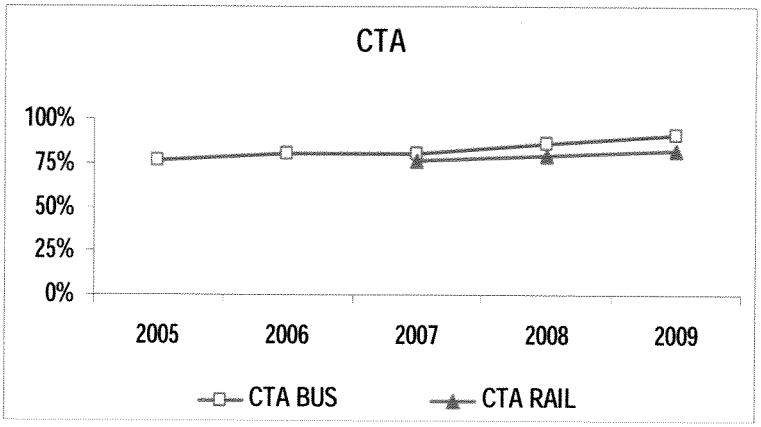


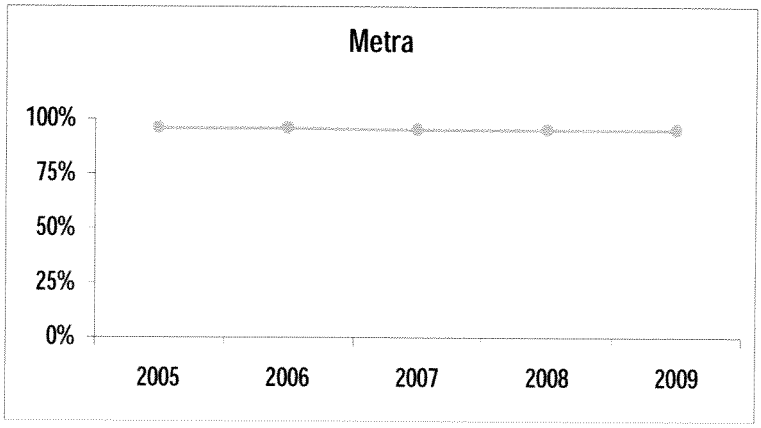
On-Time Performance

The percentage of the times a transit vehicle departs from and/or arrives at a location within a certain number of minutes after and/or before the scheduled time and/or interval maintenance for frequent service. The three service boards measure on-time performance differently from each other. CTA measures rail on-time performance as arriving within one minute of the scheduled headway. CTA bus on-time performance is measured as leaving the terminal no more than one minute early and no more than five minutes later than scheduled. Metra measures on-time performance as arriving at the last station within five minutes of schedule. Pace fixed-route bus on-time performance is measured at each time point; Pace paratransit on-time performance is defined as arriving within twenty minutes of scheduled pick-up time for city trips and within fifteen minutes for suburban trips. The regional value is a weighted average of the on-time performance of the three service boards, taking into account the differing amounts of service (passenger trips) on each service board and mode.

Recent Data and Interpretation

CTA has seen increased on-time performance percentages for bus and rail for each reported year (rail data began in May 2007). Metra's on-time performance has remained very stable over the five years reported, varying between 95.4% and 96.3%. Pace fixed-route service also has experienced very stable on-time performance except for a slight downward tick in 2008. Pace ADA paratransit has seen increased on-time performance for each year except 2007, when the transition to full regional paratransit coverage was completed. Combined, the three service boards have demonstrated progressively higher on-time performance percentages since 2007.



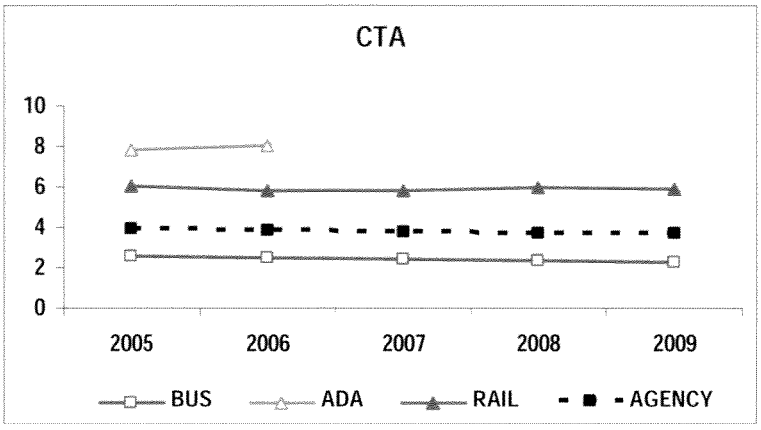


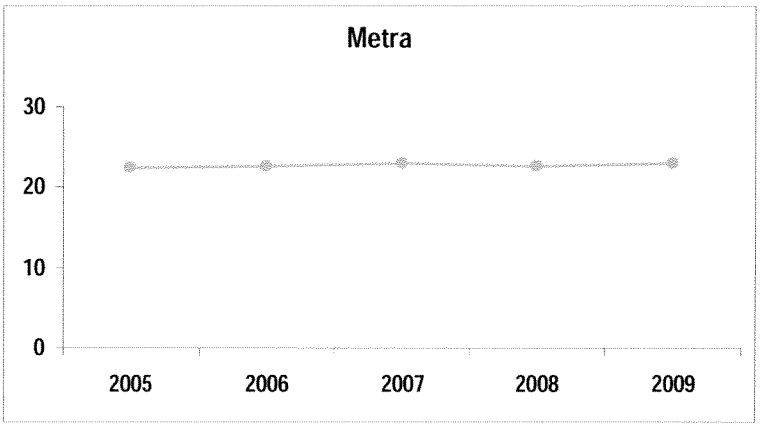
Average Passenger Trip Length

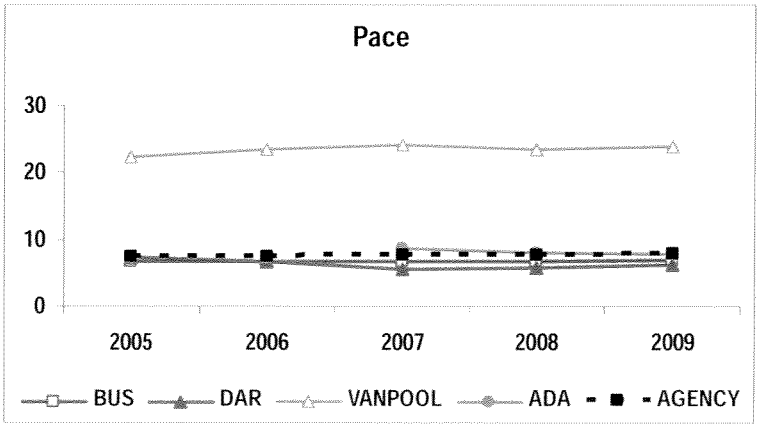
The average distance traveled for an unlinked passenger trip.

Recent Data and Interpretation

Average passenger trip lengths have remained fairly stable throughout the five-year period under review. Overall, there has been a 1.9% decrease in average trip length from 2005 to 2009. CTA experienced a decrease in trip length for both bus and rail services over the five-year period, and in 2009 compared to 2008. Metra and Pace performance went in the opposite direction, with both experiencing small increases in the average trip length over five years and in the last year. At Pace, increases occurred on bus and vanpool services.





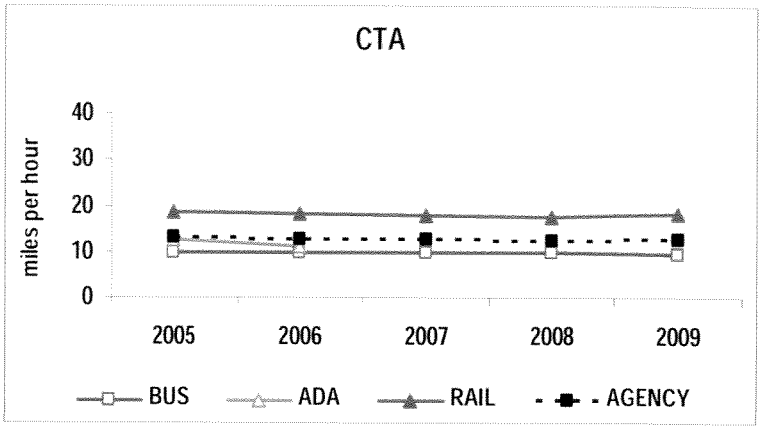


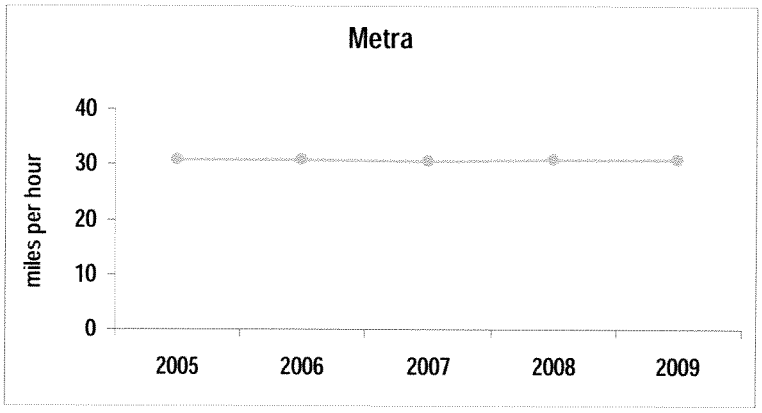
Average Speed

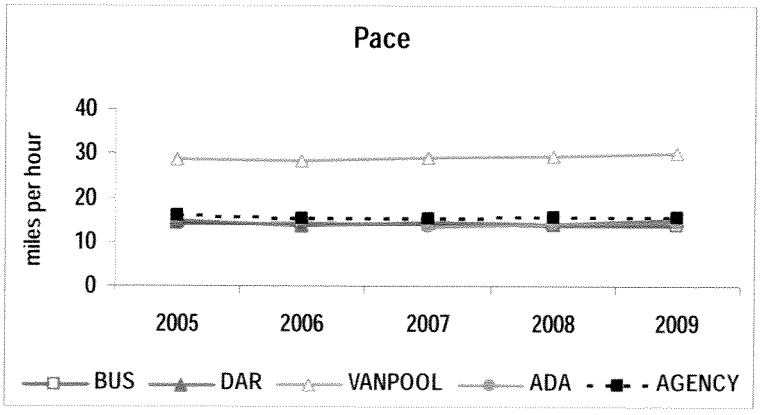
The miles that vehicles actually travel while in revenue service divided by the hours that vehicles actually travel while in revenue service.

Recent Data and Interpretation

Regionally, average speeds have remained largely unchanged, with a slight increase of 0.4% since 2005. CTA rail experienced a noteworthy 3.9% improvement in speed in 2009 compared to 2008, due to a reduction in slow zones. All Pace services also recorded increases in speed in 2009, led by a 6.8% increase in dial-a-ride service. The fastest regional trips are on Metra commuter rail and Pace vanpool, with average speeds of about 30 m.p.h. CTA rail is the next fastest service with average speeds of 18 m.p.h. Pace bus, dial-a-ride, and paratransit service, which each navigate the same suburban street network, have speeds of about 14 m.p.h. CTA bus, serving a dense urban environment, has the slowest average speed at about 10 m.p.h.

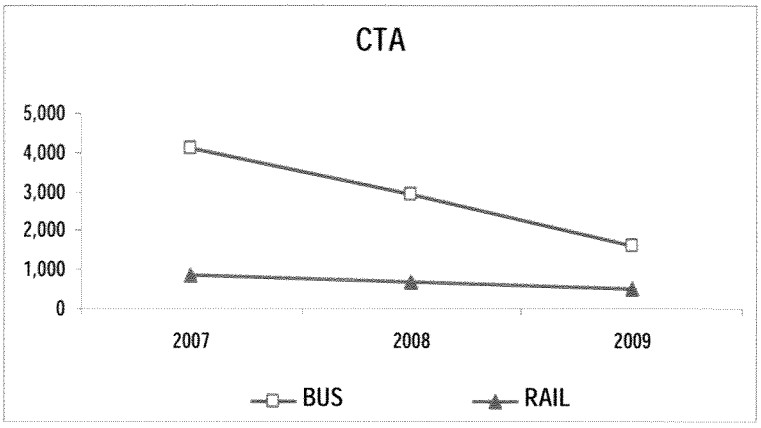






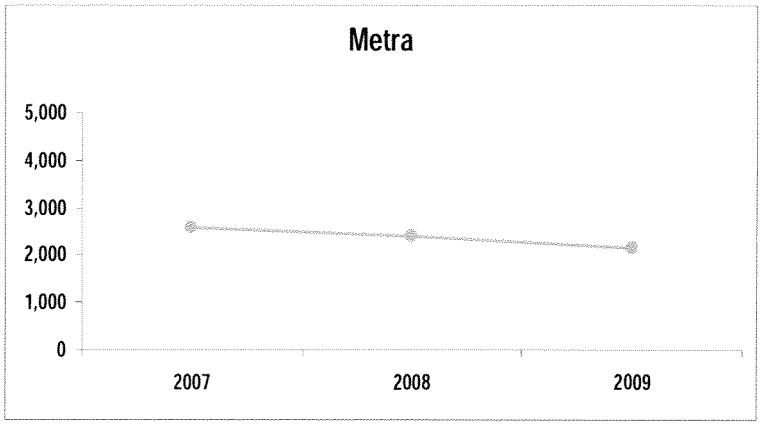
Complaints Reported

The percentage of service complaints reported as compared to total passenger trips. CTA and Metra data are not available prior to 2007; Pace paratransit data are available from March 2007 through 2009.



Recent Data and Interpretation

Since 2007, CTA experienced fewer complaints each year, with the 2009 figures 58% lower than in 2007. Metra also experienced a declining number of complaints despite the September 2009 launch of a new website that provides another channel for submitting complaints. Pace fixed-route service has had relatively stable complaint figures over the years, except for an uptick in 2008. Paratransit complaints are combined for ADA and dial-a-ride services since the same operators provide both services. After an increase in 2008, complaints declined in 2009.



Percentage of ADA Paratransit Trips Denied

The percentage of requested trips for which service was denied as compared to total trips.

Recent Data and Interpretation

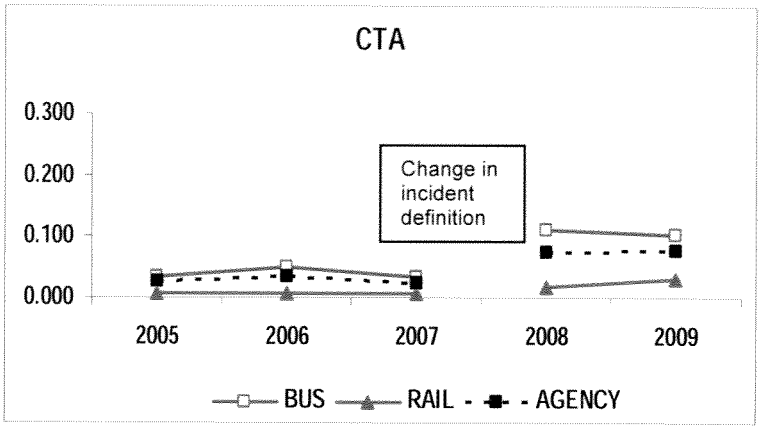
No paratransit trips were denied for the period of time under study. (No chart provided.)

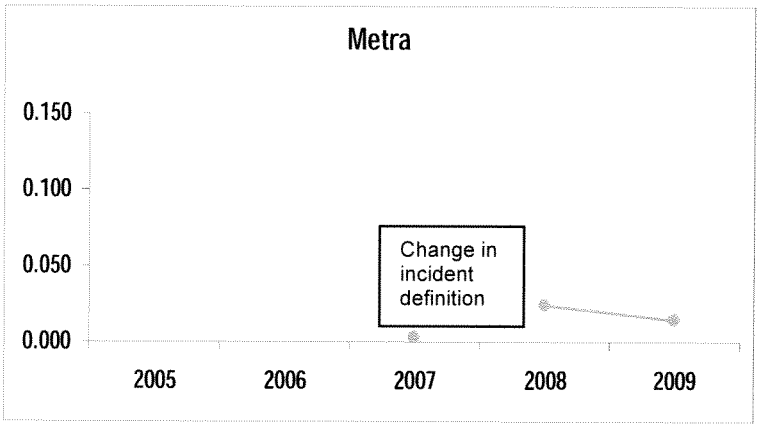
Reportable Safety and Security Incidents per 100,000 Passenger Trips

The rate of reportable safety and security incidents per 100,000 unlinked passenger trips.

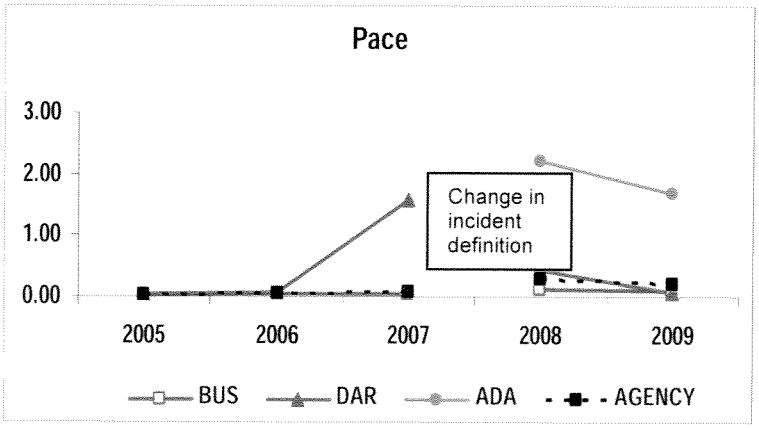
Recent Data and Interpretation

In 2008, NTD made extensive changes to its reporting standards, which lowered the reporting thresholds for injured passengers and expanded the number of reportable incidents, creating a discontinuity in the data series between 2007 and 2008. The new standards include hazardous material events, acts of God, and suicide incidents, which had previously been excluded. Viewing comparable data between 2008 and 2009, CTA rail incidents increased in 2009. CTA bus, Metra, and each Pace mode showed a decrease in reportable incidents for 2009. Overall for the region, the incident rate is very low, and there were approximately 8.5% fewer reportable safety and security incidents in 2009 than in 2008.





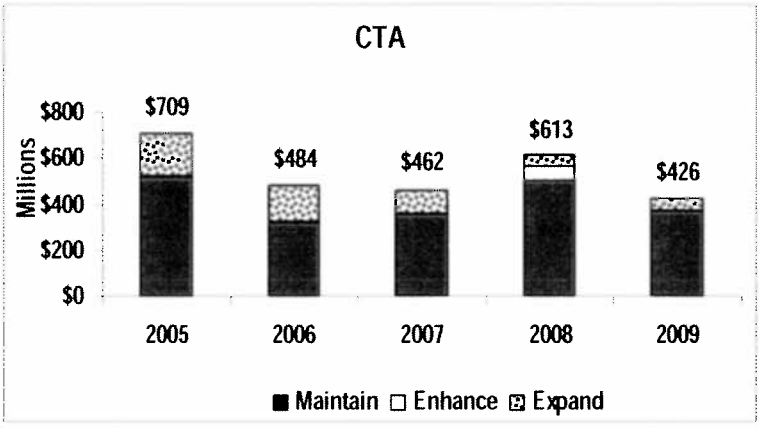
No data are available for 2005 and 2006



No ADA/Paratransit data are available for 2007

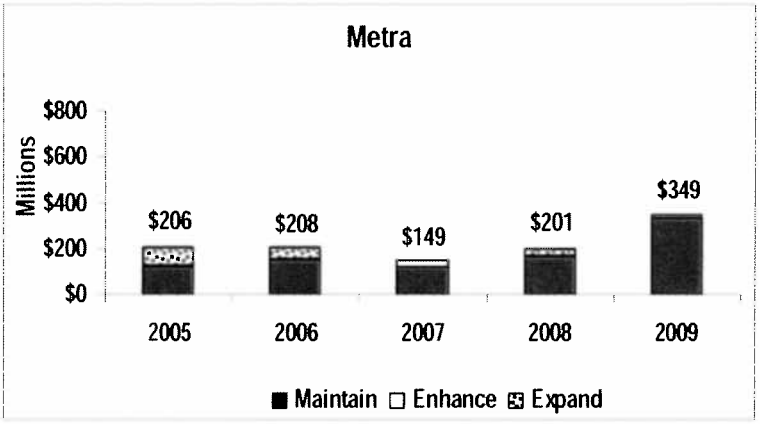
Capital Program

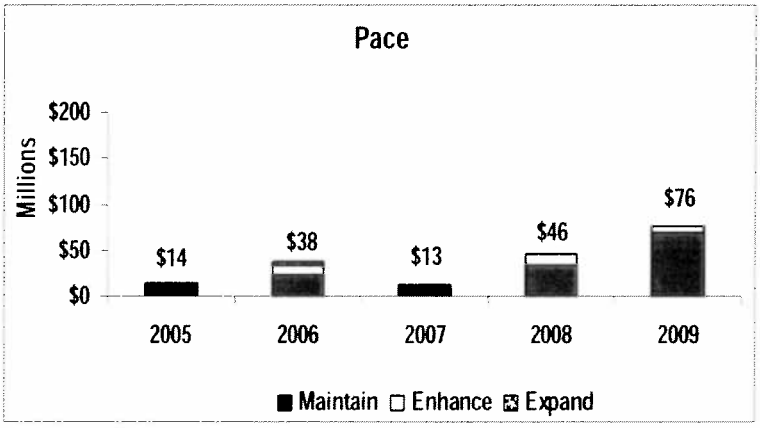
The allocation of projects budgeted within each category as a proportion of the capital program. These figures represent the total monies available for capital maintenance, expansion, and enhancement, and are the sums of new funding as well as de-obligated and re-appropriated funding now available for these purposes.



Recent Data and Interpretation

Maintenance costs are consuming a larger percentage of available funds; from 70% of the capital program in 2005 to 91% in 2009 at the expense of expansion projects, which have dwindled from 28% to 6% for the same time period. Regional enhancement projects, which had steadily increased from 2005-2008, saw a two-thirds reduction in 2009. CTA still allocated 13% of its budget on expansion projects in 2009, primarily for the completion of the Brown Line. Metra devoted 96% of its budget to maintenance, and Pace allocated 11% to enhancement projects related to a variety of traffic signal priority projects.



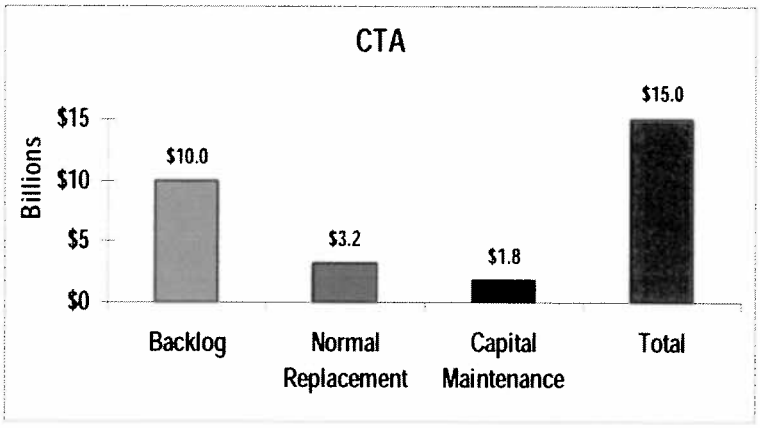


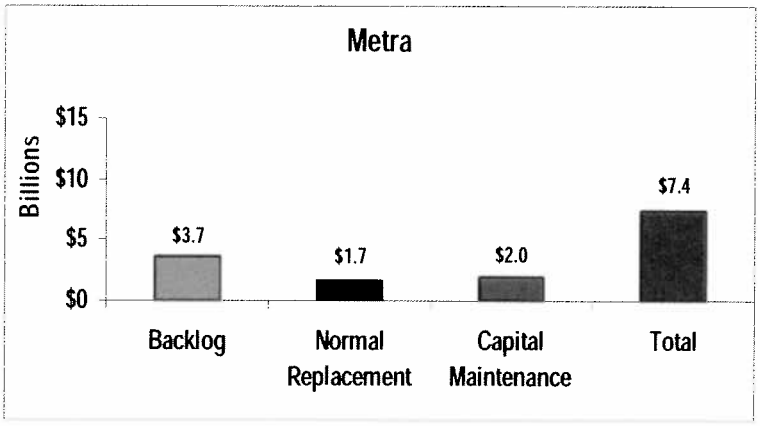
Assets in a State of Good Repair

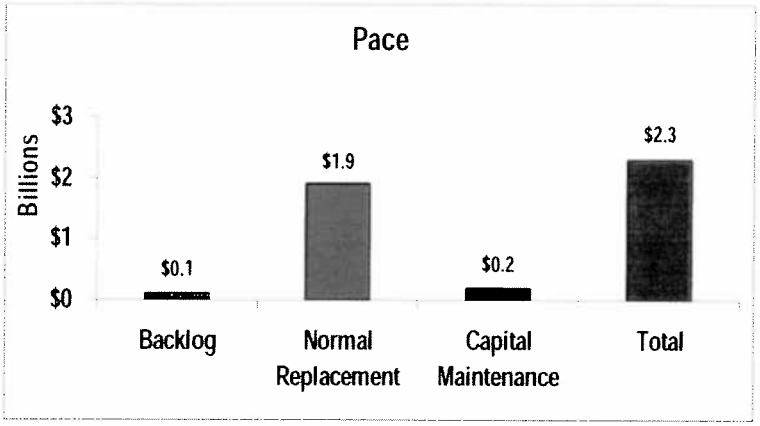
The condition of assets rated as "adequate with no backlog" as part of a physical condition assessment that takes into consideration useful life as defined by the Federal Transit Administration including major rehabilitations, routine maintenance, inspections, etc. The FTA uses a five-point scale to rate assets ranging from 1 for an asset "past its useful life," to 5 for a relatively new asset in "excellent condition." A rating of 3 or higher is considered to be in a "state of good repair."

Recent Data and Interpretation

In 2010, RTA completed its Capital Asset Condition Assessment, in which all capital assets throughout the region were evaluated to establish administrative criteria for the capital replacement, rehabilitation, and maintenance of all capital assets. The *backlog* component is the value placed upon replacement of assets that are beyond their useful life. *Normal replacement costs* are the planned replacement costs for assets that will reach the end of their useful life during the next ten years. *Capital maintenance* is the cost associated with keeping an asset in a state of good repair. These charts summarize the ten-year capital needs for each agency by category, which total over $24.6 billion dollars, and underscore the urgent need to close the gap between available and needed capital funds.





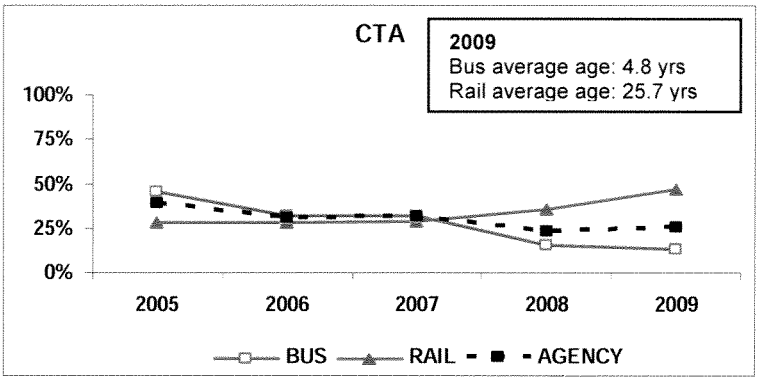


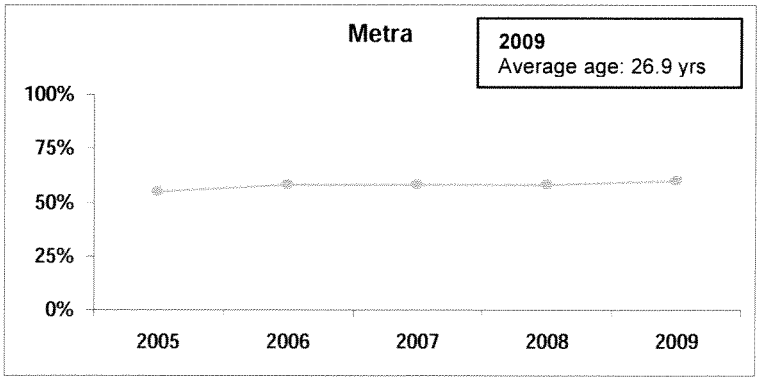
Percent of Vehicles Beyond Useful Life

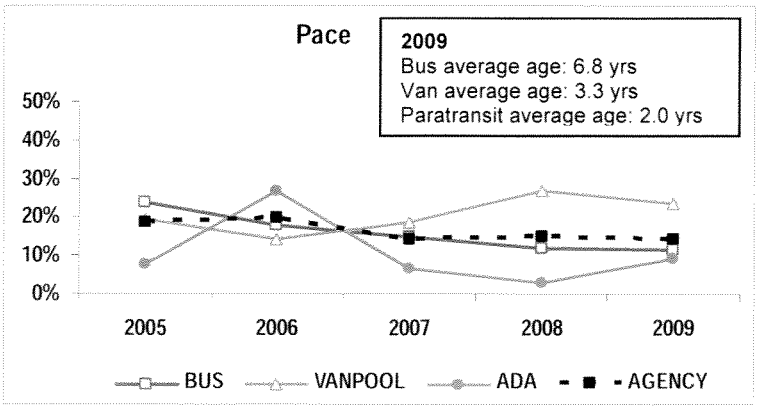
The percentage of vehicles in the total active vehicle fleet beyond their minimum useful life as defined by the Federal Transit Administration. The FTA defines useful life as 4 years for automobiles or vans, 12 years for buses, and 25 years for rail cars. The actual age at which vehicles are retired from service generally exceeds the minimum useful life due to limited capital funding.

Recent Data and Interpretation

After a steady decline through 2008 in the percentage of vehicles beyond useful life, there was a slight increase for the region in 2009 from 28% to 29%, led by the aging of CTA and Metra rail fleets. CTA bus shows improvement in this measure from the purchase of new buses delivered between 2006 and 2009. The CTA's goal is to retire buses and rail cars at the FTA guidelines. Both buses and rail cars undergo major rehabilitations as part of their normal maintenance life cycle to enable them to reach their full useful life. Of CTA's vehicles that are beyond their useful life in 2009, the average age of the buses and rail cars is 14 years and 32 years, respectively. Metra is experiencing a steady aging of its fleet, which went from 55% to 60% beyond useful life over the five-year period, with an average age of the vehicles beyond useful life of 39 years. However, Metra undertakes extensive maintenance programs to keep its locomotives and cars in service and operating safely longer than the FTA guidelines. Pace bus shows improvement in this measure, reflecting new bus purchases, while the vanpool fleet is aging. The average age of Pace buses, vans, and paratransit vehicles that are beyond their useful life is 16 years, nearly 7 years, and 6 years, respectively. The data presented in the Pace chart for paratransit reflects the fleet age for both dial-a-ride and ADA paratransit services since both services utilize the same vehicles.





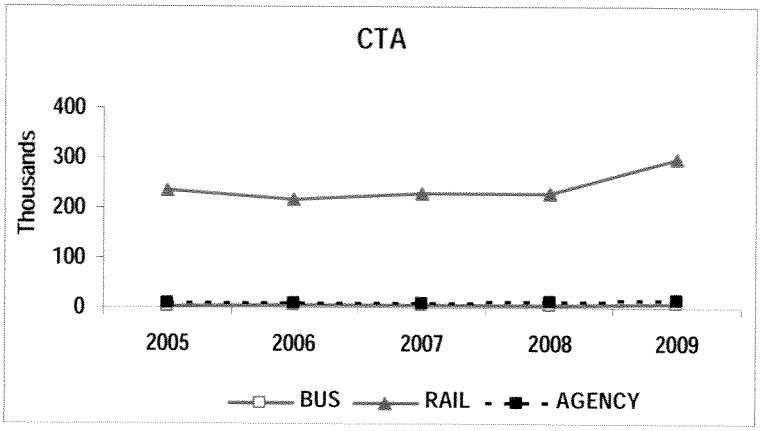


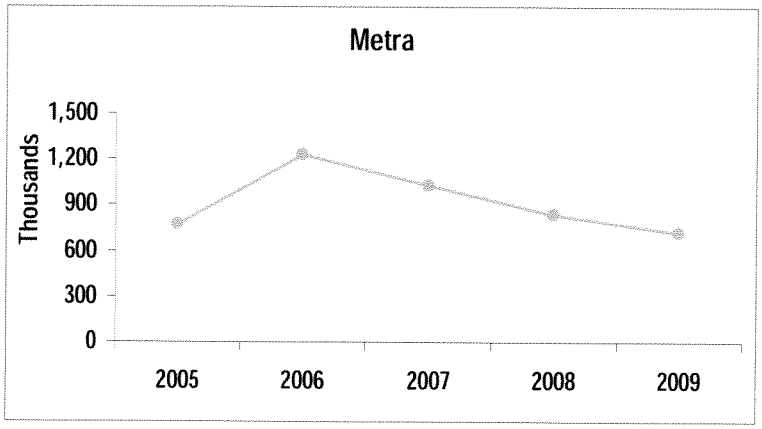
Miles between Major Mechanical Failures

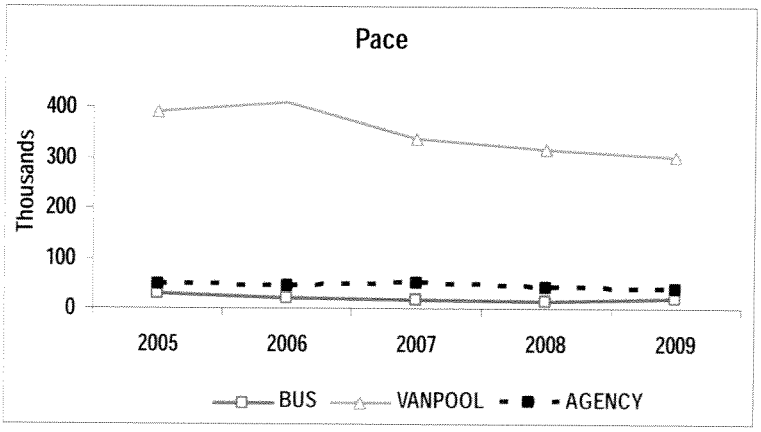
The average number of miles that vehicles travel while in service (total revenue vehicle miles plus deadhead miles) between failures of some mechanical element or a safety concern that prevents the vehicle from completing a scheduled trip or from starting the next scheduled trip.

Recent Data and Interpretation

On a regional basis, miles between failures has shown steady improvement through 2009. CTA rail service showed a significant 31% improvement in 2009. CTA bus has shown steady improvement in distance traveled between failures with investment in new buses and a decrease in the age of the fleet starting in 2006. Between 2005 and 2009, miles between major CTA bus failures more than doubled. Metra's average distance between major mechanical failures has declined by 41% from its high in 2006 as a result of the aging of the fleet and an increase in the time between scheduled overhauls of cars and locomotives due to financial constraints. Pace bus showed a significant 39% improvement in this measure in 2009 aided by the introduction of new buses since 2006. NTD does not require reporting of major mechanical failures for purchased transportation, so Pace dial-a-ride and ADA paratransit data were not available for this indicator.

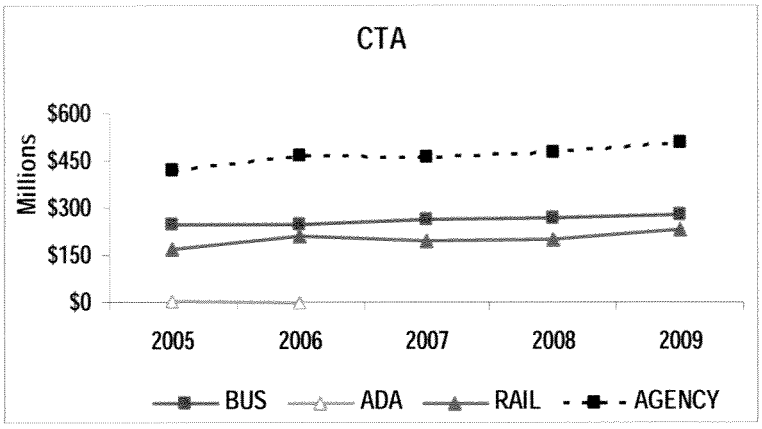






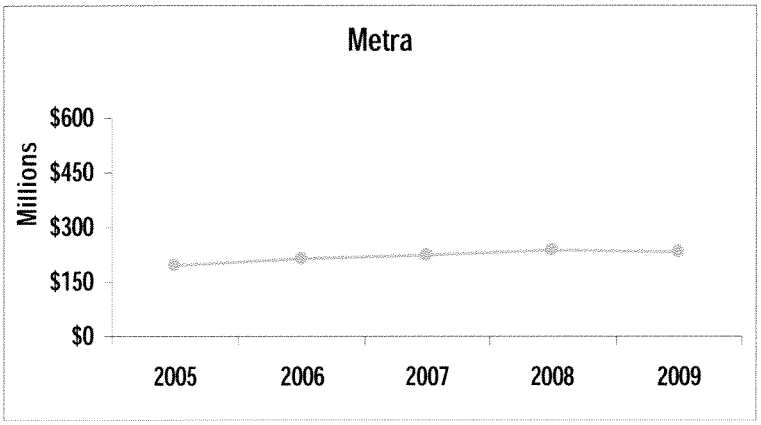
Fare Revenue

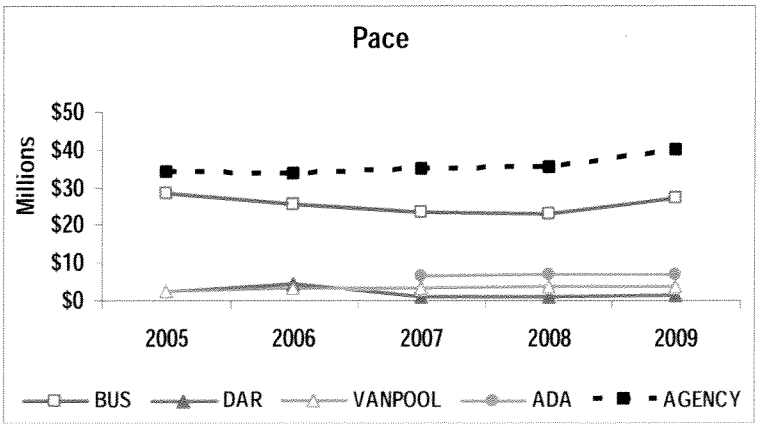
All income received directly from passengers, either paid in cash or through pre-paid tickets, passes, etc. and the reduced fares paid by passengers in a user-side subsidy arrangement. Any gap between paid fares and the cost of operation must be covered by tax revenues, public transportation funds, and system-generated revenues other than fares.



Recent Data and Interpretation

System-wide, fare revenues have increased 18.6% since 2005, exceeding the 11.5% overall percentage increase in operating costs. CTA had the largest increase in fare revenues, with a net gain of 21.4% over the five-year period, followed by Metra's increase of 18.9% and Pace's increase of 18.0%. Fare increases were implemented by CTA in 2006 and 2009, by Metra in 2006 and 2008, and by Pace in 2009.



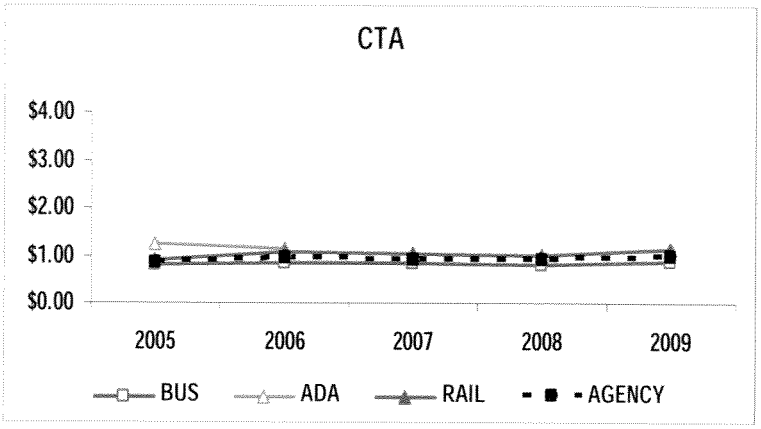


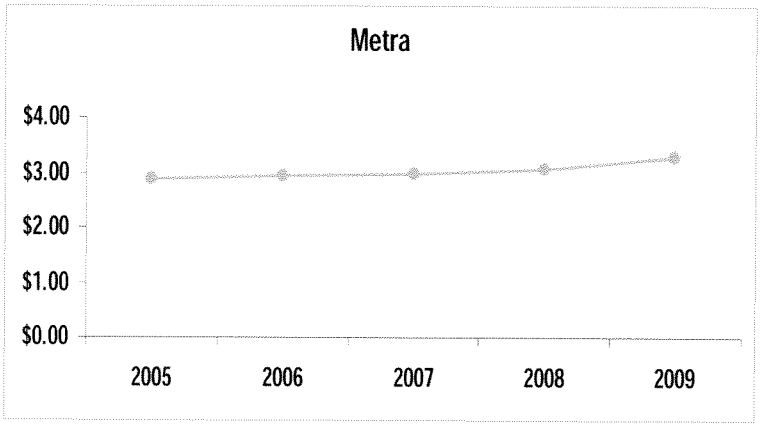
Fare Revenue per Passenger Trip

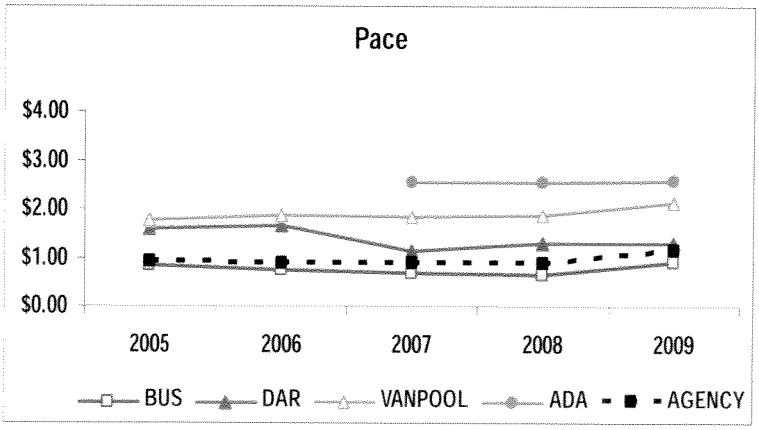
Total fare revenues divided by the total number of passenger trips.

Recent Data and Interpretation

Regionally, fare revenue per passenger trip increased by 14.6% over the five-year period. CTA and Metra both saw an increase of about 14% during that time. For Pace, in the last three years for which data are consistent, fare revenue per trip increased by 28.1%. The institution of higher fares at CTA and Pace in 2009 boosted the agencies' revenues per trip by 8.3% and 30.3%, respectively, for the year. The decline in Pace dial-a-ride revenue per trip in 2007 corresponds to the separation of ADA paratransit data from dial-a-ride. Metra experienced a 6.4% increase in revenue per trip in 2009 and did not have a fare increase. The greater revenue per trip can be attributed to passengers taking slightly longer trips and a change in the fare mix with a decrease in the proportion of discounted monthly passes.





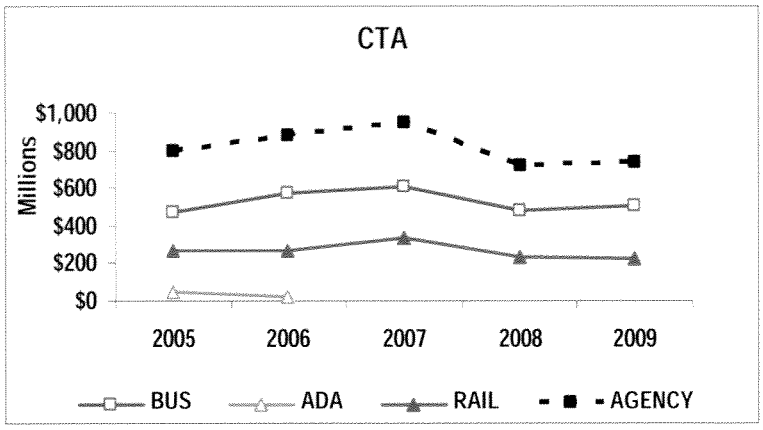


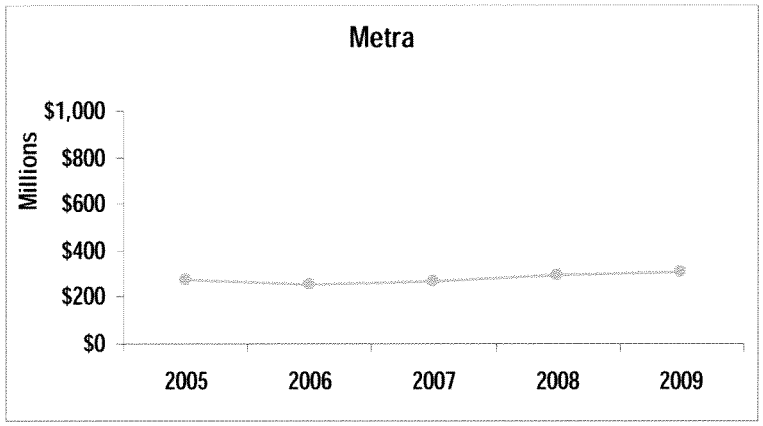
Non-Fare Revenue

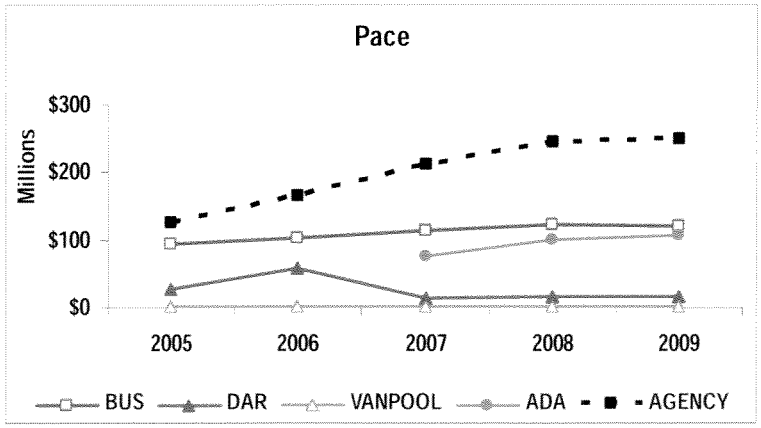
The amount of revenue from all sources, other than fare revenue, that is required to cover the total cost of operations. Non-fare revenue can be system-generated, e.g., concessions, advertising, etc., or can come from state, local and/or federal funds.

Recent Data and Interpretation

Overall, the region has experienced an increase in non-fare revenue of 9% for the past five years. CTA experienced a net loss of 6.9% for this measure, with a significant dip in 2008 as a result of lower investment income, lower reduced fare subsidy, and lower system-generated income. Metra's non-fare revenue experienced a net increase of 11.9% over five years. Pace experienced a sharp 98.4% increase in non-fare revenue, reflecting their widened paratransit service area and increased reliance on subsidies for those trips.





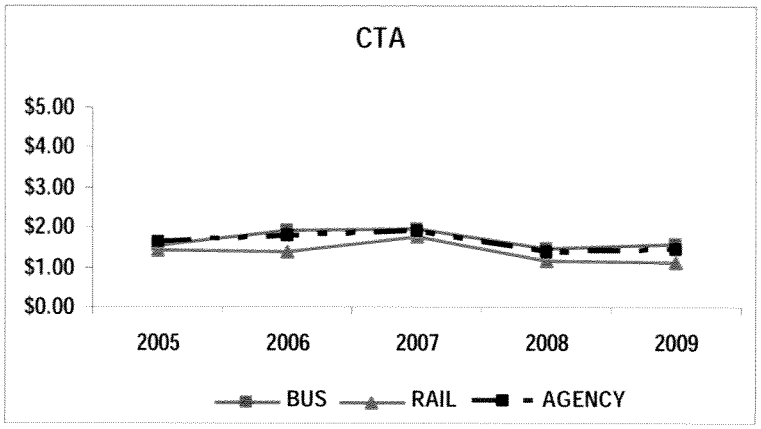


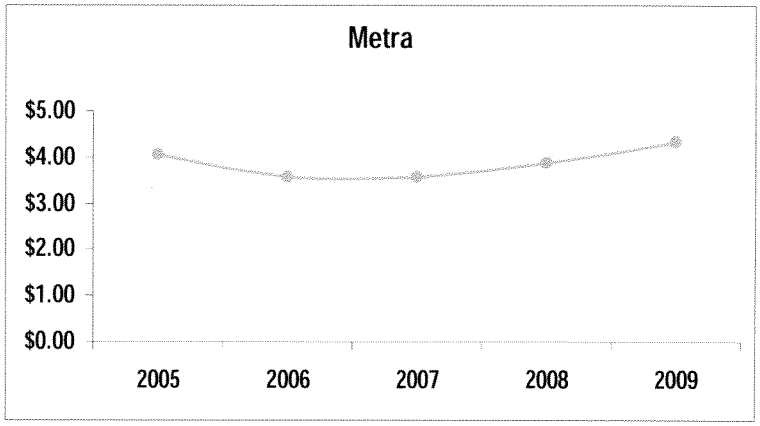
Non-Fare Revenue per Passenger Trip

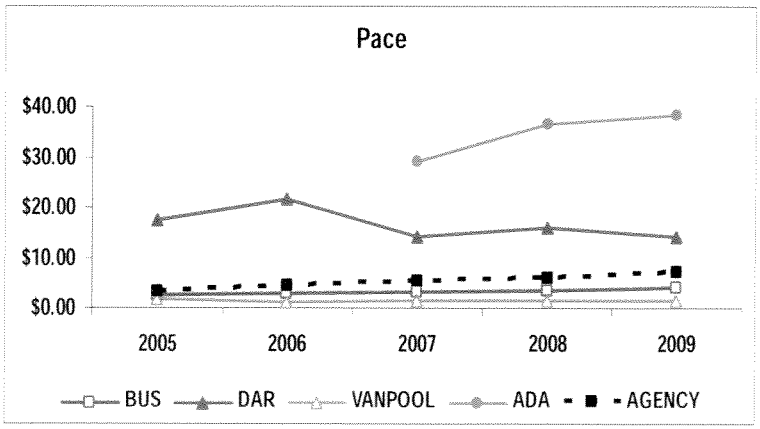
Total non-fare revenue divided by the total number of passenger trips taken. Non-fare revenue per trip is the amount of revenue from all sources, other than fares, required to cover the average cost of a passenger trip.

Recent Data and Interpretation

The region experienced a 3.8% increase in non-fare revenue per trip since 2005, and a 6% increase between 2008 and 2009. Pace bus and Pace ADA paratransit services each experienced significant growth for this measure -- 47% and 31%, respectively. Subsidies for Pace bus and ADA paratransit service have driven the overall regional growth.

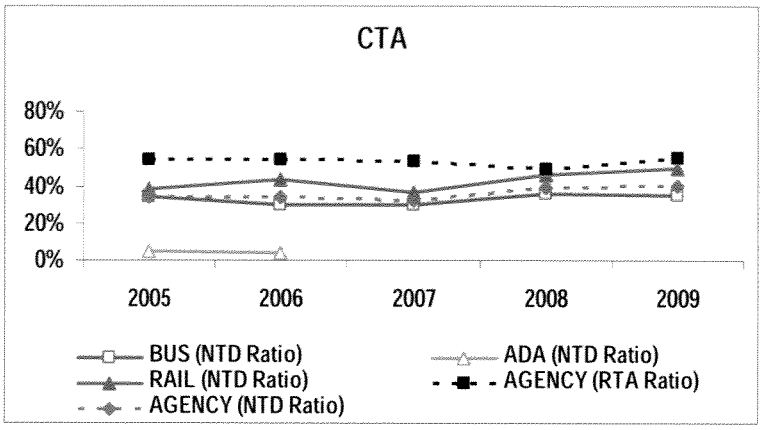


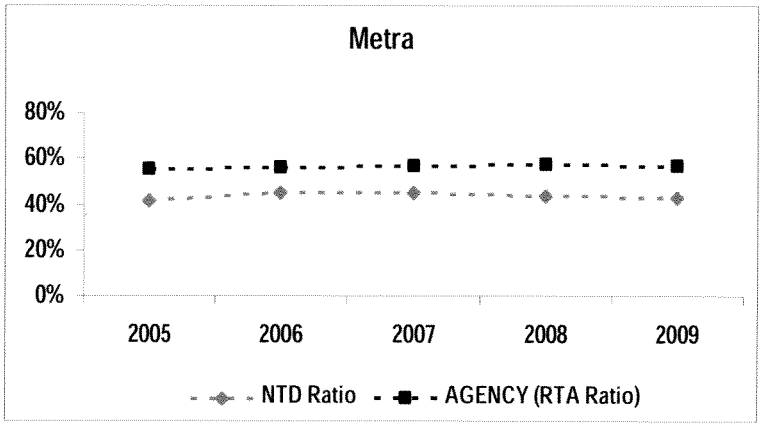




Recovery Ratio

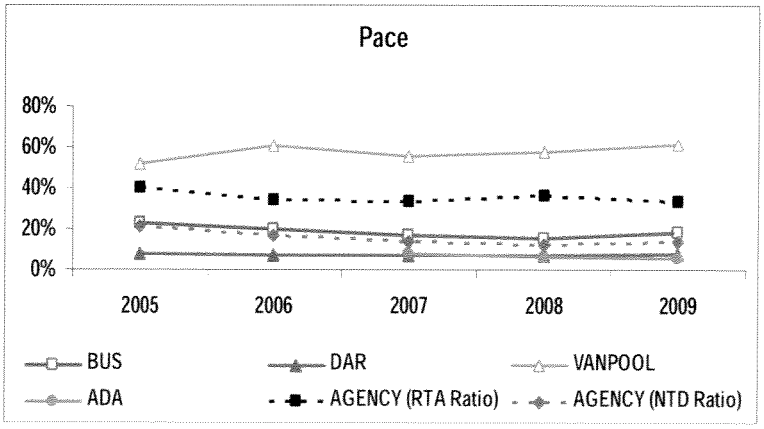
The National Transit Database (NTD) recovery ratio is the percentage of actual operating cost of service delivery that is covered by passenger fares, which differs somewhat from the RTA recovery ratio. The RTA recovery ratio also takes into account certain adjustments as enumerated in the RTA Act, which requires that the aggregate of all system-generated revenues equal at least 50% of the aggregated costs of providing public transit. Costs and revenues for ADA paratransit are excluded from the 50% RTA recovery ratio, and must meet a 10% recovery ratio.





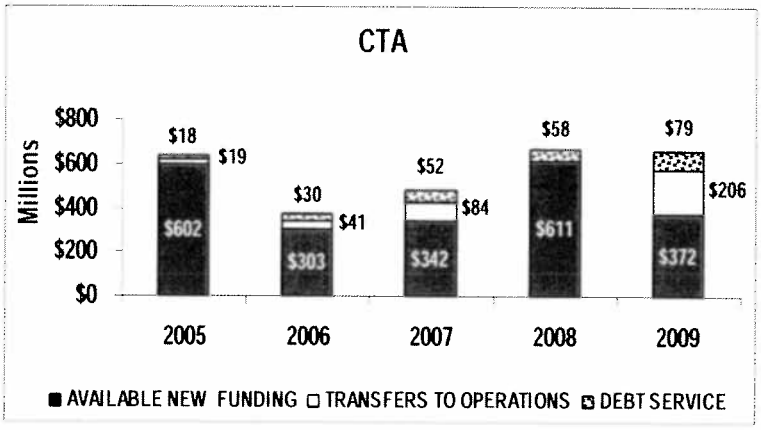
Recent Data and Interpretation

The RTA system showed modest improvement in its NTD recovery ratio with 37% of expenses covered by fares, a level even with 2008 and two percentage points above 2005. Similarly, the RTA ratio increased to 56.2% in 2009 from 52.7% in 2005. NTD recovery ratio calculations show that CTA rail has seen an increase from 39% to 50% over the past five years, while CTA bus saw a net increase of one percentage point for the same time. Metra's NTD recovery ratio increased to 43% in 2009 from 42% in 2005. Pace has seen a steady decrease in their NTD recovery ratio, from 21% in 2005 to 14% in 2009, reflecting their expanded, heavily-subsidized paratransit operations as well as increased local subsidies for bus services.



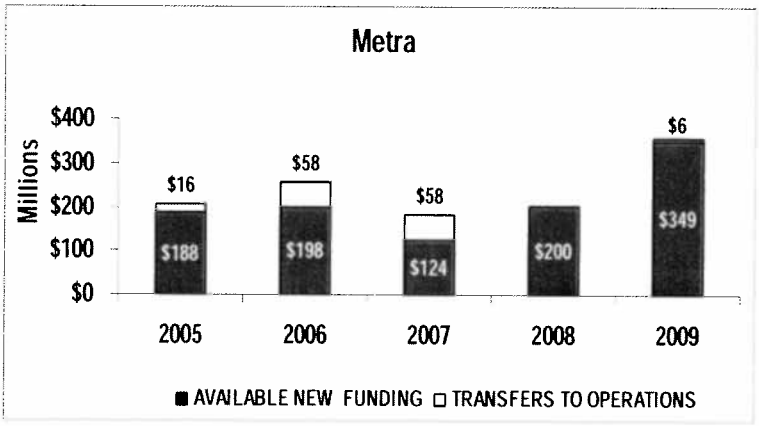
Capital Program Funding

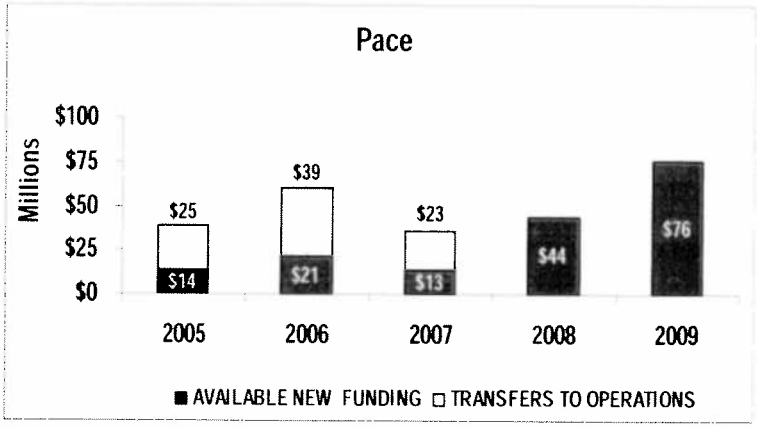
This indicator demonstrates the amount of capital funds available to finance the maintenance, enhancement, and expansion of the transit system infrastructure. This figure represents *new funding* available to the Service Boards for each of the past five years, and does not include de-obligated or re-appropriated funds that become available for various reasons.



Recent Data and Interpretation

Capital funding, net of transfers to operations and payment of debt service, decreased by nearly 7% for the region in 2009, and remains 27% below the region's high funding levels of 2004. CTA sold bonds backed by future federal capital grants to augment program funding levels through this period. In 2009, CTA had 39% less funding available than in 2008 as a result of having to divert over $200 million to operations and nearly $80 million to debt service. However, Metra and Pace saw increases of 74% and 73% in available new funding, respectively. Funding levels for all three service boards in 2009 benefited from the American Recovery and Reinvest-ment Act passed in February 2009. The recently completed Capital Asset Condition Report indicates that projected funding needs will total $24.6 billion over the next ten years, which is more than three times higher than the projected funding to be awarded during that time.





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Regional Performance Measures

2010

Sub-Regional Report

Regional Transportation Authority

The six-county public transportation system serving northeastern Illinois

Prepared by Department of Finance & Performance Management

REGIONAL PERFORMANCE MEASURES
2010 Sub-Regional Report

RTA staff has undertaken the development of a performance measurement and reporting program to evaluate the impact and effectiveness of public transit in Northeastern Illinois.

Overall regional performance is a function of five major areas:

- **Service Coverage** - monitors both how much service is available to people in the region (in terms of population and square miles) and how much of that service capacity is used.

- **Service Efficiency and Effectiveness** - evaluates the level of resources spent on delivering service in relation to the level of service provided and the extent to which passengers are using that service.

- **Service Delivery** - reflects the quality of the service delivered.

- **Service Maintenance and Capital Investment** - indicates the allocation of capital funds and the replacement and maintenance of infrastructure components on a schedule consistent with their life expectancy.

- **Service Level Solvency** - assesses financial condition to ensure that there are sufficient resources to meet current and ongoing budgetary needs (both operating and capital).

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EXECUTIVE SUMMARY

The Sub-Regional Performance Measures Report has been developed as a companion report to the Regional Report Card with a shared purpose of supporting the evaluation and management of the region's public transit system, emphasizing transparency and accountability. While the Regional Report Card offers a look at data from CTA, Metra, and Pace combined, the Sub-Regional Report differs in that it considers each Service Board and service mode as a unique reporting entity. The report is based on data from the National Transit Database (NTD) to ensure comparability between agencies in definition and collection of data elements. Nevertheless, caution should be exercised when reviewing measures by service board and/or mode; the transit services operated by CTA, Metra, and Pace differ significantly from one another in underlying cost structure and many aspects of service delivery. The purpose of this report is to analyze the components of the regional measures to better understand their impact on overall performance and to understand the trends in performance of each operating agency compared to its own previous performance.

Public transportation services in the Chicago region have been struggling to cope with the economic downturn that hit the region and nation in the second half of 2008. Ridership has decreased as unemployment in the region rose from 6.2% in 2008 to 11.2% in 2010. In addition, sales tax revenue, the primary source of funding for the RTA, declined as consumers began to spend less. New legislation for the RTA passed in 2008 by the Illinois state legislature did not bring in the anticipated levels of funding, although the increased sources of revenue have helped the RTA weather its current financial challenges.

During the five-year period 2006-2010 covered in this report, the service boards practiced tight control of costs and generally improved efficiency on a per unit of service basis. In 2010, cost control measures were no longer sufficient to meet operating expenses, and service cuts were implemented on CTA bus and rail and Pace fixed-route bus. There are numerous challenges that lie ahead for the RTA system as a continuing weak economy results in low tax revenues and as the need for capital investment in the existing infrastructure significantly exceeds available funding sources.

As with the Regional Report Card, the sub-regional performance measures refer to five major areas of service provision: service coverage, service efficiency and effectiveness, service delivery, service maintenance and capital investment, and service level solvency.

Service coverage indicators monitor both how much service is available to the region's residents (supply) and how much of that supply is actually used by the public (consumption). Vehicle revenue hours and vehicle revenue miles are basic indicators of the amount of service that transit agencies supply for consumers; the RTA system experienced overall decreases of 4.3% and 1.0%, respectively, over the past five years, mostly related to the service cuts implemented by CTA in 2010. CTA experienced losses for these indicators in 2006 (-3.4% and -3.5%, respectively) related to the transition of paratransit services to Pace and in 2010 from service cuts, which resulted in 12.2% fewer vehicle revenue hours and 10.4% fewer vehicle revenue miles as compared to 2009. Pace experienced a corresponding increase of 31.6% for vehicle revenue hours and 26.2% for

vehicle revenue miles in 2006, and five-year growth of 26.7% and 29.7% for these indicators, respectively, as ADA services continued to grow through 2009 before declining by approximately 2% in 2010. Pace vanpool, which had shown significant gains for these measures as increases in the cost of gasoline through 2008 led more people to seek alternatives to driving, saw 8.5% losses in vehicle revenue hours and 3.1% loss in vehicle revenue miles as gas prices lowered in 2010. Metra continued to show steady incremental gains totaling over 5% for revenue miles and hours over the past five years, resulting from the implementation of service expansions and enhancements. New start expansion projects were completed in 2006 on the Union Pacific West Line and the North Central Service, early morning reverse commute service was added on the Union Pacific North Line in 2007, and off-peak weekend service additions on the Union Pacific North Line, the Milwaukee North Line and the SouthWest Service in 2008 and 2009.

Passenger trips trended upward through 2008, with a regional increase of 6.5% between 2006 and 2008; then, under the effects of the recession, ridership declined 2.4% in 2009 and another 0.9% in 2010, resulting in an overall 2.9% gain from 2006. CTA bus experienced the largest decrease in ridership, a 4% drop in 2010, a result of service cuts implemented in February, although the much lower rate of ridership loss compared to service miles cut (16%) indicates that service cuts were implemented carefully on lower productivity routes to minimize the impact on passengers. Despite the cuts in rail service, rail ridership grew by 4.1% for the year. Metra ridership, which had declined by 6.7% in 2009, continued to feel the effects of the recession and increasing unemployment rates with a 1.7% loss of trips in 2010. Pace bus ridership, which had experienced a sharp 15% decrease in 2009 resulting from route restructuring and a fare increase, held steady in 2010 but was 13% lower than in 2006. Dial-a-ride, vanpool, and ADA services all show cumulative gains since 2006 levels, but only dial-a-ride services experienced gains in 2010, a 2.5% increase over 2009, and has been trending upward since 2008. Vanpool services, which are more sensitive to gasoline prices and unemployment rates, have dropped 20% since its 2008 peak. ADA paratransit ridership increased through 2009 before dropping 0.6% in 2010, for a net four-year increase of 5.6%.

Service efficiency and effectiveness measures evaluate the cost of supplying transit services. With its 2010 service cuts, CTA's overall operating expenses declined by 7% for the year and are 13.4% lower than in 2006, aided by the 2008 issuance of nearly $2 billion in pension obligation bonds used to fund the retirement plan and post-employment health care. Pace operating costs increased less than 1% compared to 2009, better than the 1.4% rate of inflation for the year. Over the five-year period, Pace expenses increased by almost 47% largely due to their assumption of ADA service for the entire region. Metra experienced a 2.6% increase in operating costs in 2010 and was more than 19% higher than in 2006, reflecting service increases over the five-year period as well as the high cost of keeping its older fleet and infrastructure in good condition. On a unit-of-service-produced basis, both operating costs per revenue vehicle mile and hour increased at rates below the rate of inflation for the region over the five-year period, demonstrating the combination of improvements in efficiency and the result of service cuts implemented in 2010.

Service delivery indicators focus on the quality of service delivered. CTA and Pace bus each saw reductions in on-time performance in 2010 but show improvements from 2006, as does CTA rail and ADA paratransit. Metra maintained a stable on-time performance record, increasing 0.2% for 2010, and is 0.4% lower than in 2006. The number of reportable incidents decreased system-wide

in 2010, with the fewest number of incidents since 2008. Changes to average trip lengths varied among the service boards; CTA passengers took shorter trips on bus in 2010 but longer rail trips, while Metra and the non-ADA paratransit modes at Pace have experienced decreases in trip lengths. Dial-a-ride stands out with a 5.7% increase in average trip length since 2007, while vanpool shows the largest decline of 8.4% since 2006 for this measure.

Service Maintenance and Capital Investment performance indicators evaluate reliability and state of good repair. The capital program budget for maintenance, expansion, and enhancement projects for the region has increased from 2006 by 84.5%, or $617 million, largely due to the issuance of CTA bonds each year from 2007-2010. For 2010, CTA's capital program budget is the highest it has been for the five years under review and is 90.5% higher than in 2006. Metra also achieved its highest capital program budget in 2010, with a 3% increase for the year and a net increase of 72.7% from 2006. Pace, which experienced a 14.4% decrease in 2010, is still 73.5% higher than in 2006. Much of the 2009 capital program increases result from federal stimulus dollars from the federal American Recovery and Reinvestment Act. For each of the service boards, the majority of the capital program is allotted to maintenance projects, and this percentage has been increasing over the past five years. Although the region has seen significant and steady reductions in the number of vehicles in operation beyond their useful life, there were still 1,725 over-age vehicles (26%) on the system in 2010. RTA's 2010 Capital Asset Condition Report estimated that the service boards need over $24.6 billion to get regional assets to a state of good repair over the next ten years: $15 billion for CTA, $7.4 billion for Metra, and $2.3 billion for Pace. Nearly $14 billion (56%) of the region's total capital program needs are to eliminate asset backlog, which refers to assets that are still in use after having reached the end of their useful life, but there is a lack of sufficient funding for their replacement. The remaining capital program needs include normal replacement costs (28%) and capital maintenance costs (16%).

Service Level Solvency measures were mixed for 2010. Fare revenue for the RTA system increased by 0.4% in 2010 with a 0.6% increase for CTA, 0.2% decrease for Metra, and 1.9% increase for Pace. Over the five-year period, all three service boards showed considerable gains in fare revenues -- CTA (+10%), Metra (+10%), and Pace (+22%) relating to fare increases implemented in 2008 and 2009 and demonstrating a stronger solvency position. There has also been a 5.3% decrease in the overall regional non-fare revenue (public subsidy and other system revenues) required to support operations over the past five years, resulting from a combination of the fare revenue increases as well as operating expense reductions particularly at CTA, which experienced a 26% reduction in non-fare revenue. Metra's non-fare revenue has increased each year and is 27% higher than in 2006. Pace's nearly 52% increase in non-fare revenue reflects its widened paratransit service area and increased reliance on subsidies for those trips, as well as increases in local support for regular fixed route bus service. Pace has partnered with municipalities, organizations and private businesses that have requested bus service in their area and are subsidizing a portion (in some instances up to 100%) of the operating cost of the service. These partnerships have enabled Pace to provide service in areas where it would not otherwise, due to funding limitations and minimum recovery ratios not being met. The cost recovery ratio for the region in 2010 increased 1% from 2009, with 38% of expenses covered by fares based on NTD data and definitions, 3 percentage points higher than in 2006. The RTA recovery ratio, which allows certain adjustments as specified in the RTA Act, was 55.5% in 2010, slightly lower than 2009. Total available new capital funding increased 60.6% in 2010, resulting from a $470 million CTA bond

issue; Metra and Pace both experienced decreased capital funding (7.1% and 16.4%, respectively) in 2010. Funding levels for all three service boards in 2009 benefited from the federal stimulus money from the American Recovery and Reinvestment Act passed in February 2009. Although capital funding was at a five-year high in 2010, projected funding needs of $24.6 billion over the next ten years, based on the Capital Asset Condition Report, exceed projected funding levels by three times.

NOTES

(1) This analysis is based on published data from the National Transit Database (NTD), RTA's audited financials, and operating data from the three Service Boards.

(2) In July 2006, operation of ADA paratransit for the Chicago service area was transferred from CTA to Pace, thus establishing Pace as the regional operator of all ADA paratransit service. In 2007, Pace began reporting regional ADA paratransit service separately from dial-a-ride. All analyses included in this report utilize the 2007-2010 time period for ADA paratransit and dial-a-ride services to provide a consistent set of data.

(3) For 2009, NTD required Metra to change how it reported capital project credits making Metra expense data between 2008 and 2009 inconsistent. In 2009, capital project credits (about 5% of Metra's operating cost) were no longer allowed to be subtracted from expenses as they had been in years 2006 through 2008, and were instead reported as a reconciling item. For 2010, NTD allowed Metra to report capital credits as offsets to operating expenses, as it had done in the years prior to 2009.

(4) The customer satisfaction index score and unconstrained budget ratio indicators are under development and will be included in future reports.

(5) CTA complaint data have been restated for each year to include all complaints; prior reports had included only service-related complaint data. Complaints for each service board have been restated for each year and are now reported on a per 100,000 passenger trip basis.

(6) ADA ridership data has not included companion or aide data in this or prior years' reports but will be included in the 2011 report and going forward, per a revision to NTD reporting policy. This change will affect every indicator based on passenger trip data.

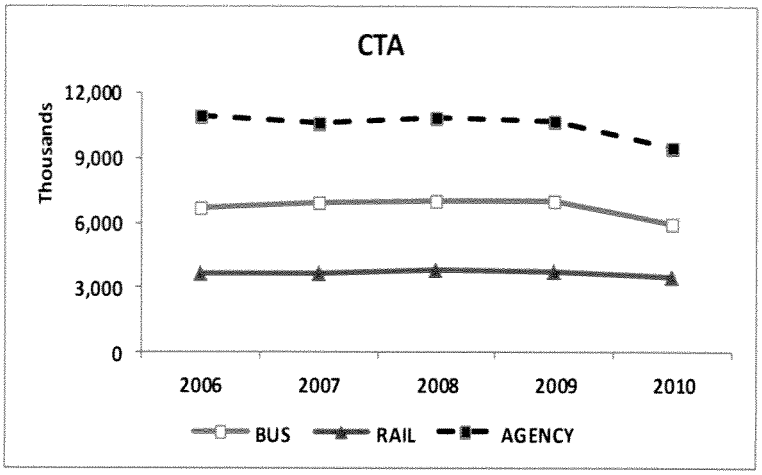
(7) The presentation of assets in a State of Good Repair has been updated to include one new measure: *Ten-Year Capital Funding Needs.* Ten-Year Capital Funding Needs indicates the capital funding that would be required to bring the condition of all assets into a state of good repair, as projected over a ten-year time frame. Additionally, this indicator details the financial investment needed to cover overdue replacement of assets past their useful lives, normal replacement cost of assets that will reach the end of their useful lives during the ten-year period, and maintenance costs associated with keeping assets in a state of good repair.

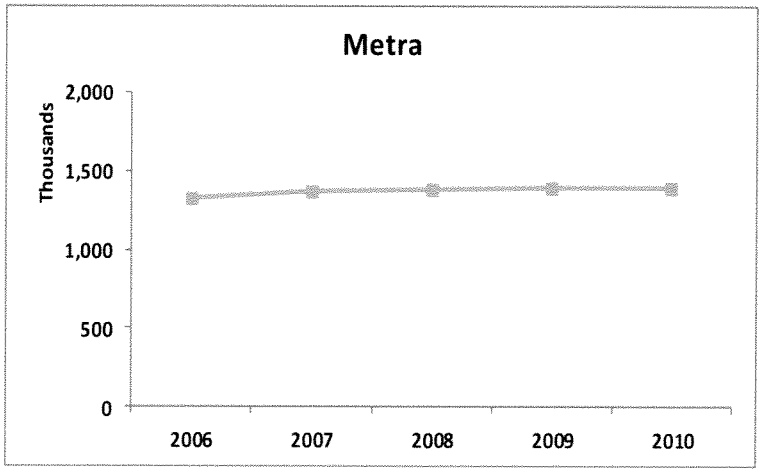
Vehicle Revenue Hours

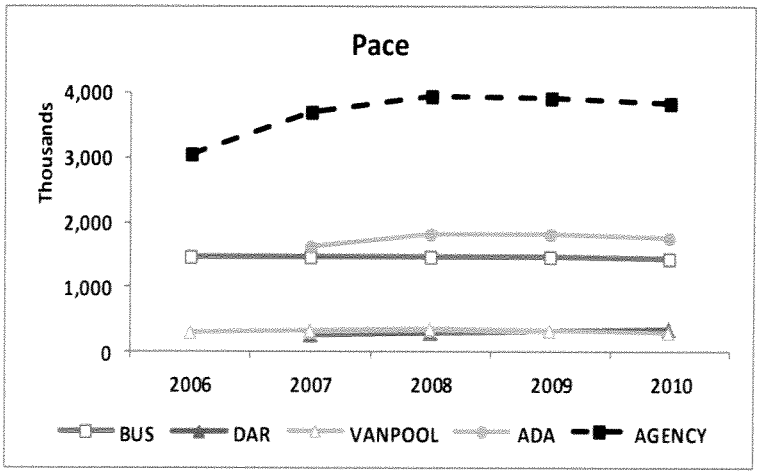
Vehicle revenue hours are the hours that vehicles travel while in revenue service, including layover/recovery time, but excluding vehicle repositioning (deadhead) time.

Recent Data and Interpretation

The RTA system has experienced an overall 4.3% decrease in vehicle revenue hours over the past five years. CTA, which transitioned paratransit services to Pace in July 2006, implemented substantial service cuts in 2010, resulting in vehicle revenue hour losses of 15% for bus and 6.8% for rail for the year. Metra has seen a 5.3% increase in vehicle revenue hours over the past five years, related to new start expansion projects implemented in 2006, new early morning reverse commute service in 2007, and enhanced weekend services in 2008 and 2009. Pace's dial-a-ride and ADA paratransit services showed gains of 26.2% and 7.8% respectively since 2007; since 2006, bus service decreased by 0.9% and vanpool decreased 6.4%. In 2010, only two modes saw increases in vehicle revenue hours: Metra saw a slight 0.2% increase and Pace dial-a-ride service was up 9.8% from 2009 levels.

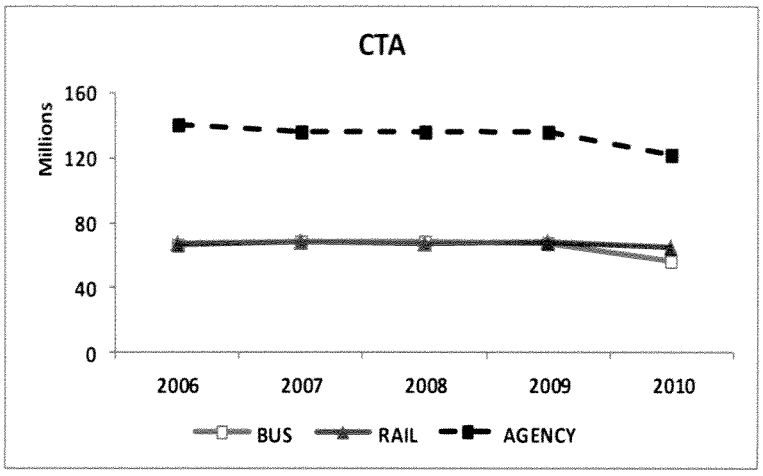






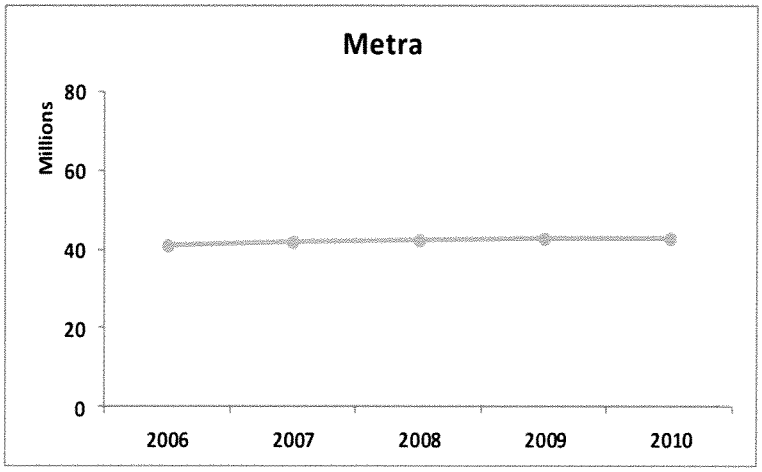
Vehicle Revenue Miles

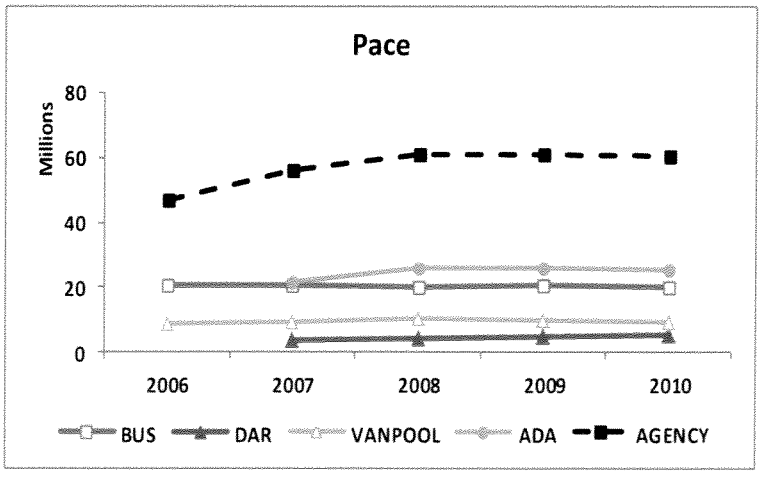
Vehicle revenue miles are the miles that vehicles travel while in revenue service i.e., excluding repositioning (deadhead) mileage. Vehicle revenue miles reflect the amount of transit service supplied and available for use by the public. Revenue miles supply the service consumers are buying – a trip of a certain distance.



Recent Data and Interpretation

After years of steady, incremental increases in vehicle revenue miles, the RTA system experienced a 6.2% decrease in 2010 due to CTA's service cuts -- a 15.7% reduction in bus vehicle revenue miles and 5.2% reduction for rail. Over the five-year period, CTA reduced vehicle revenue miles by 13%. Metra has had steady increases over the past five years, for a cumulative gain of 5.2%. Pace bus showed a 3.1% decrease in vehicle revenue miles in 2010, the first full year of service following a major restructuring of bus operations in South Cook and Will counties and elimination of two express routes. Dial-a-Ride stands out as the mode with the most increased vehicle revenue miles, up 15.9% for the year and up 40.8% since 2007. Vanpool, especially sensitive to fluctuations in gas prices, declined by 3.1% in 2010 but remains 6.2% higher than in 2006. ADA service peaked in 2008 and saw declines of 0.9% and 2.6% in 2009 and 2010, respectively, but remains 16.7% higher than in 2007. Over the five-year period, the RTA system has experienced an overall decrease of 1% for this measure.





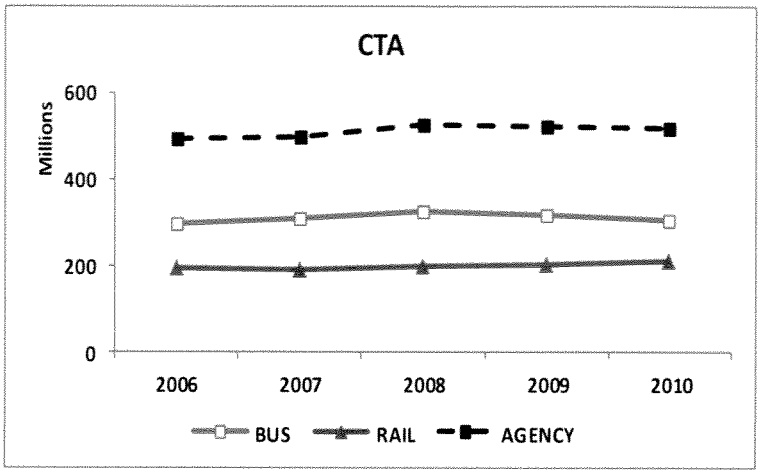
SERVICE COVERAGE:
Service Consumed

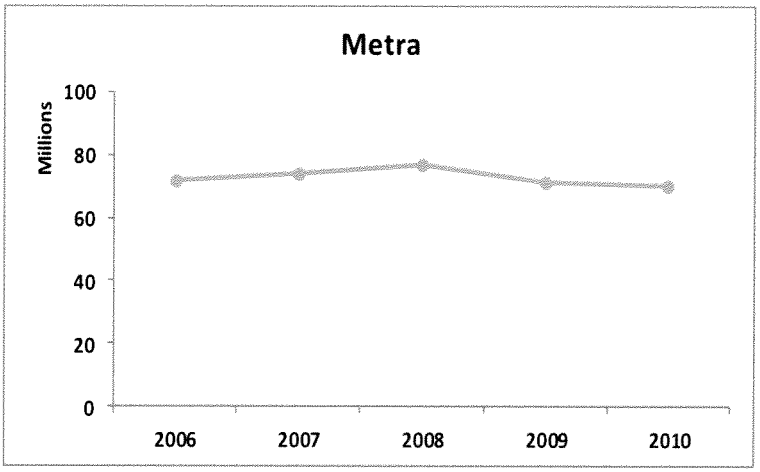
Passenger Trips

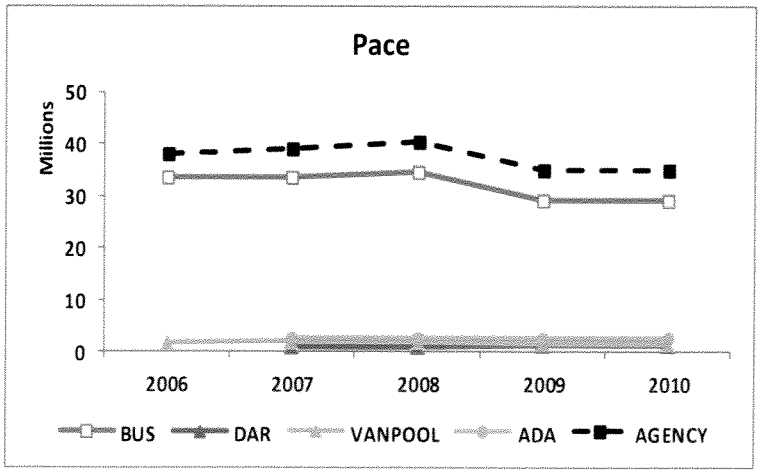
The number of passenger boardings on public transportation vehicles. A trip is counted each time a passenger boards a vehicle to travel from their origin to their destination.

Recent Data and Interpretation

Regional ridership increased by 2.9% over the five-year period. All three agencies saw ridership gains through 2008 and declines in 2009 and 2010, reflecting the national trend of decreased transit ridership as a result of the economic downturn. Chicago area unemployment peaked at 11.2% in January 2010 and saw some improvement throughout the year, yet each agency still saw declines in overall ridership. CTA bus ridership, declined 4%, while rail increased 4.1% for 2010. Metra ridership, particularly sensitive to the loss of regional jobs, declined by 1.7% in 2010 and is 2.1% lower than in 2006. Pace bus ridership remained unchanged from 2009 but has seen a cumulative 13.1% loss of ridership from 2006, partly attributable to the route restructuring in South Cook and Will Counties in 2009, which decreased transfers and therefore the number of unlinked trips recorded. Pace dial-a-ride service and paratransit service, which are less closely tied to jobs, have increased 12.4% and 5.6%, respectively, since 2007; however, dial-a-ride was the only Pace mode to have increased ridership in 2010. Vanpool realized a 3.2% loss of trips in 2010 and shows a net increase of 1.9% from 2006.





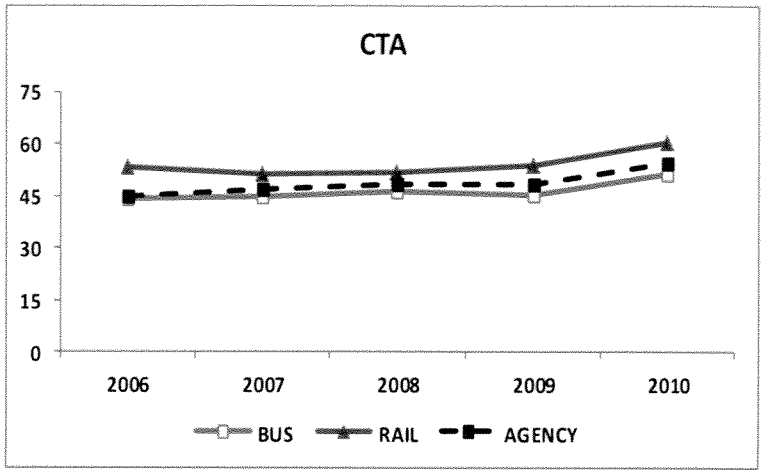


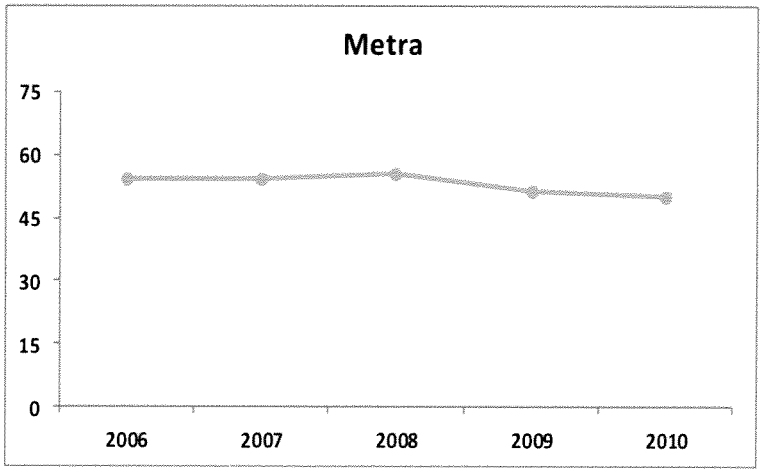
Passenger Trips per Vehicle Revenue Hour

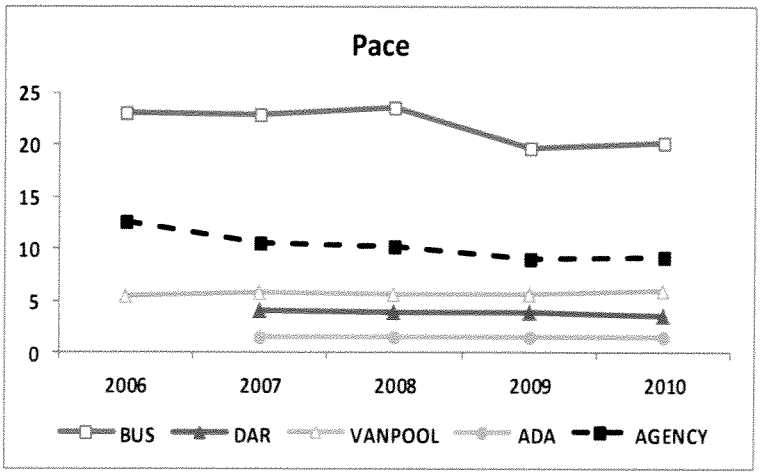
The number of passenger trips divided by the hours that vehicles travel while in revenue service. Passenger trips per revenue hour show how effectively the transit service supplied is used by the public.

Recent Data and Interpretation

Service cuts at CTA and streamlining of fixed-route service at Pace has resulted in improvements in this efficiency measure, which saw an 8.5% increase for 2010 and is 7.6% higher than in 2006. The largest improvements for this measure were seen at CTA, up 12.9% for the year and 21.6% for the five-year period. Metra's trips per hour held steady through 2008 as increased passenger trips kept up with revenue hours added for new services. However, ridership losses in 2009 continued through 2010, causing the trips per hour measure to decline by 1.9% for the year, and for a cumulative 7.1% loss since 2006. Pace's five-year, 27.3% decline in this measure can be attributed to the transition of paratransit service from CTA, with fewer trips possible per hour on smaller vehicles. In 2010 Pace experienced a 2% improvement for this measure with reduced vehicle hours on bus, vanpool, and ADA services.





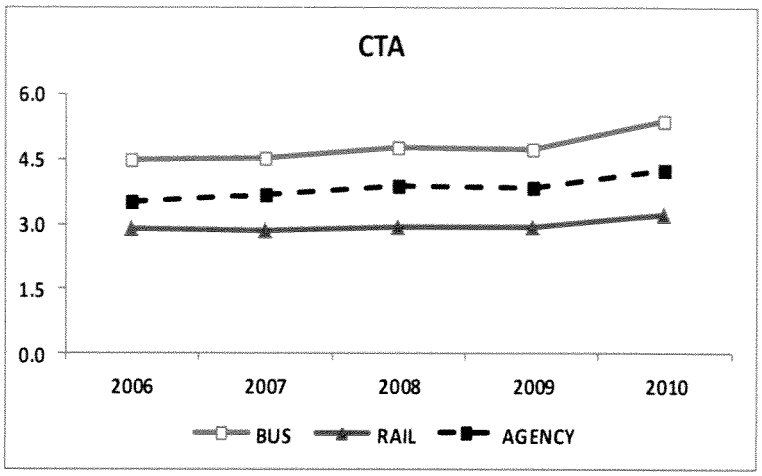


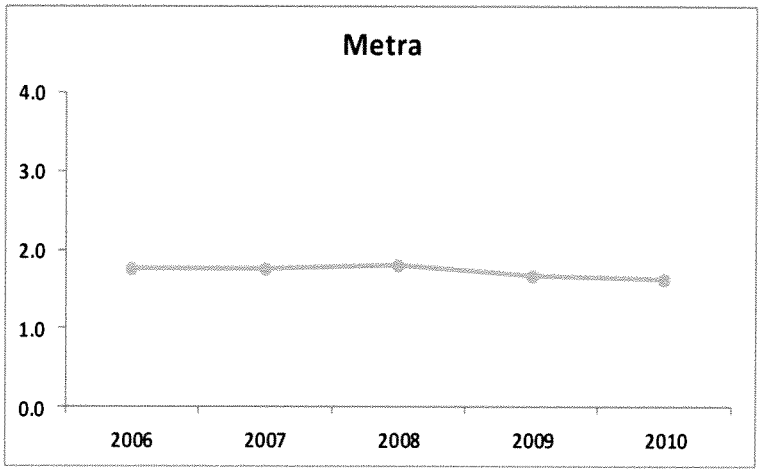
Passenger Trips per Vehicle Revenue Mile

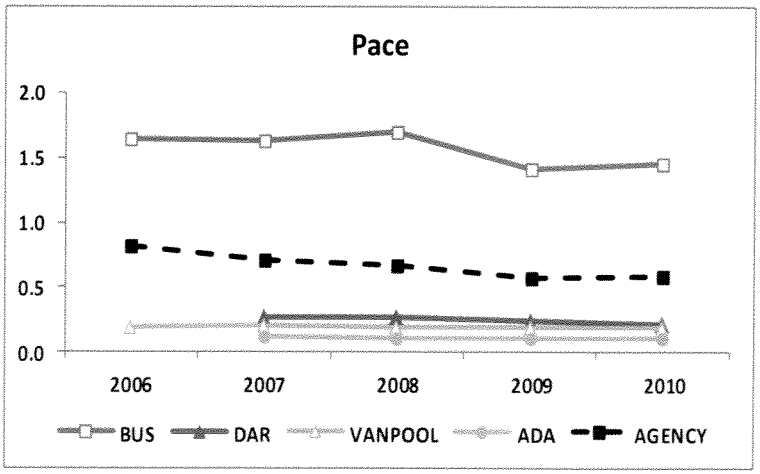
The number of passenger trips divided by the miles that vehicles travel while in revenue service. Passenger trips per revenue mile show how effectively the transit service supplied is used by the public.

Recent Data and Interpretation

Passenger trips per revenue mile, which had remained relatively stable in the Chicago region through 2009, experienced a 5.6% improvement in 2010 and is 4% higher than in 2006 as the service boards adjusted schedules in response to declining ridership. CTA experienced growth in both bus (14%) and rail (9.8%), indicating increased service effectiveness resulting from service reductions on less productive trips. Metra performance held steady through 2008 and then dropped in 2009 and 2010, as ridership declined from the continued high regional unemployment rate. Pace bus service saw a 3.2% improvement in 2010 as several routes were eliminated due to low ridership. Over five years this measure declined 11.2% as a result of ridership declines in 2009. Dial-a-ride and ADA saw declines in this measure as increases in vehicle miles outpaced growth in passenger trips.





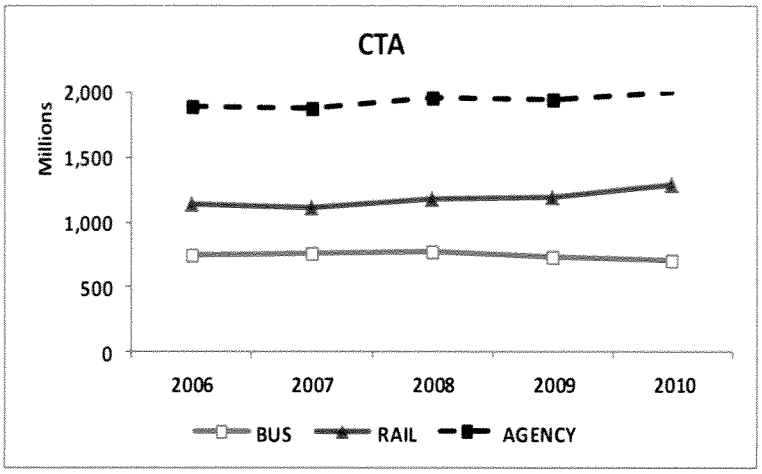


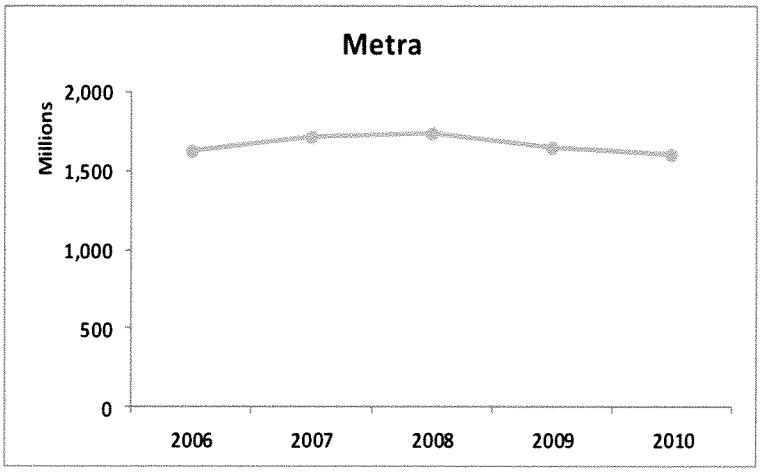
Passenger Miles

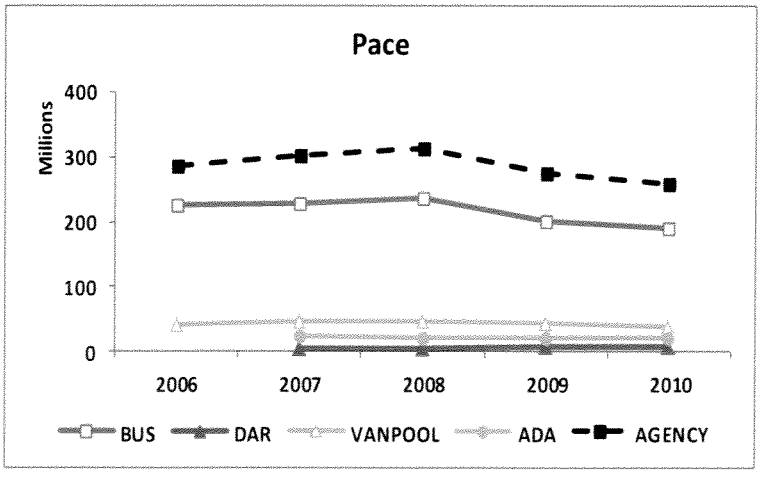
Cumulative sum of the distances ridden by each passenger. Passenger miles are equal to the average trip length multiplied by total passenger trips.

Recent Data and Interpretation

Over the past five years, the RTA system as a whole realized a 1.3% increase in passenger miles. CTA rail experienced a 7.9% increase in passenger miles in 2010, more than making up the 4.3% loss in bus passenger miles, for a net gain of 3.3% for the year and 5.6% increase for the five-year period. CTA rail passenger miles grew at a higher rate than passenger trips, indicating longer average rail trips. Metra, with continued ridership losses through 2010, saw a 3% reduction in passenger miles for the year and was 1.7% below 2006 levels. Pace bus, dial-a-ride, and vanpool each experienced losses in passenger miles in 2010, with the largest loss occurring for vanpool, down 13.5% as gas prices dropped from the high levels seen in 2008. ADA paratransit was the only Pace service to see an increase in passenger miles for 2010 (up 5.8%) but remained 1.2% lower than 2007 levels.





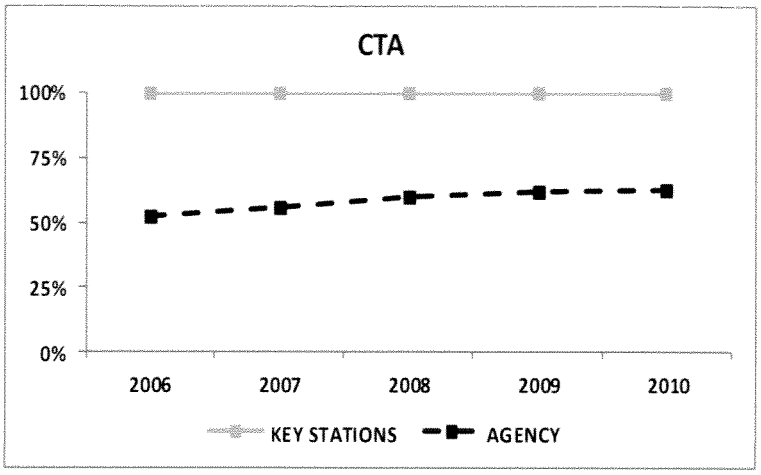


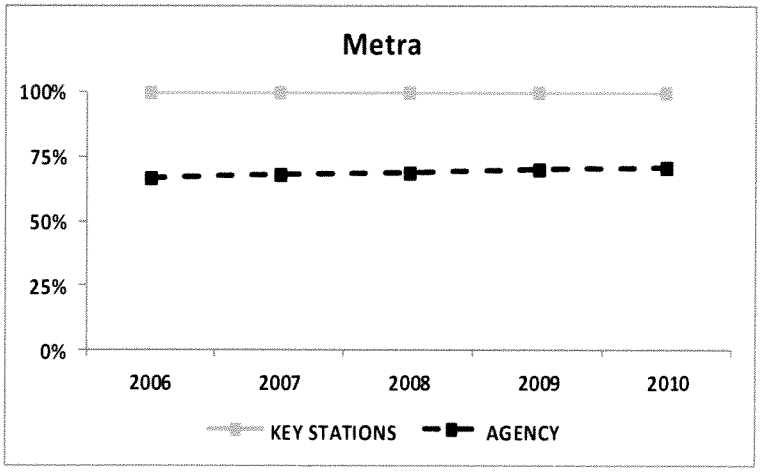
Percentage of Stations ADA Accessible

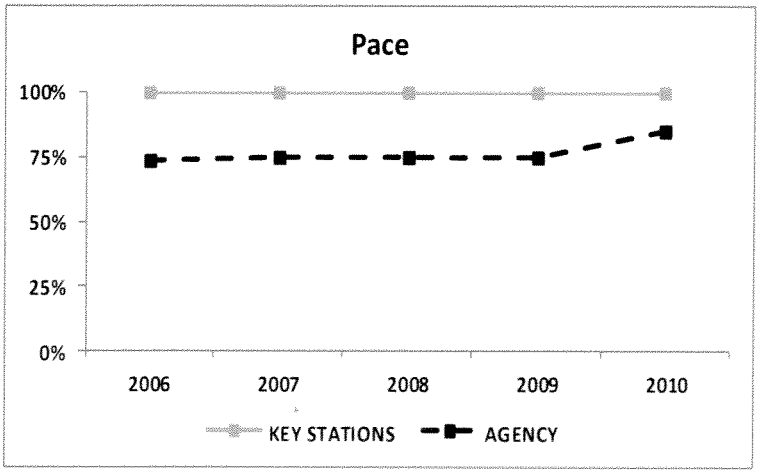
ADA accessibility refers to the ability to accommodate passengers with disabilities, either by removing barriers to transit use or by providing specially-equipped vehicles to allow equal access to transit. ADA accessibility standards for transit are established in Title 49, parts 27 and 38 of the Americans with Disabilities Act of 1990. In addition to complying with federal laws, meeting ADA accessibility standards in the public transit industry allows for increased mobility for all of the region's population and is a quality of life issue. "Key" stations include those stations whose number of passengers exceeds its system average by at least 15%, stations which are major transfer points to other transit modes, stations at the end of a line, or stations that serve major activity centers.

Recent Data and Interpretation

The region and each service board have seen increases in the number of ADA-accessible stations in 2010 and over the past five years. 100% of RTA's key stations are ADA-accessible, and 73% of all stations are ADA-accessible. The Pace stations actually refer to CTA or Metra train stations that Pace serves, in addition to other facilities such as Pace transportation centers.





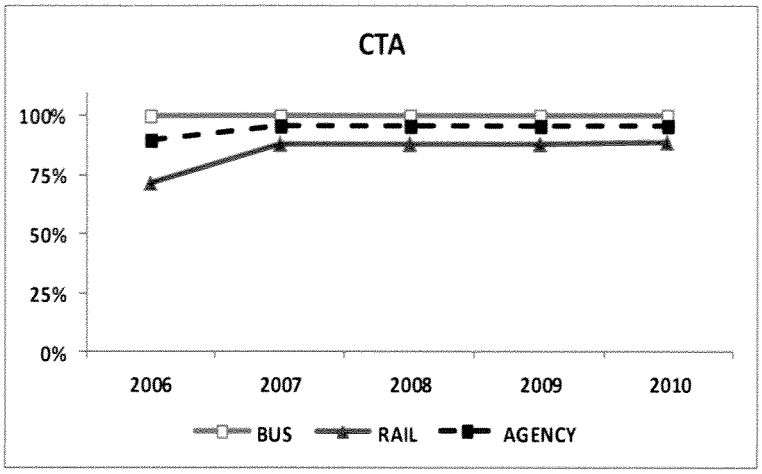


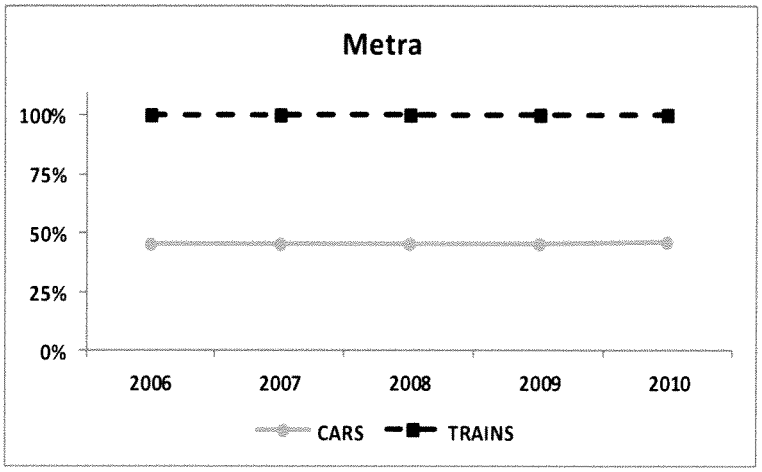
Percentage of Vehicles ADA Accessible

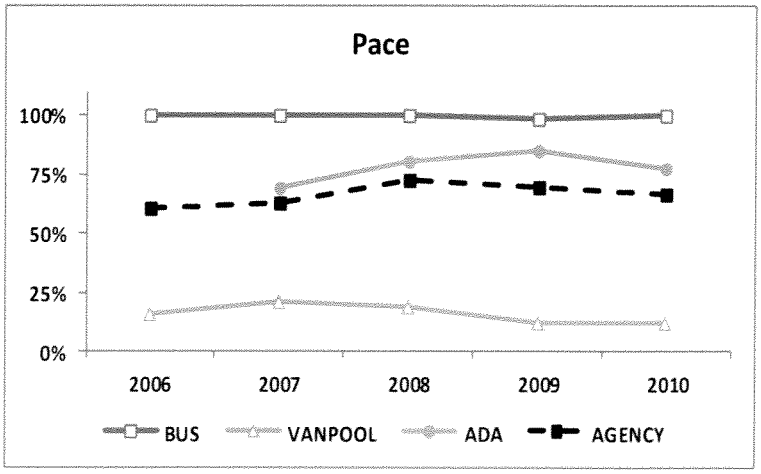
ADA accessibility refers to the ability to accommodate passengers with disabilities, either by removing barriers to transit use or by providing specially-equipped vehicles to allow equal access to transit. ADA accessibility standards for transit are established in Title 49, parts 27 and 38, of the Americans with Disabilities Act of 1990.

Recent Data and Interpretation

The RTA system has seen increasing numbers of ADA-accessible vehicles through 2010. 100% of CTA and Pace buses are ADA-accessible. In regards to regional rail fleets, 89% of CTA's 'L' train cars are ADA-accessible, and 46% of Metra's commuter rail cars are ADA-accessible. All CTA and Metra trains are ADA-accessible, however. CTA provides at least two accessible cars on all trains, with four accessible cars on all eight-car trains (two in the front of the train and two in the back). All Metra trains include at least one ADA-accessible car.





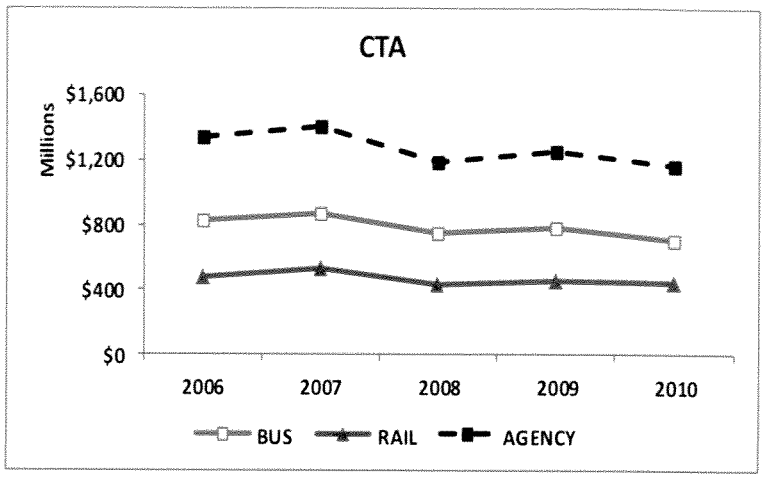


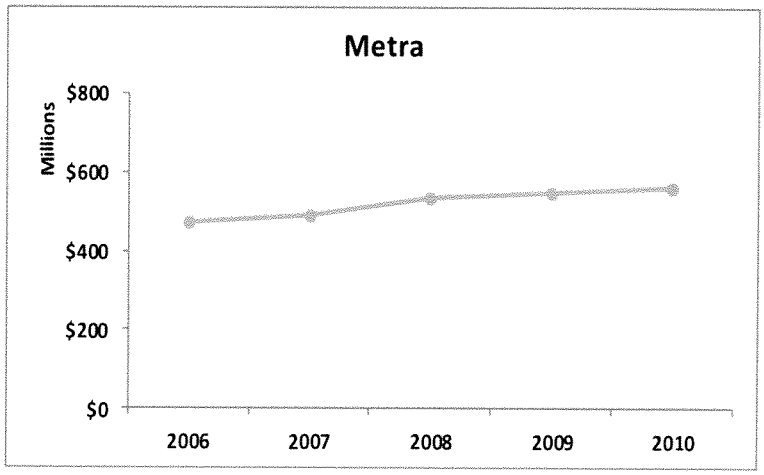
Operating Cost

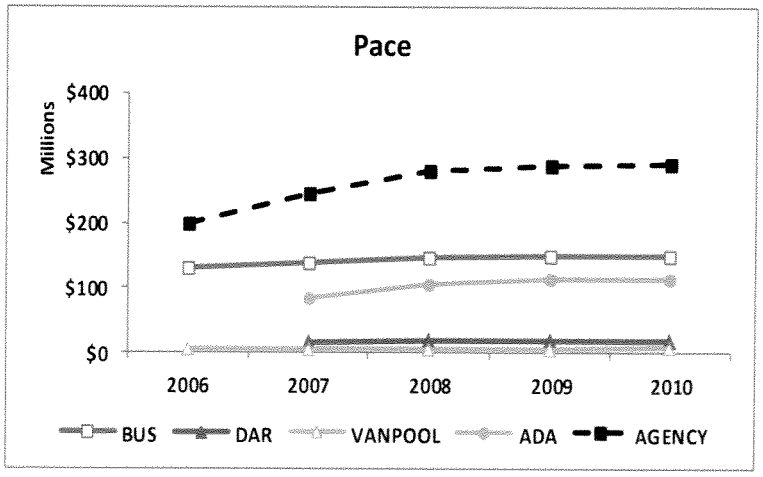
Total expenses associated with the operation of the transit agency.

Recent Data and Interpretation

Regional operating costs in 2010 are 0.3% above the 2006 level and 3.4% lower than 2009 compared to a five-year inflation rate of 7.4% and an annual inflation rate of 1.4%. These numbers reflect the financial pressure the region's public transit system has been under to balance budgets as revenue sources have declined. Cost-cutting and service reduction measures implemented at CTA, in addition to a fuel hedging program, resulted in a 7% reduction in operating costs in 2010 and a net decrease of 13.4% from 2006. Metra's costs grew 2.6% in 2010, and 19.2% since 2006, burdened by increases in diesel fuel, higher health insurance premiums, and the high maintenance cost of keeping its older fleet and infrastructure operational. Pace kept its 2010 overall operating cost increase just below 1%; over five years, the increase is nearly 50% related to the transition of region-wide ADA paratransit to Pace and the subsequent growth in these and dial-a-ride services. Increased costs for vanpool (+28.6% since 2006) and fixed-route bus (+15.1% since 2006) also contributed to Pace's cumulative operating cost increase.





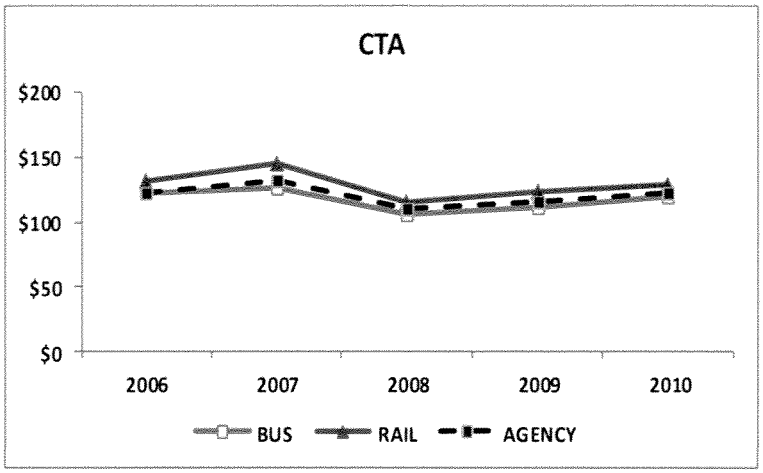


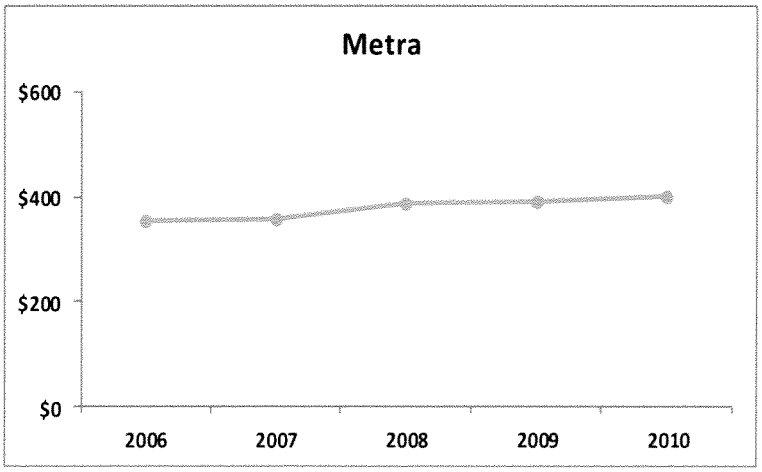
Operating Cost per Vehicle Revenue Hour

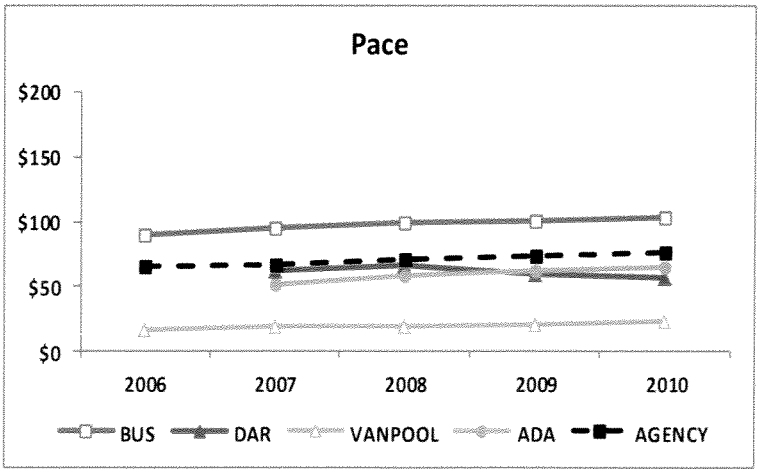
Operating expenses divided by the hours that vehicles travel while in revenue service. This measure demonstrates the actual dollar amounts that transit agencies must pay to operate each hour of service provided to the public.

Recent Data and Interpretation

The RTA system had 4.8% higher operating costs per vehicle revenue hour in 2010 than in 2006. This increase is lower than the 7.4% growth in inflation over the same period, and indicates an improvement in the efficiency of providing service. However, the annual increase in operating costs per hour were above the rate of inflation at 5.8%, indicating some decrease in efficiency. Service reductions implemented to trim costs reduce the overall efficiency of the system, as the system infrastructure and overhead costs must be spread over a smaller number of hours of service provided. Metra's relatively higher cost per hour of service reflects the costs associated with maintaining a right-of-way throughout a large geographic area and is typical of commuter rail service. In 2010, all three service boards experienced percentage increases in operating costs per hour that exceeded the 1.4% rate of inflation.





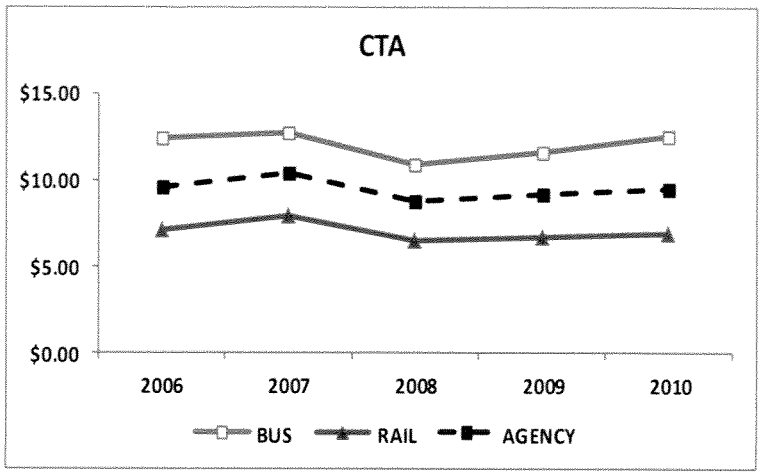


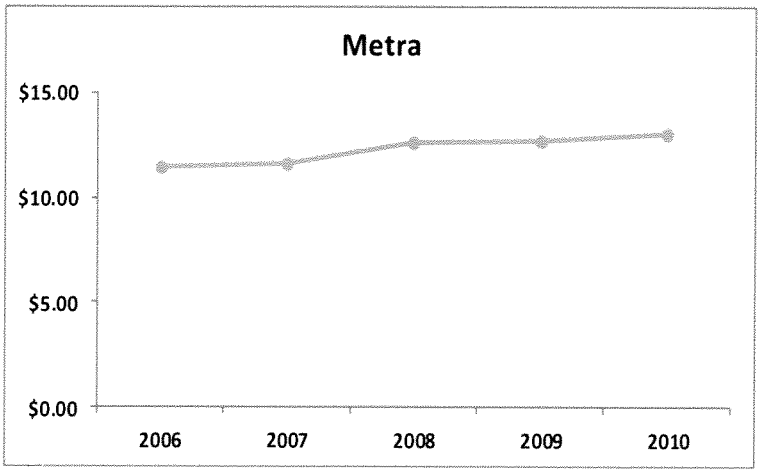
Operating Cost per Vehicle Revenue Mile

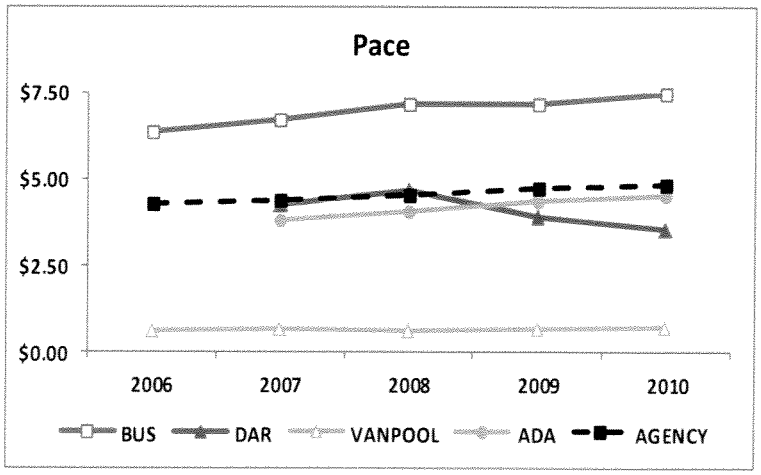
The expenses associated with the operation of the transit agency divided by the miles that vehicles travel while in revenue service. Operating costs show the level of resources spent on service delivery in relation to the service being provided and used.

Recent Data and Interpretation

Regionally, operating costs per vehicle revenue mile increased 1.3% for the five-year period, and 3% between 2009 and 2010. All three service boards and all but one service mode experienced increases for this measure in 2010. Dial-a-ride service saw a 9.6% decrease for the year resulting from a greater percentage increase in miles of service provided than costs, and it was the only mode to show improvement for this measure in 2010.





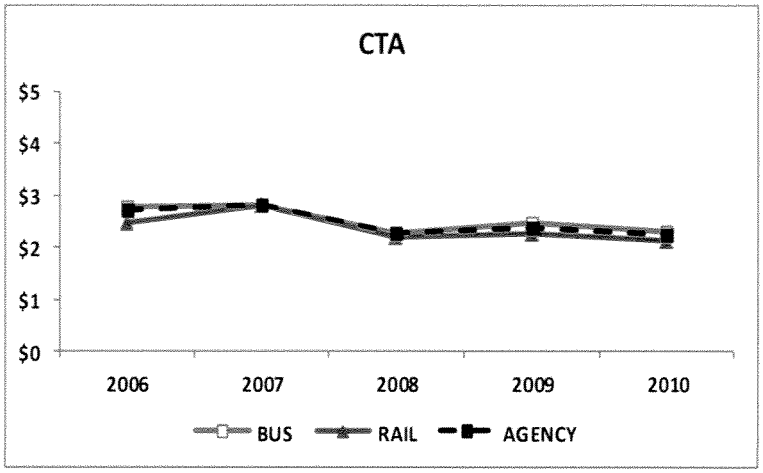


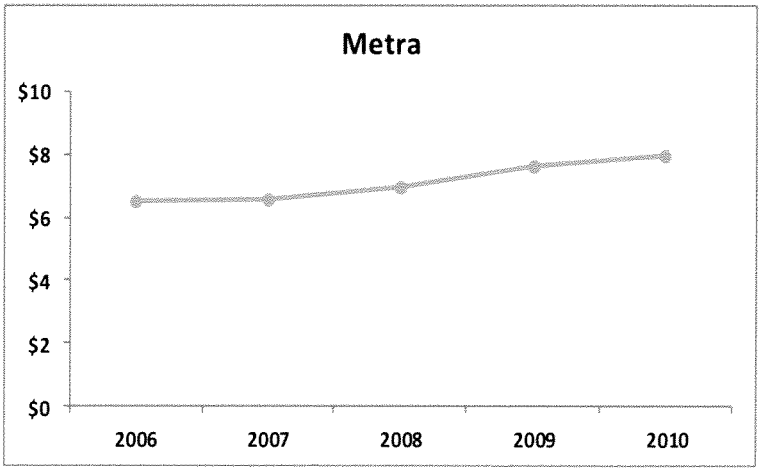
Operating Cost per Passenger Trip

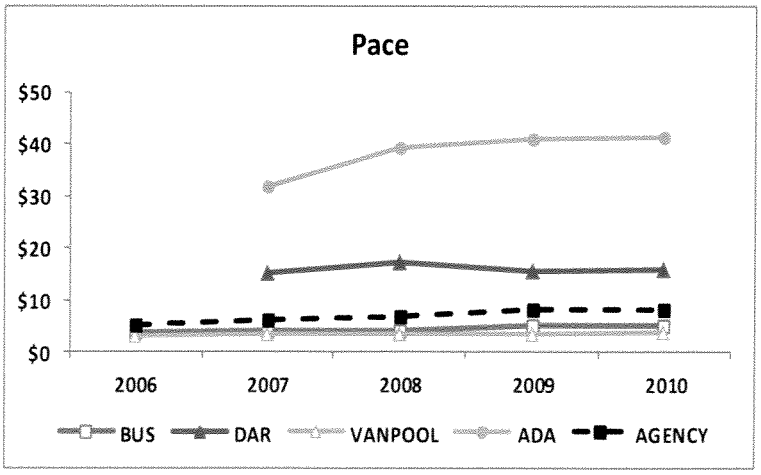
Operating cost divided by the total number of passenger trips. This measure illustrates the gap between the established fare and the cost of providing an individual trip.

Recent Data and Interpretation

Regional operating cost per passenger trip has decreased by 2.5% for the year and the five-year period, as a result of CTA's 2010 6.2% reduction in operating cost per trip, and more than 17% decrease since 2006. Metra experienced a 4.4% increase in cost per trip for 2010 and has cumulatively increased its cost per trip by 21.8% since 2006. Dial-a-ride services provide Pace with its most stable operating cost per trip, with a 2.2% increase for 2010 and an overall 3.8% increase since 2007, whereas bus and vanpool have increased 32% and 26% respectively since 2006. Growth in the per-trip cost for ADA service has moderated in recent years after initial cost increase in the early period of transition as contractor rates were renegotiated. Overall, Pace's operating cost per trip increased only 1% in 2010, below the rate of inflation.





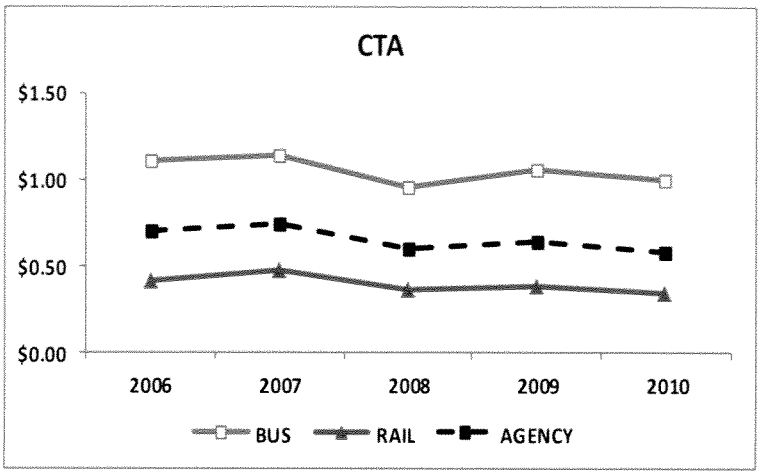


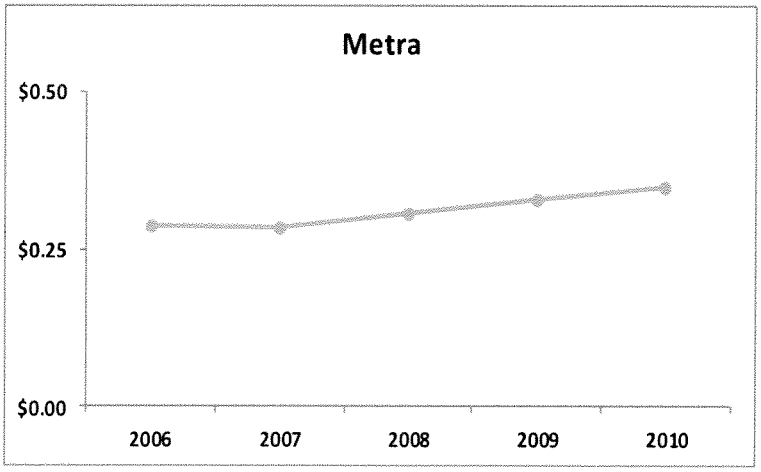
Operating Cost per Passenger Mile

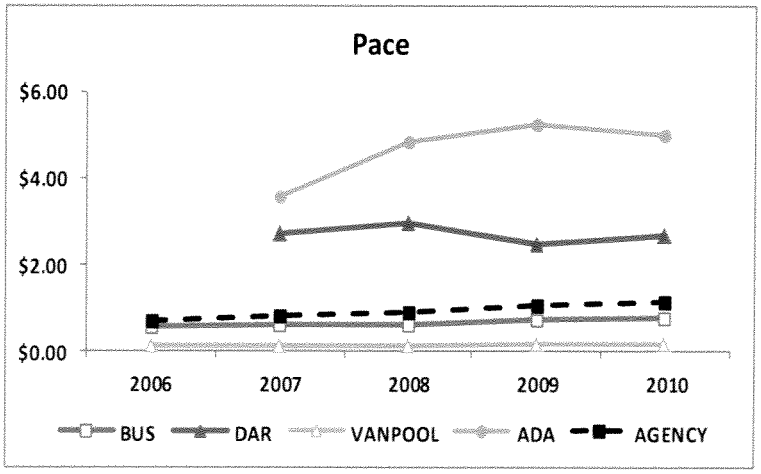
Operating costs divided by the cumulative sum of the distances ridden by all passengers.

Recent Data and Interpretation

Regionally, there was a 3.3% decrease in operating cost per passenger mile in 2010 and a 1% decrease over the past five years. CTA bus, with decreased costs and decreased passenger miles, fell 5.6% in 2010. CTA rail also experienced decreased costs, but also had increased passenger miles, producing a 9.6% reduction in cost per mile for 2010. Over five years, CTA has reduced costs per passenger mile by 18%. Metra, with increased costs and decreased passenger miles, saw a 5.7% increase in 2010 and is 21.3% higher than in 2006 for this metric. ADA paratransit was the only Pace mode to realize a drop in operating cost per passenger mile, with a 5.2% reduction from 2009, largely owing to increased passenger miles. Pace vanpool saw the largest increase in cost per passenger mile, with a 24.8% increase in 2010 and 37.8% increase from 2006 levels.





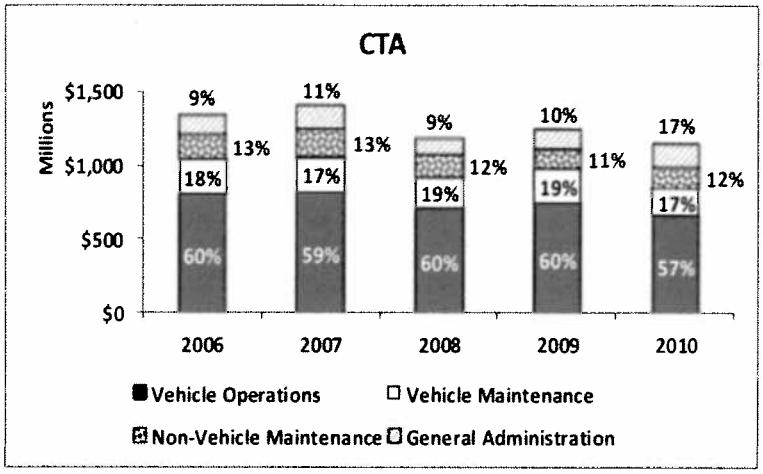


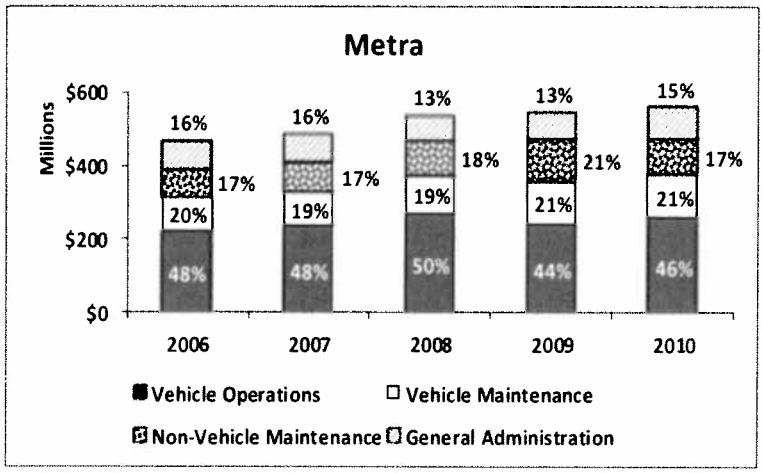
Operating Cost Components

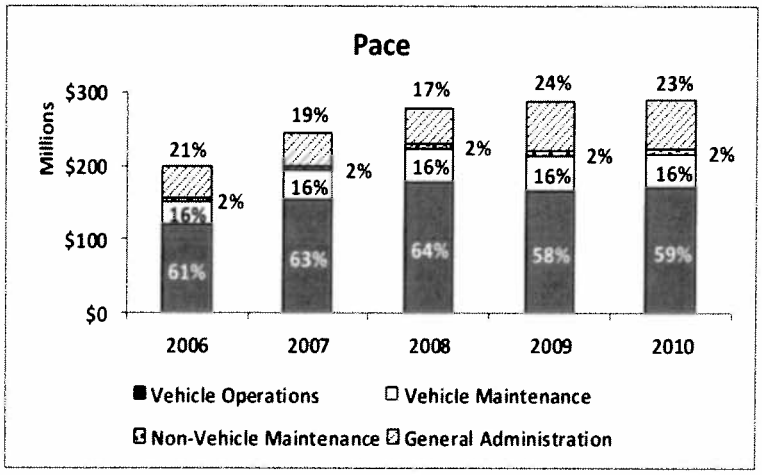
This measure refers to the allocation of costs among specific categories of expenses: general administration, vehicle maintenance, non-vehicle maintenance, and vehicle operations.

Recent Data and Interpretation

The proportion of costs allocated to major functions over the five years has remained relatively stable. Vehicle operations consume the most significant proportion of all expense categories, ranging from 46% to 59% in 2010 depending on the mode of service. Metra has the lowest percentage of vehicle operation costs, reflecting the efficiency inherent in train service where a single operator drives a multi-car train carrying many passengers. Higher vehicle operations costs on Pace and CTA reflect the more labor-intensive characteristic of bus operations, and in the case of Pace, a mix of smaller vehicles that carry fewer passengers per driver. Metra and CTA Rail have the highest proportion devoted to non-vehicle maintenance related to the costs of maintaining an extensive right-of-way and passenger station network. However, CTA's agency total is affected by the low infrastructure requirements for bus. An examination of amounts spent in each category shows that the largest increases have been in general administration costs, which were nearly 32% higher in 2010 than 2006, followed by vehicle operating costs, which increased 5.7%.





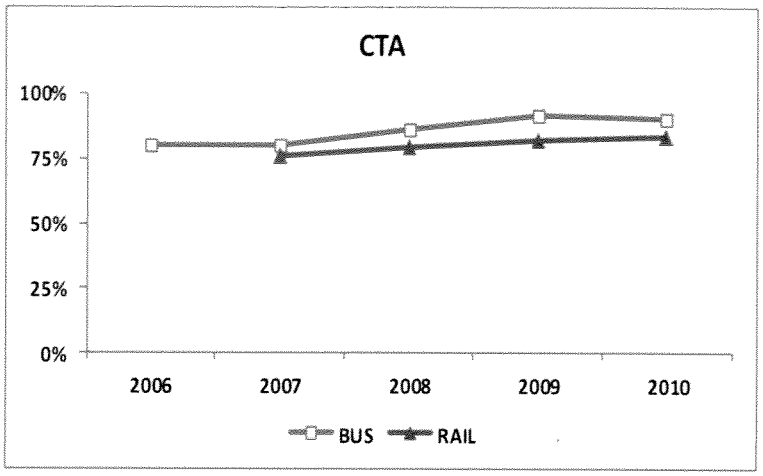


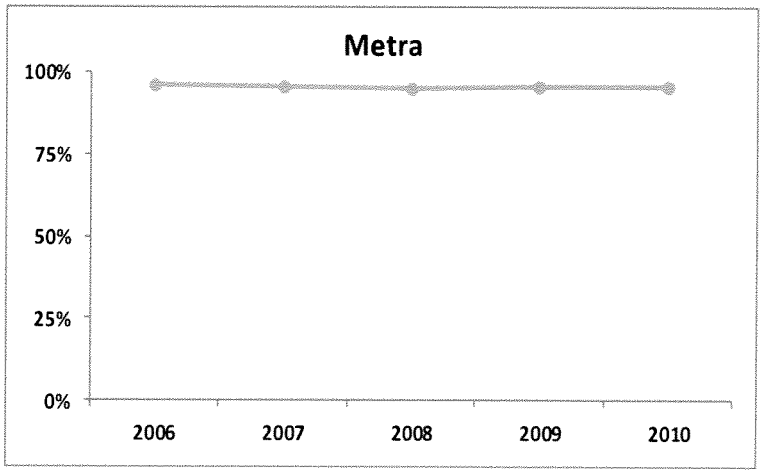
On-Time Performance

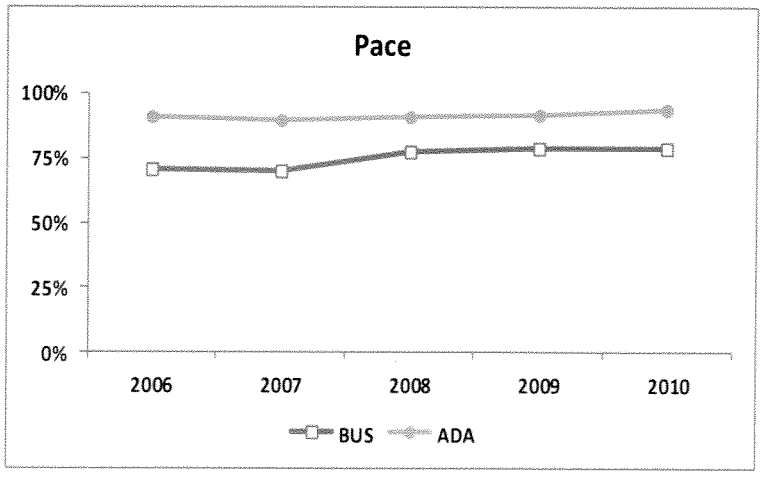
The percentage of the times a transit vehicle departs from and/or arrives at a location within a certain number of minutes after and/or before the scheduled time and/or interval maintenance for frequent service. The three service boards measure on-time performance differently from each other. CTA measures rail on-time performance as arriving within one minute of the scheduled headway. CTA and Pace bus on-time performance is measured as leaving the terminal no more than one minute early and no more than five minutes later than scheduled. Metra measures on-time performance as arriving at the last station within five minutes of schedule. Pace paratransit on-time performance is defined as arriving within twenty minutes of scheduled pick-up time for city trips and within fifteen minutes for suburban trips.

Recent Data and Interpretation

Slight decreases occurred on CTA and Pace fixed-route bus service of 1.2% and 0.4%, respectively. CTA rail improved 0.7% and ADA paratransit experienced a 2% improvement in on-time performance, while Metra had a 0.2% uptick in 2010 and remains relatively flat over the past five years.





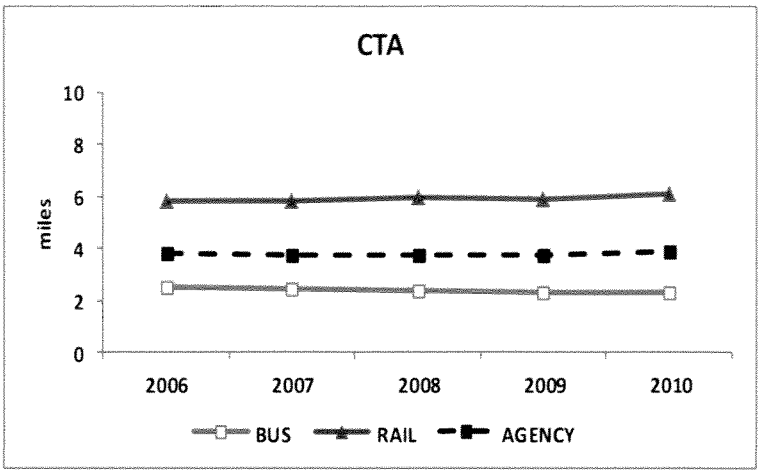


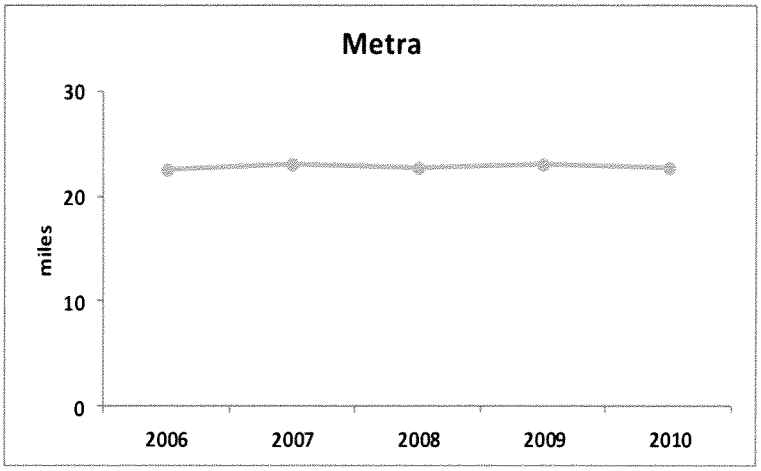
Average Passenger Trip Length

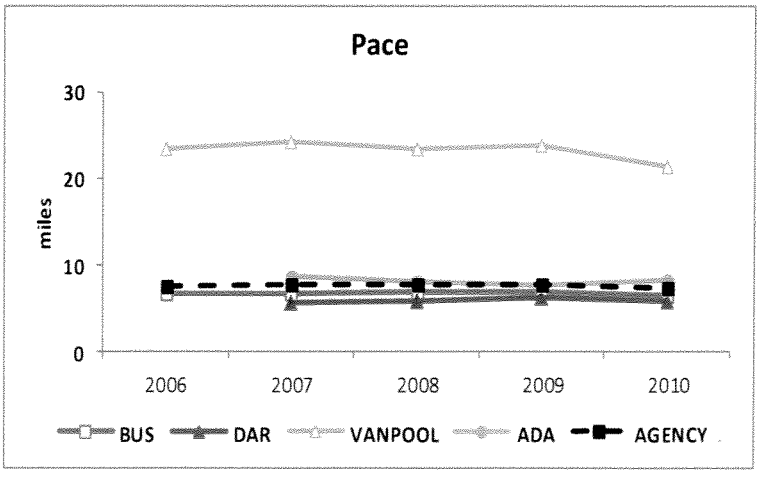
The average distance traveled for an unlinked passenger trip.

Recent Data and Interpretation

Average passenger trip lengths have remained fairly stable throughout the five-year period under review. Overall, there has been a 1.5% decrease in average trip length from 2006 to 2010. CTA experienced a 7.5% decrease in bus trip lengths and a 5% increase for rail trip lengths over the five-year period, for a net gain of 1.1% for the agency. Metra trip lengths decreased 1.3% in 2010 but remain fairly stable over the five-year period with a net increase of 0.4%. ADA paratransit was the only Pace mode to see an increase in 2010, with a gain of 6.4%; vanpool saw the biggest loss of 10.6% for 2010 and an 8.4% decrease from 2006. Overall, Pace average trip lengths were down 6.3% in 2010 and 1.6% from 2006.





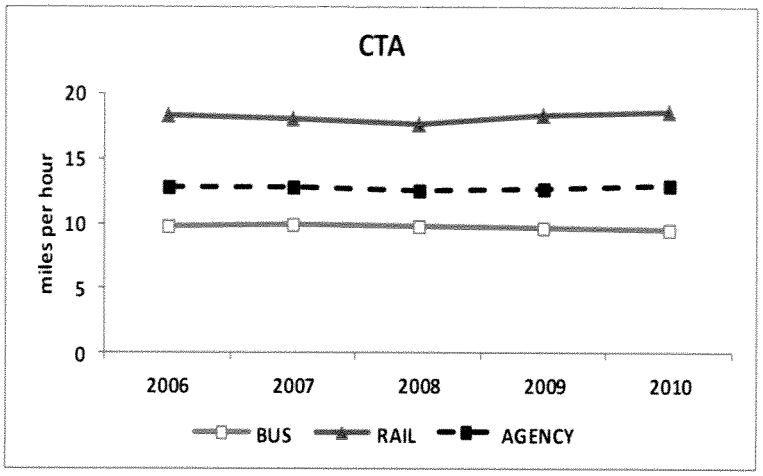


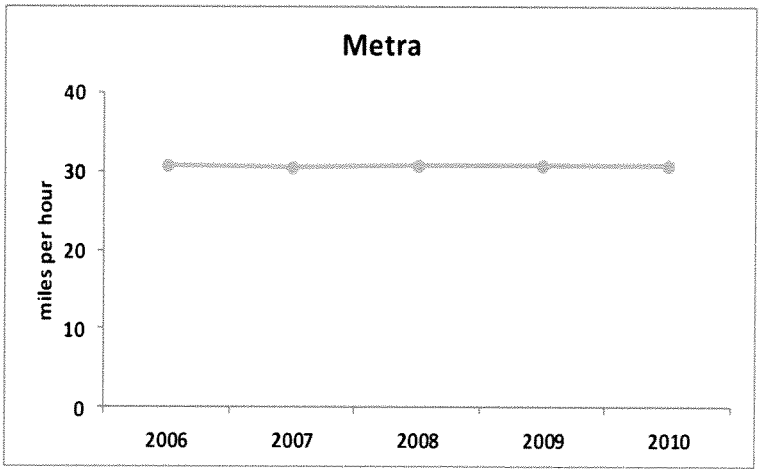
Average Speed

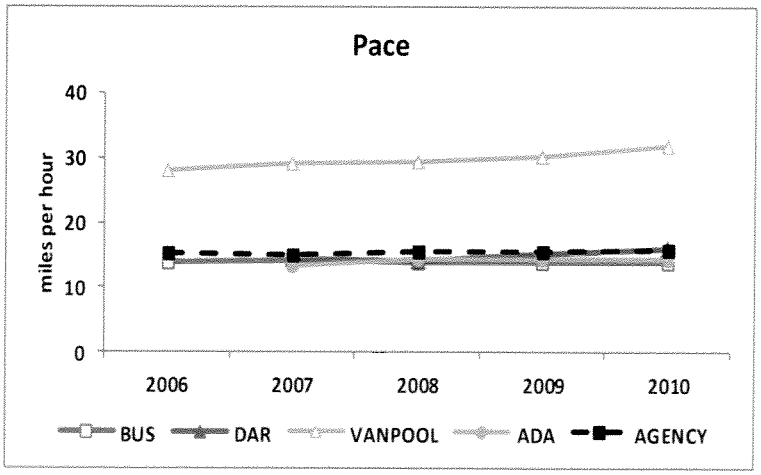
The miles that vehicles actually travel while in revenue service divided by the hours that vehicles are in revenue service, which include layover periods of time that occur between scheduled routes when the revenue vehicle is not in motion.

Recent Data and Interpretation

Average speeds increased for each service board in 2010, for a systemwide net increase of 2.7% for the year and 3.5% increase from 2006. CTA work to eliminate slow zones continued throughout 2010 and resulted in a 1.7% gain in average speed, whereas CTA bus was 0.9% lower than in 2009. Metra's average speed has remained largely unchanged throughout the five-year period, with a 0.1% reduction in average speed. Although Pace fixed-route services lost 1% in average speed, gains were seen for dial-a-ride, vanpool, and ADA paratransit services for 2010. Vanpool and dial-a-ride had the largest gains at 5.9% and 5.5%, respectively. The fastest regional trips are on Metra commuter rail and Pace vanpool, with average speeds of over 30 m.p.h. CTA rail is the next fastest service with average speeds of nearly 19 m.p.h. Pace bus, dial-a-ride, and paratransit service, which each navigate the same suburban street network, have speeds of about 14 m.p.h. CTA bus, serving a dense urban environment, has the slowest average speed at about 9.5 m.p.h.

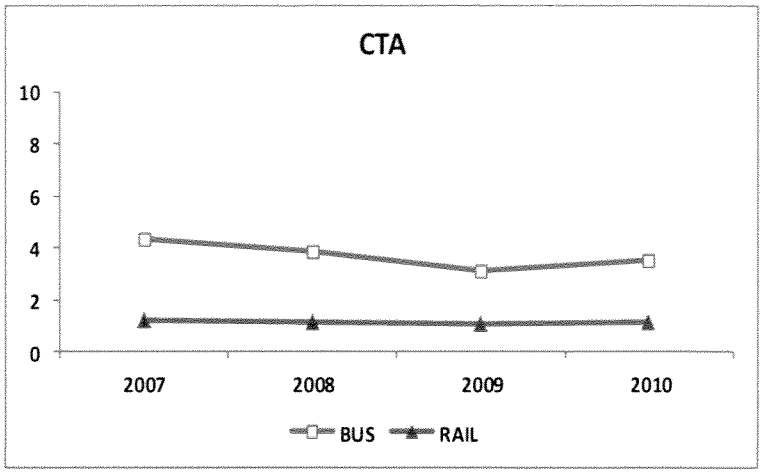






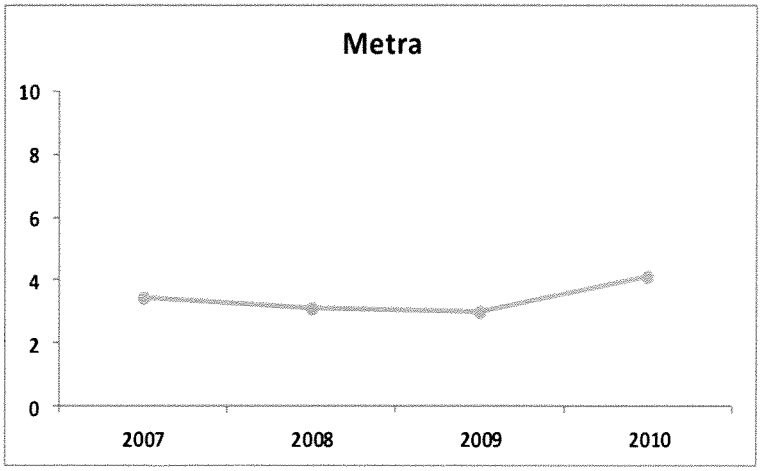
Complaints Reported per 100,000 Passenger Trips

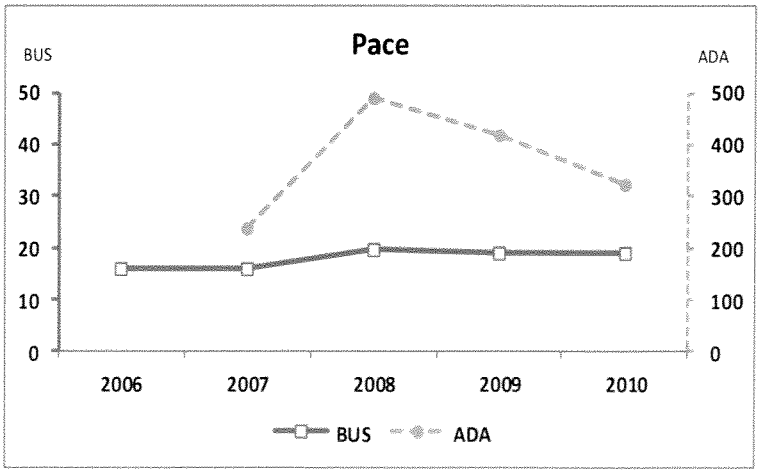
The percentage of service complaints reported as compared to total passenger trips. CTA and Metra data are not available prior to 2007; Pace paratransit data are available from March 2007.



Recent Data and Interpretation

After two years of declines, CTA experienced a 7.7% uptick in bus complaints in 2010, coinciding with service cuts implemented in February; the number of complaints was 20.7% less than in 2007. CTA rail experienced a 12.9% increase in 2010, and was 6% higher than 2007. Complaints to Metra increased 35.2% in 2010, mostly related to proposed service restrictions from a bridge construction project. In response to concerns from its riders, Metra revised its construction plans to preserve two-track operation. The sheer volume of ridership on CTA and Metra serves to dilute the complaint rates reported. Pace bus, with one-tenth the ridership of CTA bus, registered half as many complaints and has remained fairly steady from 2006; ADA paratransit service saw 22% fewer complaints for 2010 and has declined nearly 33% since peaking in 2008. Overall, the RTA system received 2.7% fewer complaints in 2010, and the number of complaints has declined 18.2% from the 2008 peak.





Reportable Safety and Security Incidents per 100,000 Passenger Trips

The rate of reportable safety and security incidents per 100,000 unlinked passenger trips.

Recent Data and Interpretation

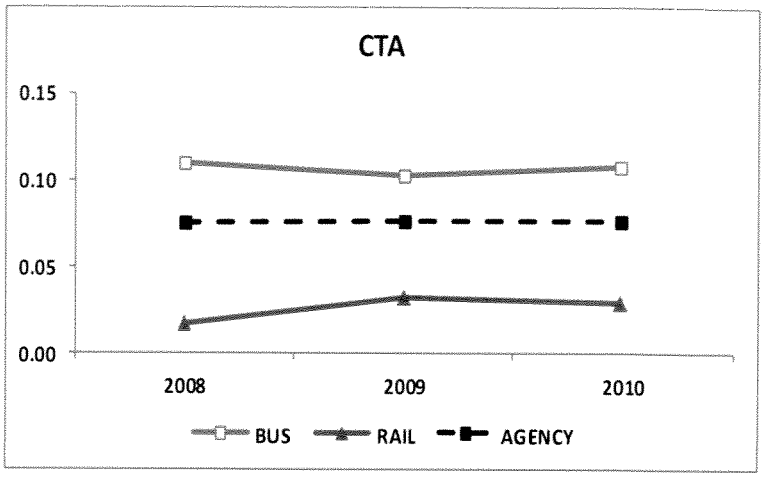
Data for years prior to 2008 have been omitted due to extensive changes to NTD reporting standards, which created a discontinuity in the data series by incorporating incidents which had previously been excluded.

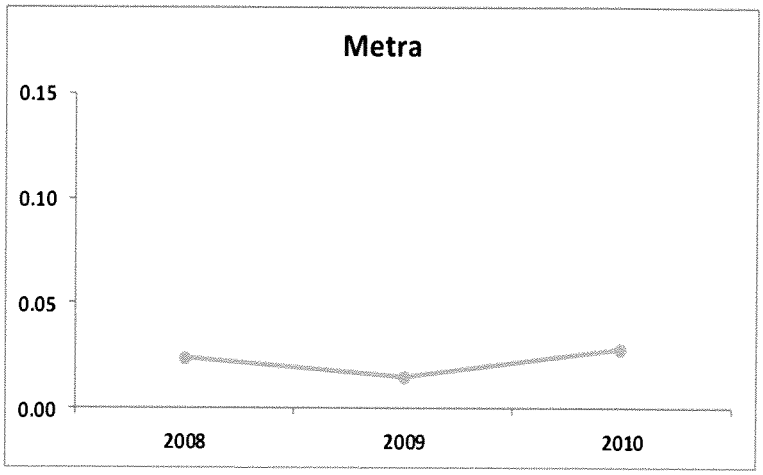
For the three years reported, CTA incidents remained fairly stable, with an increase of one incident for bus and four fewer incidents on rail for 2010. Metra reported nine more incidents in 2010, but has a very low incident rate, second only to Pace's dial-a-ride service, which had no reportable incidents in 2010. On an aggregated basis, Pace's reportable incidents have decreased 37% from 2008. Regionally, the RTA system has a very low incident rate of 0.076 incidents per 100,000 passenger trips, which is 7.4% lower than in 2008.

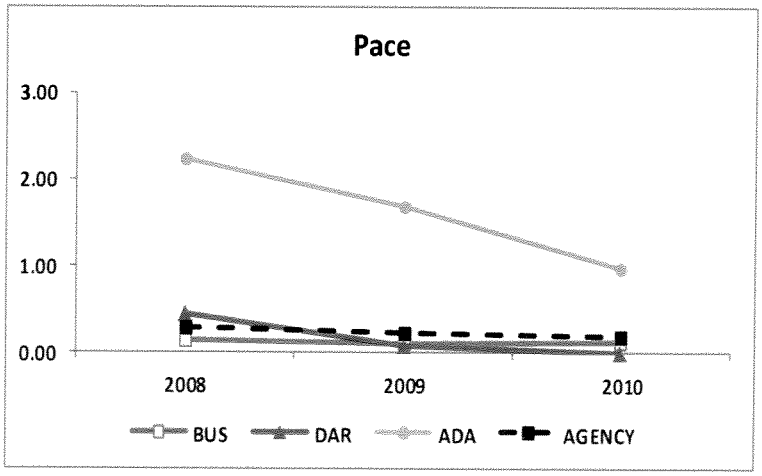
Percentage of ADA Paratransit Trips Denied

The percentage of requested trips for which service was denied as compared to total trips.

No paratransit trips were denied for the period of time under study. (No chart provided.)





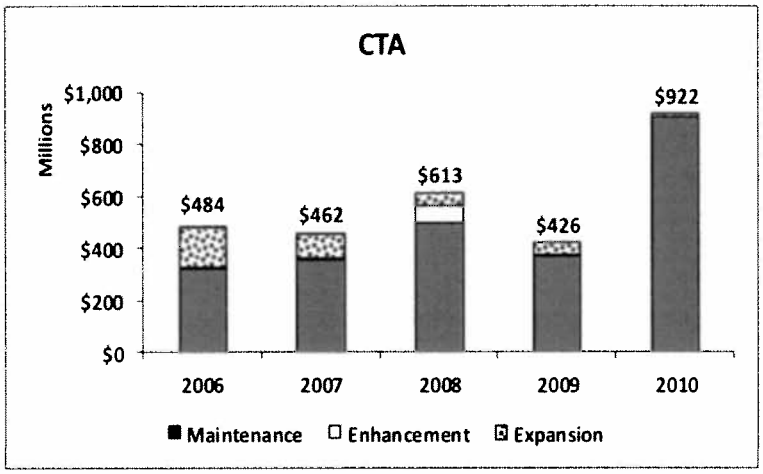


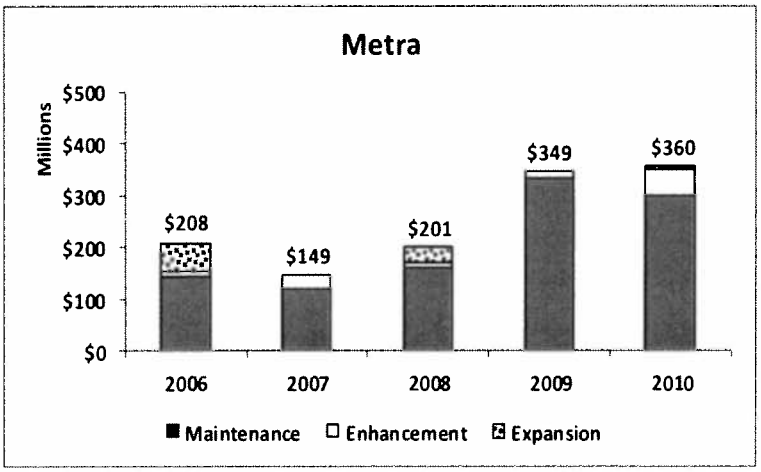
Capital Program

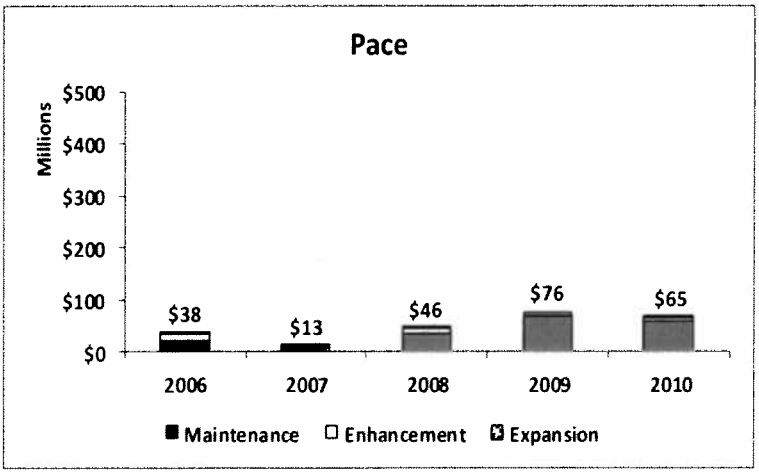
The allocation of projects budgeted within each category as a proportion of the capital program. These figures represent the total monies available for capital maintenance, expansion, and enhancement, and are the sums of new funding as well as de-obligated and re-programmed funding available for these purposes.

Recent Data and Interpretation

Maintenance costs are consuming a larger percentage of available funds; from 67% of the capital program in 2006 to 94% in 2010 at the expense of expansion projects, which have dwindled from 29% to 2% for the same time period. Regional enhancement projects, which had steadily increased from 2006-2008, have since seen a 60% reduction. In 2010, CTA allocated 98% of its program on maintenance projects. Metra, which had no expansion projects planned in 2009, received funding for its new start projects equivalent to 2% of its 2010 program. Maintenance costs, which had consumed 96% of Metra's 2009 program, declined and comprised 84% of the 2010 program, allowing for a growth in enhancement projects from 5% in 2009 to 14% in 2010. These projects were for track, station, and parking improvements. Pace's capital program decreased by 15% in 2010, resulting in a 13% drop in maintenance projects and a 41% reduction in enhancement projects. Pace also included 1% of its capital program for the J Route Bus Rapid Transit expansion project.





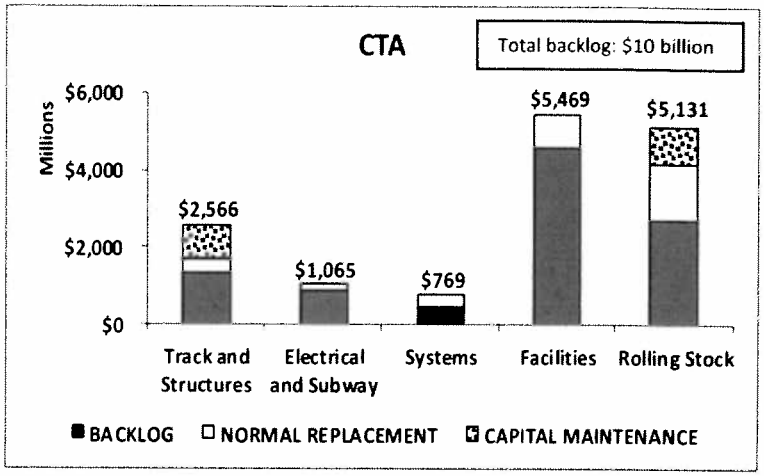


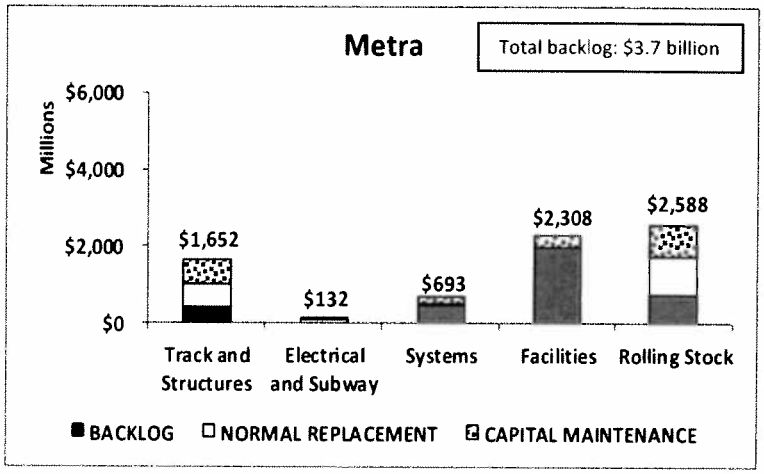
10-Year Capital Funding Needs

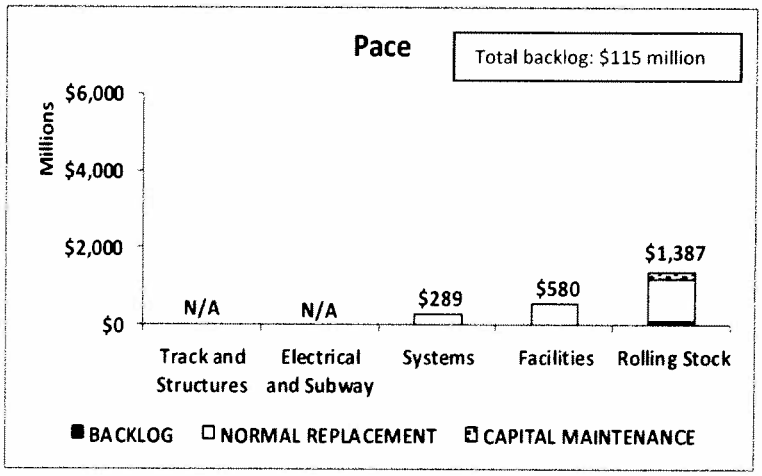
The capital funding that would be required to bring the condition of Service Board assets into a state of good repair, as projected for a ten-year time frame.

Recent Data and Interpretation

The 2010 Capital Asset Condition Assessment process evaluated capital assets throughout the region to establish criteria for the capital replacement, rehabilitation, and maintenance of all capital assets. The *backlog* component is the value placed upon replacement of assets that are beyond their useful life. *Normal replacement costs* are the planned replacement costs for assets that will reach the end of their useful life during the ten-year period. *Capital maintenance* is the cost associated with keeping an asset in a state of good repair. These charts show the current backlog totals for each agency, as well as projected normal replacement and capital maintenance funding needs over ten years. RTA system-wide capital needs over the next ten years exceeds $24 billion, which includes nearly $14 billion in backlog projects.





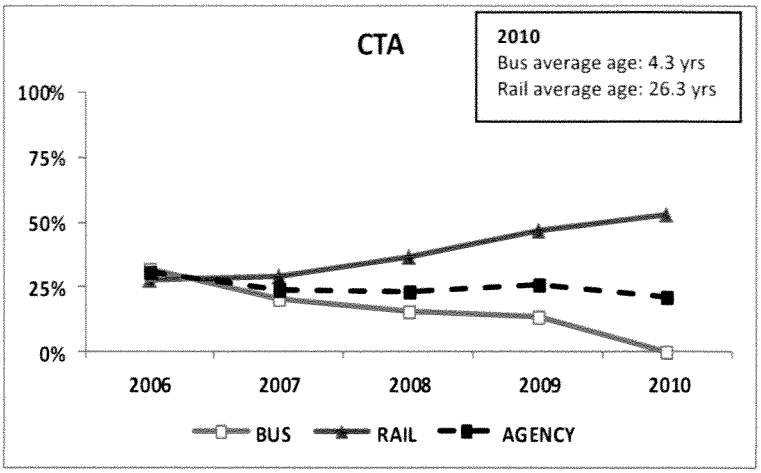


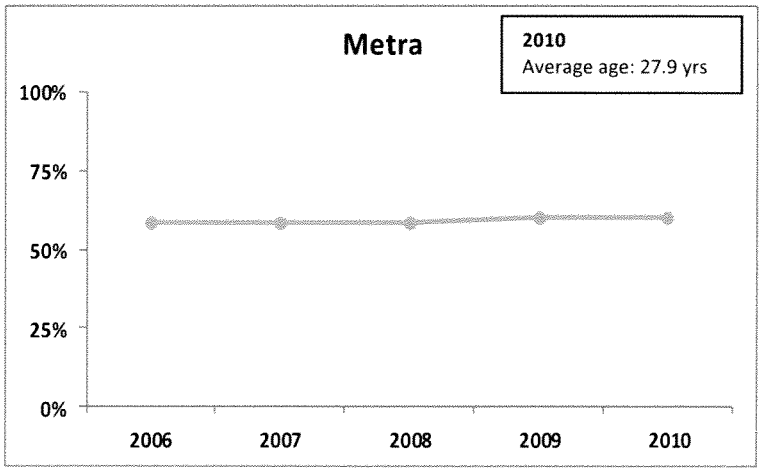
Percent of Vehicles Beyond Useful Life

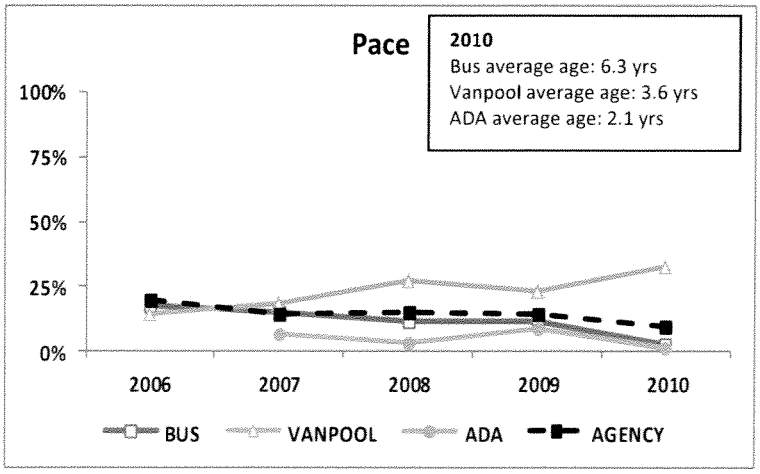
The percentage of revenue vehicles in the total active vehicle fleet beyond their minimum useful life as defined by the Federal Transit Administration. The FTA defines useful life as 4 years for automobiles or vans, 12 years for buses, and 25 years for rail cars. These data reflect the age of revenue service vehicles and do not consider life-extending rehabilitations, as this information is not reported by the NTD. The actual age at which vehicles are retired from service generally exceeds the minimum useful life due to limited capital funding.

Recent Data and Interpretation

With the elimination of all 274 CTA buses beyond their useful life, as well as Pace's reduction of 66 buses beyond useful life, the systemwide RTA average age dropped three percentage points and is at its lowest point of the five years under review. With no new vehicles added into its fleet since 2005, Metra's average age increased to 27.9, with 60.2% of its vehicles beyond their useful life. However, Metra undertakes extensive maintenance programs to keep its locomotives and cars in service and operating safely longer than the FTA guidelines. The average age of ADA vehicles, which are shared by dial-a-ride service, and Pace vans increased slightly in 2010 and have 1.6% and 32.4% of vehicles beyond their useful life, respectively.





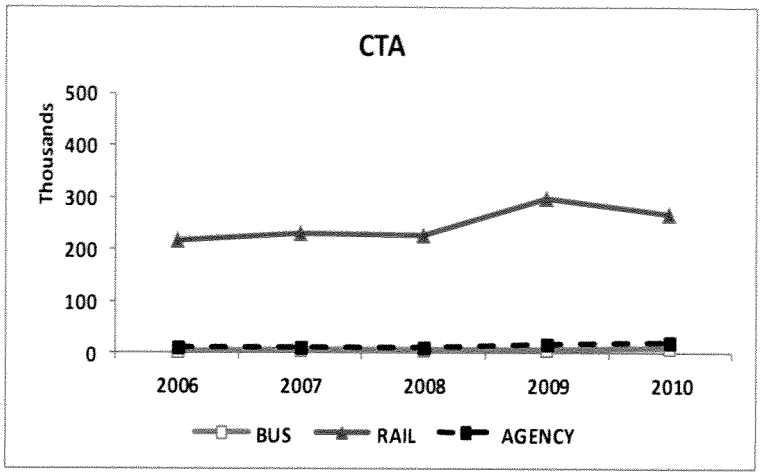


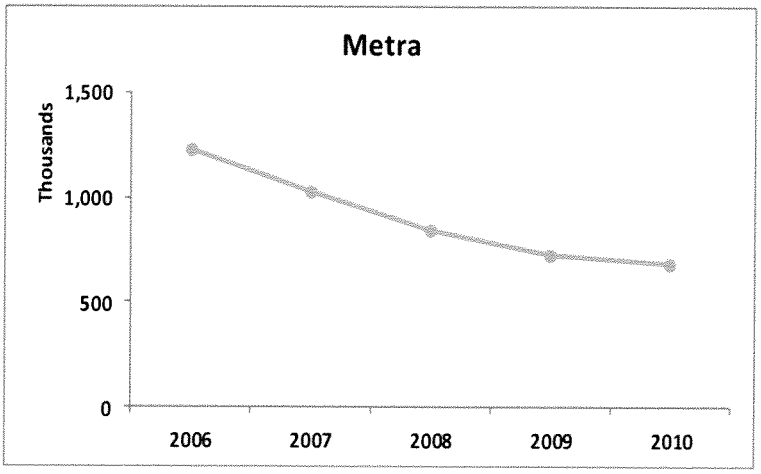
Miles between Major Mechanical Failures

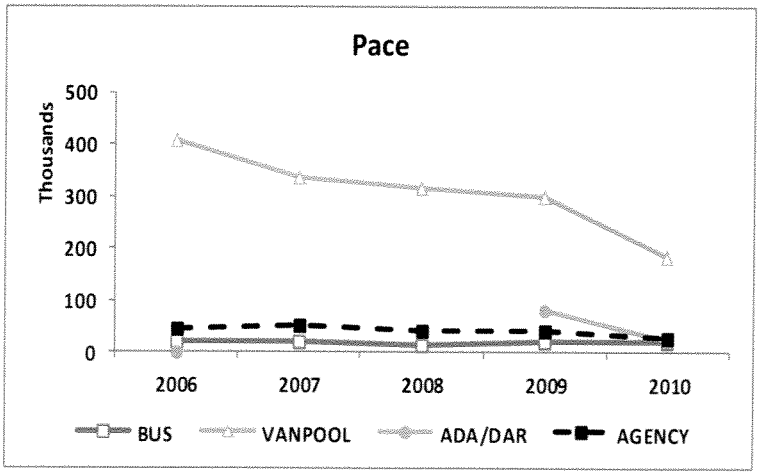
The average number of miles that vehicles travel while in service (total revenue vehicle miles plus deadhead miles) between failures of some mechanical element or a safety concern that prevents the vehicle from completing a scheduled trip or from starting the next scheduled trip.

Recent Data and Interpretation

On a regional basis, miles between failures has shown steady improvement through 2010 and is 73% higher than in 2006. CTA bus leads this indicator with a 17.5% increase in 2010 and 99% increase over the past five years as a result of the bus fleet replacement program. CTA rail also saw improvement of 22.6% from 2006, despite an 11% drop in this measure in 2010. Metra's average distance between major mechanical failures has declined by nearly 45% from its high in 2006 as a result of the aging of the fleet and an increase in the time between scheduled overhauls of cars and locomotives due to financial constraints. Pace bus saw a nearly 7% drop in 2010 and has a cumulative decrease in miles between failures of 11.8% from 2006. Vanpool vehicles have experienced the largest drop in miles between failures, decreasing 39.2% in 2010 and 55% from 2006. Prior to 2009, NTD did not require reporting of major mechanical failures for purchased transportation, so Pace dial-a-ride and ADA paratransit data are being shown for the first time.





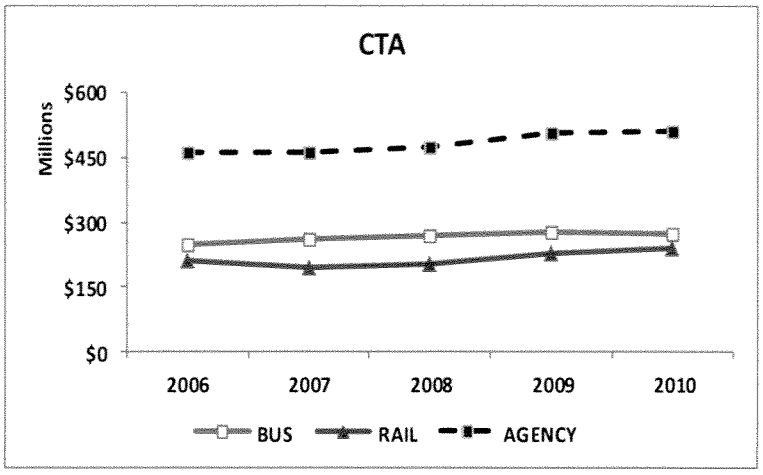


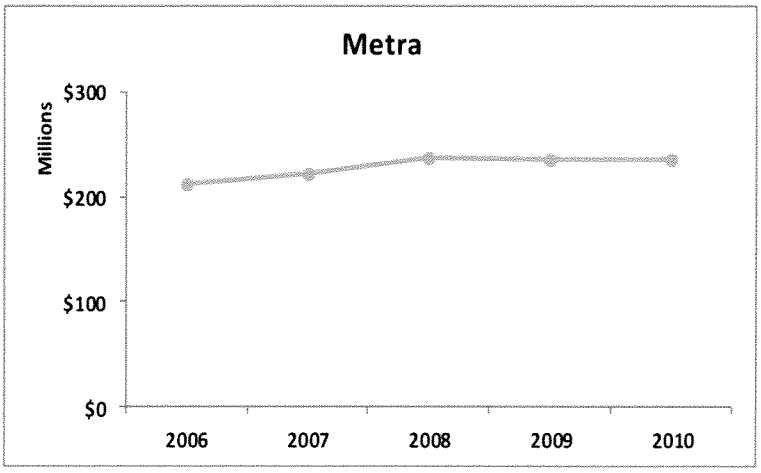
Fare Revenue

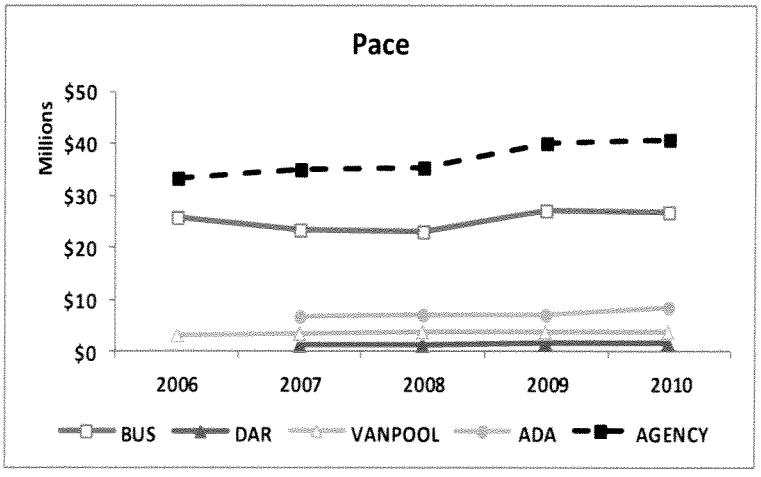
All income received directly from passengers, either paid in cash or through pre-paid tickets, passes, etc. and the reduced fares paid by passengers in a user-side subsidy arrangement. Any gap between paid fares and the cost of operation must be covered by tax revenues, public transportation funds, and system-generated revenues other than fares.

Recent Data and Interpretation

System-wide, fare revenues have increased 10.8% since 2006, exceeding the 0.3% overall percentage increase in operating costs and the 7.4% rate of inflation over the same period. Pace has had the largest increase in fare revenues over the past five years with a 21.8% improvement, mostly from dial-a-ride and ADA services (28.5% and 26.1%, respectively). CTA and Metra had nearly identical increases in fare revenue over the five years, up 10.3% and 10.2%, respectively. In 2010, Metra saw a slight loss of 0.2% while CTA and Pace realized gains of 0.6% and 1.9%, respectively. Fare increases were implemented by CTA in 2006 and 2009, by Metra in 2006 and 2008, and by Pace in 2009.





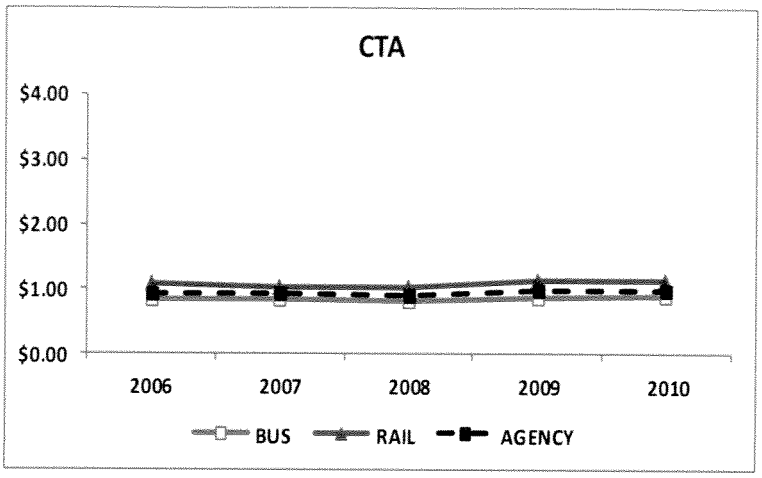


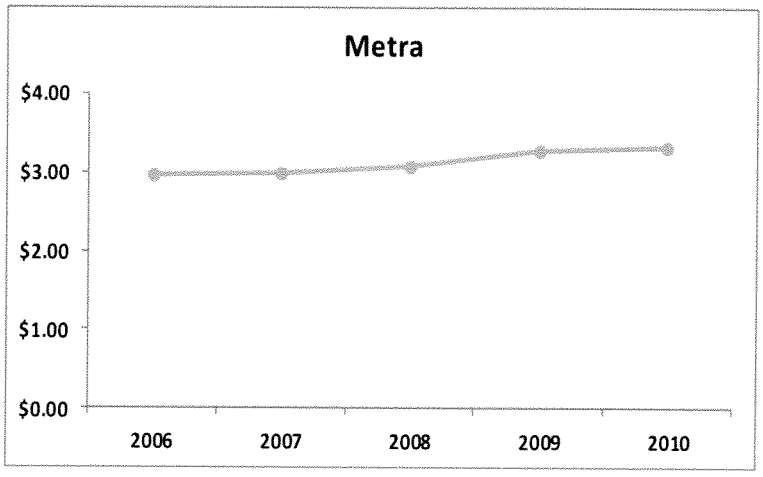
Fare Revenue per Passenger Trip (Average Fare)

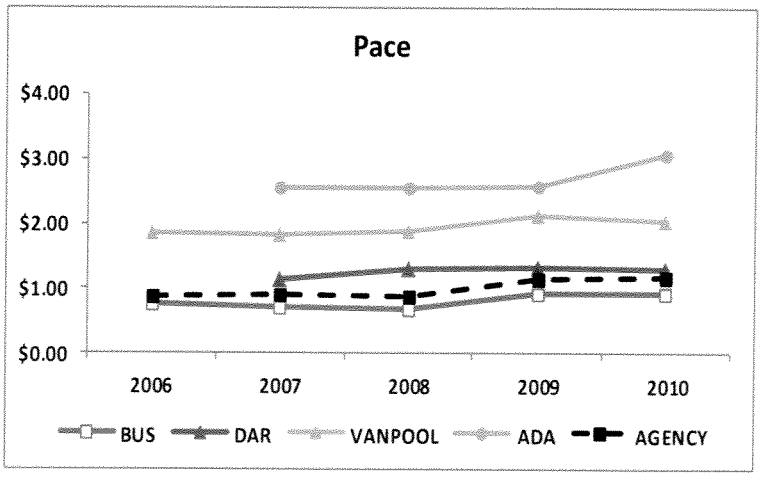
Total fare revenues divided by the total number of passenger trips.

Recent Data and Interpretation

All three service boards realized gains in fare revenue per passenger trip in 2010 as well as for the five-year period under review. Although CTA bus lost 4% of its passenger trips, bus fare revenues only dropped 2.1%, resulting in a net increase of 1.9% for this measure. CTA rail had a bigger increase in its percentage of passenger trips than for fare revenue, resulting in a 0.3% loss for the fare revenue per trip measure for 2010. Metra realized an increase of 1.6% for the year, with the percentage loss of trips exceeding the loss of fare revenue. Pace bus, dial-a-ride, and vanpool all saw decreased fare revenues per passenger trip in 2010 but all had positive gains over the five-year period. ADA services presented the largest gains for the year and five-year period, with more than a 19% gain. Pace, on an agency-wide basis, has had a net 32.4% increase in fare revenue per passenger trip over the past five years, owing to a combination of fare increases coupled with ridership losses that resulted in a higher average fare paid per trip.





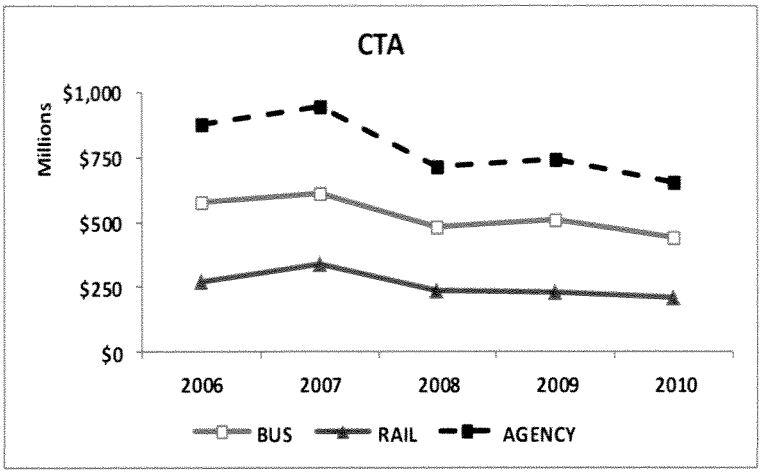


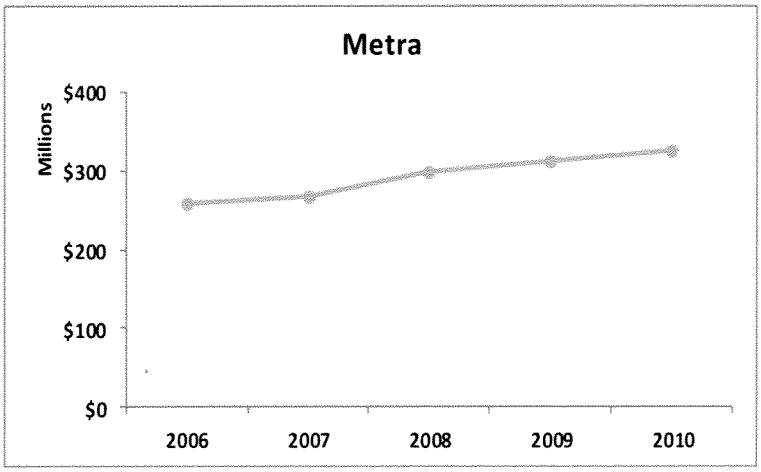
Non-Fare Revenue (Farebox Recovery Shortfall)

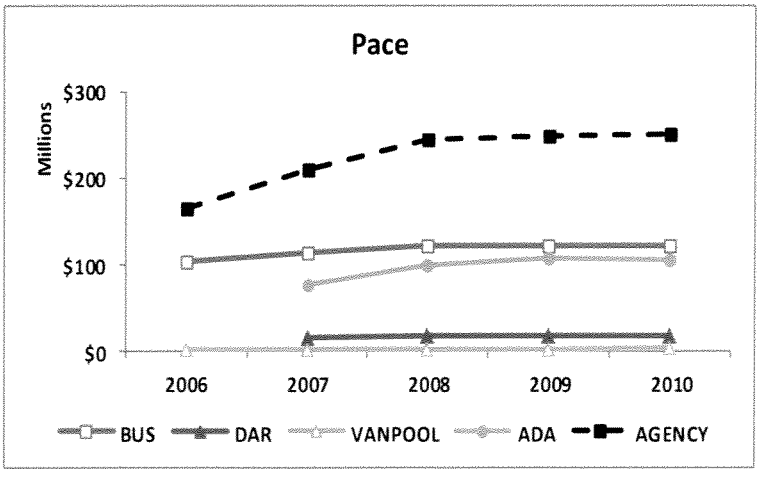
The amount of revenue from all sources, other than fare revenue, that is required to cover the total cost of operations. Non-fare revenue can be system-generated, e.g., concessions, advertising, etc., or can come from state, local and/or federal funds.

Recent Data and Interpretation

Overall, the region experienced a decrease in non-fare revenue of 5.6% in 2010 and 5.3% for the past five years, indicating a lower reliance on public subsidy to cover the cost of operations. CTA experienced a net loss of 12.1% for this measure in 2010, with a significant dip in 2008 as a result of lower investment income, lower reduced fare subsidy, and lower system-generated income. Metra's non-fare revenue experienced a gain of 4.7% in 2010 and a net increase of 26.6% over five years. Although experiencing a low 0.7% increase in 2010, Pace non-fare revenues have increased almost 52% since 2006, reflecting its widened paratransit service area and increased reliance on subsidies for those trips. Pace has partnered with municipalities, organizations and private businesses that have requested bus service in their area and are subsidizing a portion (in some instances up to 100%) of the operating cost of the service. These partnerships have enabled Pace to provide service in areas where it would not otherwise, due to funding limitations and minimum recovery ratios not being met.





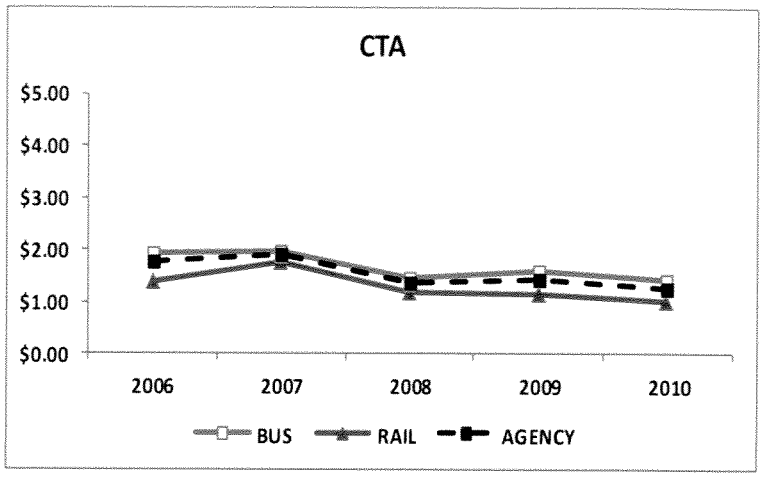


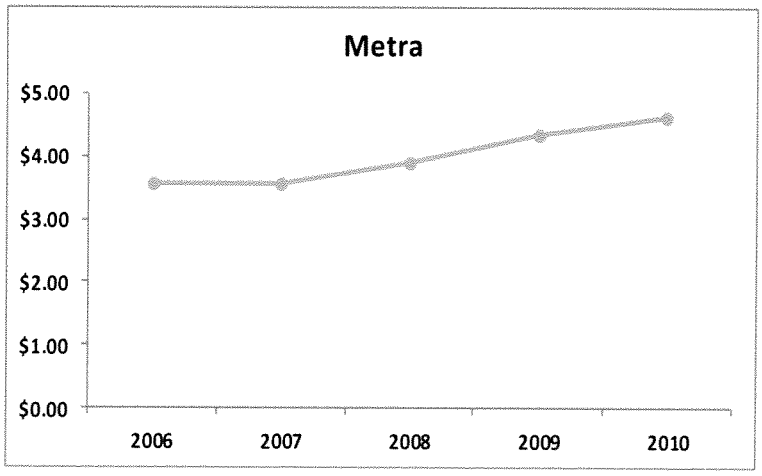
Non-Fare Revenue (Farebox Recovery Shortfall) per Passenger Trip

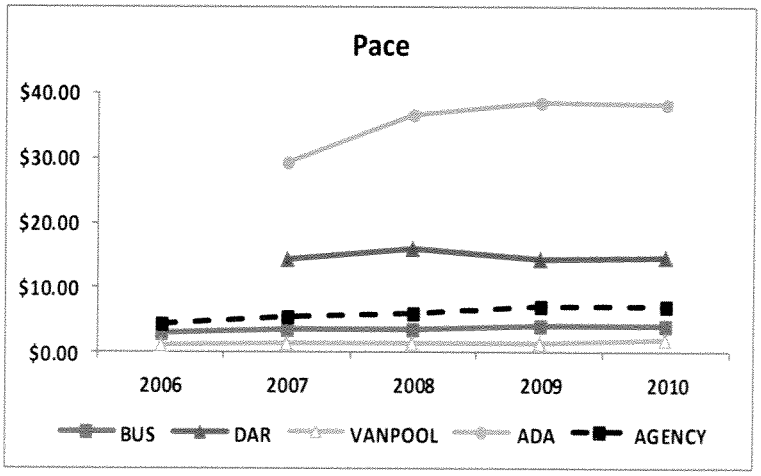
Total non-fare revenue divided by the total number of passenger trips taken. Non-fare revenue per trip is the amount of revenue from all sources, other than fares, required to cover the average cost of a passenger trip.

Recent Data and Interpretation

The region experienced an 8% decrease in non-fare revenue per trip since 2006, and a nearly 5% decrease between 2009 and 2010. CTA realized double-digit decreases in non-fare revenue per trip for bus and rail (-10% and 12%, respectively), related to reductions in operating costs and increased fare revenues. Since 2006, CTA's non-fare revenue per trip has dropped nearly 30%. Metra, with nearly identical percentage increases in fare revenue, has been severely impacted by job losses and the resulting loss of passenger trips; over the past five years the need for non-fare revenue to cover the remaining cost of providing a trip has increased over 29%. Pace bus, vanpool, and ADA services have all seen large increases in non-fare revenue per trip over the past five years, with increases of 35%, 51%, and 31%, respectively. Vanpool realized the largest increase in 2010, with a 35.5% increase from 2009, although its cost per trip is quite low compared to other modes, and any reductions in fare revenues and/or increases in operating cost makes a bigger impact on its percentages.





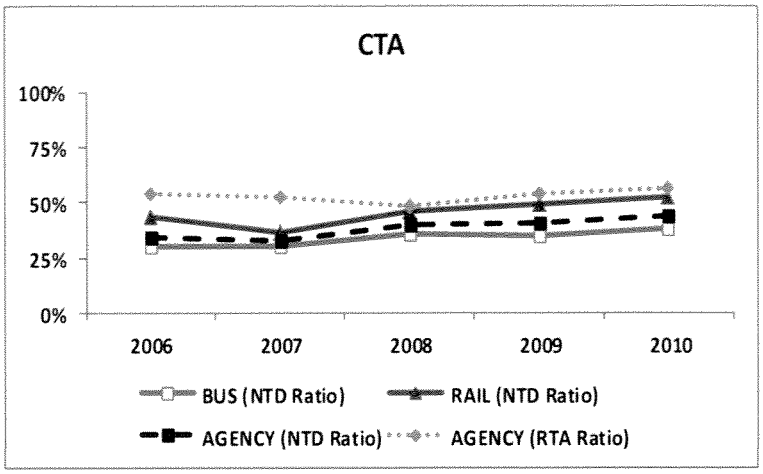


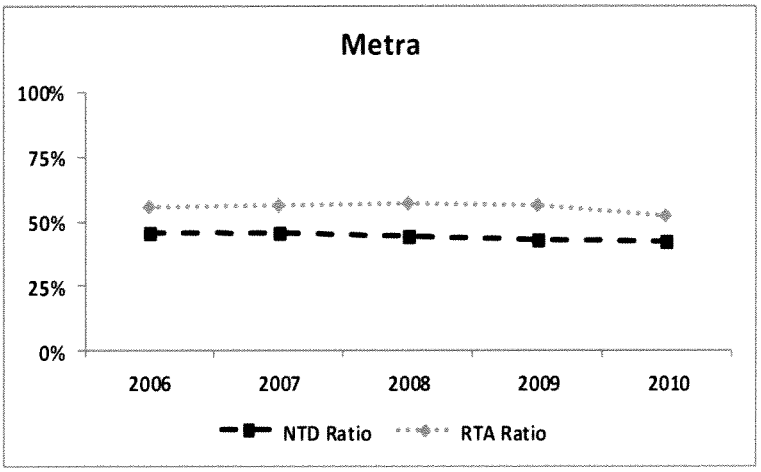
Fare Recovery Ratio

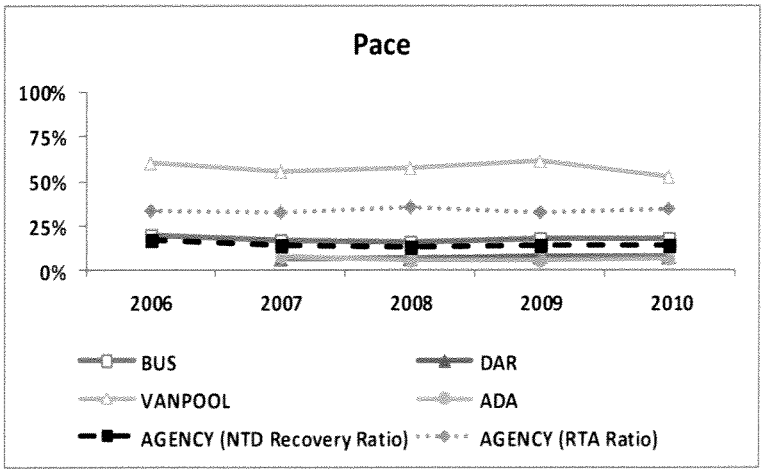
The National Transit Database (NTD) fare recovery ratio is the percentage of actual operating cost of service delivery that is covered by passenger fares, which differs somewhat from the RTA recovery ratio. The RTA recovery ratio also takes into account certain adjustments as enumerated in the RTA Act, which requires that the aggregate of all system-generated revenues (excluding ADA paratransit) equal at least 50% of the aggregated costs of providing public transit. Costs and revenues for ADA paratransit must meet a 10% recovery ratio.

Recent Data and Interpretation

The RTA system showed modest improvement in its NTD recovery ratio with 38% of expenses covered by fares, the highest level of the past five years up from a low of 33% in 2007. Similarly, the RTA ratio increased to 55.5% in 2010 from a low of 51.6% in 2007. NTD recovery ratio calculations show that CTA rail has seen an increase from a low of 37% in 2007 to 53% in 2010, while CTA bus saw an increase from 30% to 38% for the same period. Metra's NTD recovery ratio decreased to 42% in 2010 from a high of 45% in 2006 and 2007. Pace has seen a steady decrease in their NTD recovery ratio, from 17% in 2006 to 14% in 2010, reflecting their expanded, heavily-subsidized paratransit operations as well as increased local subsidies for bus services. The NTD recovery ratio for ADA service was 7% in 2010, and for Pace suburban services (bus, vanpool, and dial-a-ride), it was 18.2%.





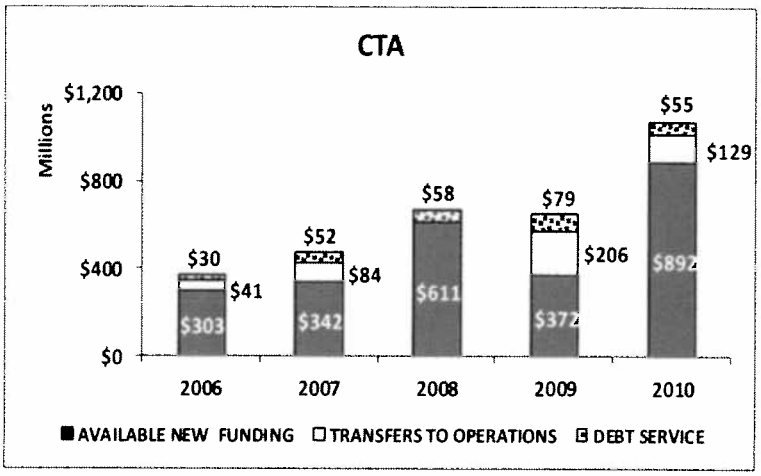


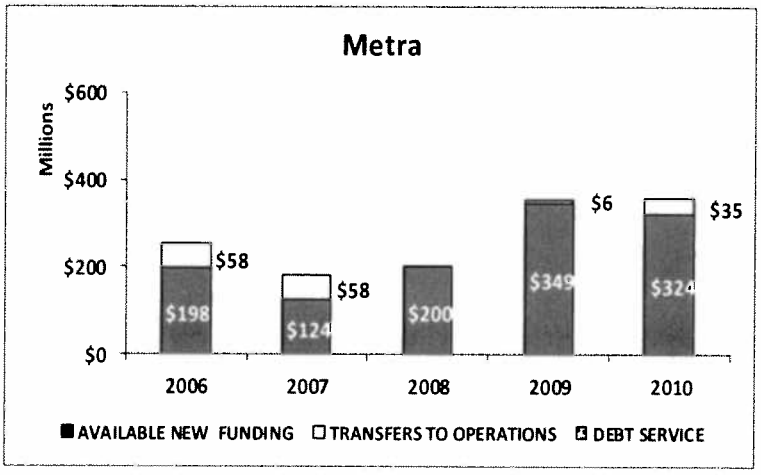
Capital Program Funding

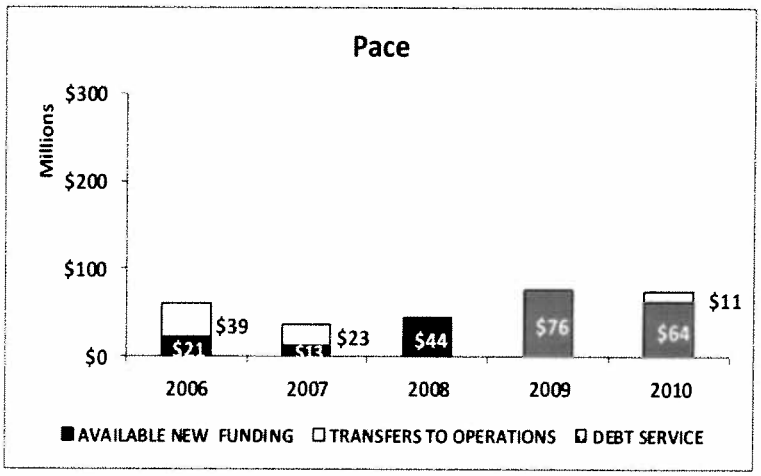
This indicator demonstrates the amount of capital funds available to finance the maintenance, enhancement, and expansion of the transit system infrastructure. These figures represent the year-end total capital program for each Service Board.

Recent Data and Interpretation

Funding levels for all three service boards benefited from the American Recovery and Reinvestment Act passed in February 2009. Total available new capital funding in 2010 was at its highest level of the past ten years, an increase of 61% as compared to 2009. CTA saw the largest gains in available new funding, with 2010 more than doubling the amount available in 2009, the result of a new bond issue that provided a $471 million gain for the agency, while Metra and Pace both saw decreases in funding levels. Both agencies saw significant increases in the amount of funding diverted to fund operations; Metra transferred almost six times the amount diverted in 2009, transferring $35 million in 2010. Pace, which had not had to transfer capital funds to operations since 2007, diverted $11 million in 2010, 15% of their new capital funding for the year.







APPENDICES

APPENDIX A
CTA Bus Modal Characteristics

data source: National Transit Database	2006	2007	2008	2009	2010
Vehicles Operated in Maximum Service	1,797	1,846	1,843	1,737	1,707
Vehicle Revenue Hours	6,723,365	6,915,000	7,038,300	7,008,308	5,955,896
Vehicle Revenue Miles	66,240,047	68,329,700	68,740,300	67,442,222	56,821,006
Passenger Trips	298,433,228	309,271,311	328,199,214	318,672,798	306,023,976
Passenger Miles	745,521,520	762,277,900	779,847,400	739,267,903	707,314,873
Operating Cost	$828,100,714	$872,189,939	$752,000,163	$786,905,237	$710,902,330
Average Passenger Trip Length (miles)	2.50	2.46	2.38	2.32	2.31
Average Speed (miles per hour)	9.85	9.88	9.77	9.62	9.54
Fare Revenue	$250,327,682	$261,649,776	$270,011,586	$277,525,084	$271,642,600
Non-Fare Revenue	$577,773,032	$610,540,163	$481,988,577	$509,380,153	$439,259,730

APPENDIX B
CTA Rail Modal Characteristics

data source: National Transit Database	2006	2007	2008	2009	2010
Vehicles Operated in Maximum Service	1,002	1,002	1,016	1,002	980
Vehicle Revenue Hours	3,655,953	3,695,100	3,813,000	3,732,593	3,479,766
Vehicle Revenue Miles	67,180,033	68,329,700	67,450,000	68,592,225	65,033,869
Passenger Trips	195,169,310	190,272,996	198,137,245	202,569,039	210,849,074
Passenger Miles	1,143,033,898	1,115,899,100	1,183,980,800	1,201,135,716	1,296,492,619
Operating Cost	$483,175,170	$536,049,010	$439,880,792	$462,014,895	$451,039,566
Average Passenger Trip Length (miles)	5.86	5.86	5.98	5.93	6.15
Average Speed (miles per hour)	18.38	18.11	17.69	18.38	18.69
Fare Revenue	$211,653,708	$198,020,403	$203,809,557	$230,587,978	$239,349,891
Non-Fare Revenue	$271,521,462	$338,028,607	$236,071,235	$231,426,917	$211,689,675

APPENDIX C
Metra Modal Characteristics

data source: National Transit Database	2006	2007	2008	2009	2010
Vehicles Operated in Maximum Service	1,054	1,056	1,056	1,056	1,057
Vehicle Revenue Hours	1,326,595	1,372,900	1,383,300	1,394,322	1,397,021
Vehicle Revenue Miles	41,028,000	42,031,100	42,591,500	42,930,292	43,143,575
Passenger Trips	72,064,297	74,550,584	76,937,575	71,767,204	70,534,886
Passenger Miles	1,636,188,833	1,719,331,900	1,749,113,800	1,657,430,332	1,608,049,284
Operating Cost	$472,067,189	$490,677,586	$538,006,078	$548,648,030	$562,779,173
Average Passenger Trip Length (miles)	22.70	23.06	22.73	23.09	22.80
Average Speed (miles per hour)	30.93	30.61	30.79	30.79	30.88
Fare Revenue	$213,738,444	$223,146,883	$237,769,628	$236,067,676	$235,643,554
Non-Fare Revenue	$258,328,745	$267,530,703	$300,236,450	$312,580,354	$327,135,619

APPENDIX D
Pace Bus Modal Characteristics

data source: National Transit Database	2006	2007	2008	2009	2010
Vehicles Operated in Maximum Service	623	613	607	629	579
Vehicle Revenue Hours	1,460,367	1,464,100	1,467,000	1,479,917	1,447,614
Vehicle Revenue Miles	20,469,395	20,622,000	20,375,200	20,685,145	20,038,582
Passenger Trips	33,691,072	33,587,298	34,655,169	29,296,943	29,292,008
Passenger Miles	226,109,878	227,631,100	237,200,700	202,437,813	189,683,635
Operating Cost	$130,387,723	$138,572,130	$146,161,626	$149,331,611	$150,136,535
Average Passenger Trip Length (miles)	6.71	6.78	6.84	6.91	6.48
Average Speed (miles per hour)	14.02	14.09	13.89	13.98	13.84
Fare Revenue	$25,713,923	$23,585,702	$23,160,069	$27,350,008	$27,015,467
Non-Fare Revenue	$104,673,800	$114,986,428	$123,001,557	$121,981,603	$123,121,068

APPENDIX E

Pace Dial-a-Ride Modal Characteristics

data source: National Transit Database	2006	2007	2008	2009	2010
Vehicles Operated in Maximum Service		249	260	326	301
Vehicle Revenue Hours		280,300	286,100	322,207	353,736
Vehicle Revenue Miles		4,038,500	4,079,600	4,908,675	5,686,897
Passenger Trips		1,125,515	1,102,680	1,234,527	1,265,118
Passenger Miles		6,327,300	6,470,500	7,845,377	7,517,744
Operating Cost		$17,416,037	$19,238,974	$19,404,323	$20,326,193
Average Passenger Trip Length (miles)		5.62	5.87	6.35	5.94
Average Speed (miles per hour)		14.41	14.26	15.23	16.08
Fare Revenue		$1,297,841	$1,430,405	$1,638,065	$1,667,170
Non-Fare Revenue		$16,118,196	$17,808,569	$17,766,258	$18,659,023

APPENDIX F

Pace Vanpool Modal Characteristics

data source: National Transit Database	2006	2007	2008	2009	2010
Vehicles Operated in Maximum Service	644	677	725	643	605
Vehicle Revenue Hours	311,500	323,000	355,000	318,517	291,431
Vehicle Revenue Miles	8,773,161	9,420,500	10,455,600	9,615,683	9,314,829
Passenger Trips	1,718,366	1,877,245	2,021,235	1,809,752	1,751,388
Passenger Miles	40,184,377	45,429,400	47,581,200	43,375,569	37,507,196
Operating Cost	$5,273,976	$6,194,590	$6,629,230	$6,287,346	$6,782,420
Average Passenger Trip Length (miles)	23.39	24.20	23.54	23.97	21.42
Average Speed (miles per hour)	28.16	29.17	29.45	30.19	31.96
Fare Revenue	$3,192,134	$3,420,562	$3,809,750	$3,845,001	$3,578,691
Non-Fare Revenue	$2,081,842	$2,774,028	$2,819,480	$2,442,345	$3,203,729

APPENDIX G
Pace ADA Paratransit Modal Characteristics

data source: National Transit Database	2006	2007	2008	2009	2010
Vehicles Operated in Maximum Service		705	863	754	785
Vehicle Revenue Hours		1,629,500	1,837,000	1,811,670	1,756,485
Vehicle Revenue Miles		21,741,700	26,284,800	26,036,382	25,365,727
Passenger Trips		2,623,611	2,725,799	2,785,569	2,769,464
Passenger Miles		23,213,400	22,122,000	21,685,948	22,935,897
Operating Cost		$83,704,648	$107,435,566	$114,574,702	$114,861,027
Average Passenger Trip Length (miles)		8.85	8.12	7.79	8.28
Average Speed (miles per hour)		13.34	14.31	14.37	14.44
Fare Revenue		$6,738,386	$6,996,428	$7,177,555	$8,497,617
Non-Fare Revenue		$76,966,262	$100,439,138	$107,397,147	$106,363,410

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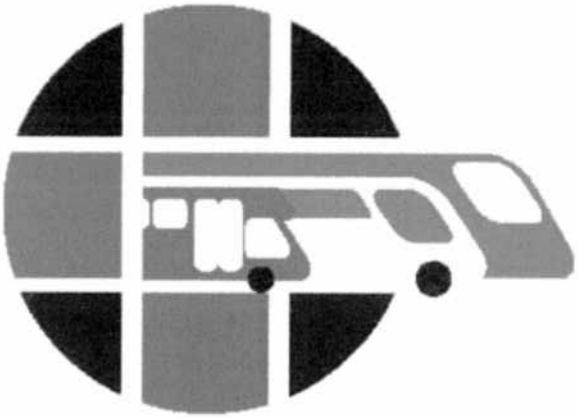
Performance Measures



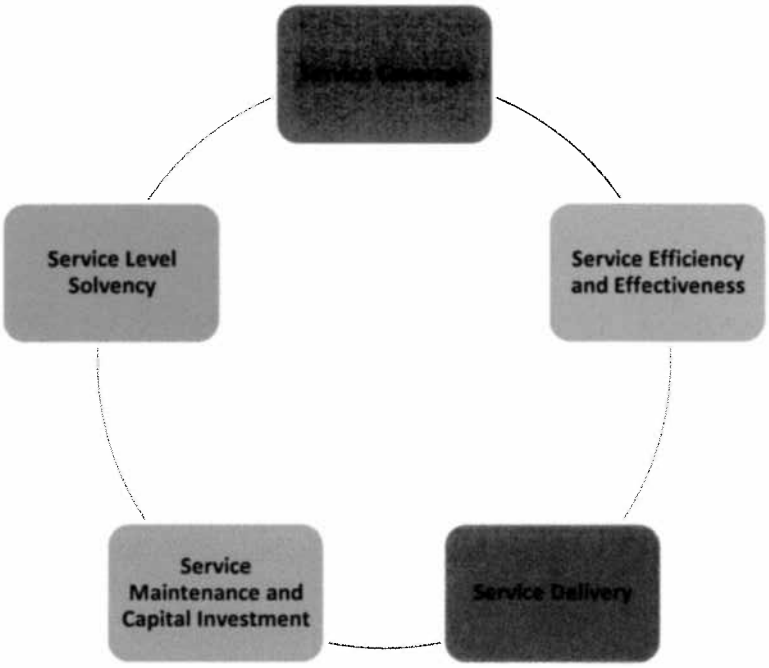
2011 Sub-Regional Report

Regional Transportation Authority

Prepared by Department of Finance & Performance Management
September 2012

REGIONAL PERFORMANCE MEASURES
2011 Sub-Regional Report

RTA staff has undertaken the development of a performance measurement and reporting program to evaluate the impact and effectiveness of public transit in Northeastern Illinois. Overall service performance is a function of five major areas:



- **Service Coverage** - monitors both how much service is available to people in the region (in terms of population and square miles) and how much of that service capacity is used.

- **Service Efficiency and Effectiveness** - evaluates the level of resources spent on delivering service in relation to the level of service provided and the extent to which passengers are using that service.

- **Service Delivery** - reflects the quality of the service delivered.

- **Service Maintenance and Capital Investment** - indicates the allocation of capital funds and the replacement and maintenance of infrastructure components on a schedule consistent with their life expectancy.

- **Service Level Solvency** - assesses financial condition to ensure that there are sufficient resources to meet current and ongoing budgetary needs (both operating and capital).

This report includes several performance measures for each of the five areas and describes the factors contributing to each indicator.

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EXECUTIVE SUMMARY

As with the Regional Report Card, the sub-regional performance measures refer to five major areas of service provision: service coverage, service efficiency and effectiveness, service delivery, service maintenance and capital investment, and service level solvency. The sub-regional report card offers a look at each Service Board and its respective modes (bus, rail, dial-a-ride, vanpool, and ADA) to see how each service performs and contributes to the regional transportation service. Caution should be exercised in not directly comparing modes to each other; each mode of service operates in different environments and cost structures. Rather, modes should be examined separately and compared to their own performance over the five years presented for analysis.

The Chicago region's public transportation ridership began to rebound in 2011, reflecting some improvement in unemployment levels and a modest increase in the area's jobs, as well as high gasoline prices throughout the year. System-wide ridership grew by 18.9 million trips in 2011, or 3.0%, with a five-year gain of 28.1 million trips (or 4.6%) from 2007 levels. Each Service Board continued to control costs as much as possible throughout the year to accommodate moderate gains in public funding and to avoid further service reductions. High gas prices that served to increase ridership also negatively affected the costs of providing service.

Service coverage indicators monitor both how much service is available to the region's residents (supply) and how much of that supply is actually used by the public (consumption). Following significant service cuts implemented at CTA in 2010, vehicle revenue hours and vehicle revenue miles declined again in 2011, partly due to reduced service and partly due to a change in the methodology used to calculate revenue service (see page 6, note 5). Overall RTA system-wide decreases of 1.2% and 1.6% were noted for vehicle revenue hours and vehicle revenue miles, respectively. For the past five years, these figures total larger losses of 7.5% and 4.9%, respectively. CTA bus revenue hours, which had declined by 15% in 2010 related to service cuts, ended 2011 18.5% lower than in 2007. Likewise, bus revenue miles dropped 15.7% in 2010 and decreased a total of 23.3% since 2007. CTA rail was not impacted as much by service cuts, with 3.8% fewer revenue miles and 5.2% fewer vehicle revenue hours compared to 2007, with a gain of 0.7% seen for vehicle revenue hours in 2011. Metra had some slight reductions in service coverage measures of vehicle revenue miles and vehicle revenue hours in 2011 but ended up 2.1% and 1.6% higher, respectively, for the five years under consideration. Pace services had mixed results, with bus and dial-a-ride experiencing decreased vehicle revenue hours and miles while vanpool and ADA services posted gains for each indicator for 2011.

In 2011, ridership was up for each Service Board and mode, with the exception of dial-a-ride, for an overall 3.0% gain for the region. CTA bus ridership rose 1.4% in 2011 despite reductions in vehicle revenue hours and miles, and was 0.4% higher compared to 2007. CTA rail posted its fourth consecutive year of increased ridership, up 5.1% for the year and up 16.5% compared to 2007. After two years of ridership declines, Metra experienced a 2.6% increase in passenger trips in 2011, but remained 3.0% lower than in 2007. Pace bus ridership increased 4.6% for the year; as with CTA bus, this increase was accomplished despite reductions in vehicle revenue hours and vehicle revenue miles and served to positively impact the service consumption indicators for

passenger trips per vehicle revenue hour and passenger trips per vehicle revenue mile. Dial-a-ride services, which had been the only Pace mode to have a ridership increase in 2010, experienced a 1.6% drop in passenger trips in 2011 yet remained 10.6% higher than in 2007. Vanpool saw a 1.6% increase in passenger trips in 2011 as 36 vanpools were added during the year. Vanpool ridership is particularly sensitive to employment levels and gasoline prices, peaking in 2008 at 725 vanpools. ADA paratransit services posted a significant increase in 2011, as companion and personal care attendant trips were included for the first time following an NTD reporting clarification. This reporting change contributed to the 23.4% increase for 2011 and the five-year 30.2% gain for the program.

Service efficiency and effectiveness measures evaluate the cost of supplying transit services. 2010 was anomalous in that there were decreases to the overall regional operating costs that resulted from extensive service cuts at CTA. 2011 was a more typical service year and each Service Board and mode had increased operating costs that exceeded inflationary gains of 2.7%, except for Pace bus with a 1.6% increase. Over the five-year period, the effects of CTA's issuance of $1.9 billion in pension obligation bonds in 2008 and its 2010 service cuts are apparent in that the CTA bus and rail modes each experienced double-digit decreases in their operating costs while the other Service Boards' modes all had double-digit gains, for an overall regional 1.1% net decrease in operating costs. Service efficiencies in 2011 were negatively impacted by the increases in operating costs and decreases in vehicle revenue miles and hours; the operating cost per vehicle revenue mile was higher for each mode in 2011. For the five-year period, cost per mile was unfavorable for each mode except CTA rail, which saw a 6.7% reduction for this measure. The 2011 five-year high for passenger miles traveled positively impacted the cost effectiveness measure of operating cost per passenger mile for CTA rail. Pace bus, vanpool, and ADA paratransit also realized gains in passenger miles and improvements for the operating cost per passenger mile measure in 2011, but had unfavorable double-digit increases in operating cost per passenger mile over the five-year time period.

Service delivery indicators focus on the quality of service delivered. In 2011, CTA's bus on-time performance improved slightly, from 90.5% to 90.6%; however, there has been significant improvement from 2007's 80.2% on-time performance. CTA rail has also seen improvements from 2007, when its on-time performance was at 76.3%, compared to 81.5% in 2011. Metra changed its methodology for measuring on-time performance in 2011 to exclude special event trains and therefore 2011 results are not strictly comparable to prior years. Performance in 2011 was 93.6%. In the four years prior, Metra's on-time performance varied by less than 0.5%, ranging from 95.4% to 95.9%. Pace bus experienced an on-time performance of 82.6%, an improvement of 3.8 percentage points over 2010. Average trip lengths have remained fairly stable since 2007, with CTA rail and dial-a-ride services having more notable gains at 8.4% and 7.4%, respectively. Likewise, average speeds remain relatively unchanged for most of the modes with the exception of Pace dial-a-ride and ADA services, which saw improvements of 7.9% and 9.1%, respectively, reflective of improvements made to scheduling efforts. The number of reportable safety and security incidents rose 16.4% in 2011; however, the number of incidents remains very low at 0.086 per 100,000 passenger trips.

For the first time, the Sub-Regional Report includes results on customer satisfaction from the survey conducted throughout 2011. Measures of customer loyalty, value received for the fare paid, and overall satisfaction are included and are generally positive. Loyalty, referring to the percentage of customers who would recommend the service to others, was at 89% for CTA and Pace and 94% for Metra riders. Customer perception of value for the fare paid was 75% for CTA, 83% for Metra, and 91% for Pace. Overall satisfaction with the Service Boards was 81% for CTA, 90% for Metra, and 90% for Pace. Customer satisfaction surveys are scheduled to be repeated in two-year cycles, with trends being discussed in future Sub-Regional Reports.

Service Maintenance and Capital Investment performance indicators evaluate reliability and State of Good Repair. The capital program budget for maintenance, enhancement, and expansion of the system can be volatile on a year-to-year basis, and was $315 million lower in 2011 compared to 2010. In 2010 CTA issued $470.6 million in bonds which contributed to the higher level of funds available in 2010. However, longer-term trends indicate a generally increasing capital program, with the 2011 program being $408 million higher than in 2007. There is a trend of increased maintenance expenditures for Metra and Pace, while the expansion program has declined steadily from a high of 16% in 2007 to 0% in 2011. CTA experienced more variability from year to year without a clear trend evident. Ten-year capital funding needs, first reported in the 2010 report, have increased to $30.9 billion, with $18.5 billion in backlog projects. This figure will likely grow in future years with inflation and other factors such as: underfunding of capital needs, aging of the vehicle fleet, and the development and evaluation of more comprehensive fleet data. The number of vehicles beyond their useful life grew by 171 in 2011, and now comprises 27.8% of the system-wide fleet, mostly resulting from a large group of vanpool vehicles reaching the end of their useful life. The bus fleets of both CTA and Pace have improved for this measure over the last several years from capital investments in new rolling stock. There were 3% more major mechanical failures in 2011 than in 2010 spread out over fewer vehicle miles traveled, resulting in the first regional decline in miles between major mechanical failures since 2005.

Service Level Solvency measures assess whether operating and capital resources meet current and budgetary needs. Fare revenue for 2011 improved for each Service Board and mode with the exception of ADA paratransit, which stayed level with 2010. Since 2007, CTA has seen a 15.2% gain in fare revenue, 6.8% for bus and 26.4% for rail, resulting from the 2009 fare increase and the overall increase in passenger trips taken. Metra experienced a 2.5% gain in fare revenues in 2011, closely tracking a 2.6% gain in passenger trips. Compared to 2007, Metra fare revenue was 8.3% higher in 2011, although it reported 3% fewer passenger trips. Each Pace mode had increased fare revenue compared to 2007, ranging from vanpool's 7.5% increase to 32% for dial-a-ride. Factoring in the increased ridership of 2011 dilutes the impact of the increased fare revenues on the average fare per trip measure for each mode except for dial-a-ride. Dial-a-ride was the only mode to see a reduction in passenger trips for the year, improving its average fare for 2011. With the two highest percentage increases in ridership for the year, CTA rail and ADA paratransit were the only two modes to have lower average fares paid in 2011. ADA was the only mode to see a decline in average fare compared to 2007.

Despite the increased fare revenues of 2011, each Service Board and mode also showed an increased reliance on non-fare revenue to bridge the gap between farebox revenues and operating costs, ranging from 0.2% for Pace bus to 16.3% for dial-a-ride. Farebox recovery ratios for the region stayed level at 38% in 2011, up from 33% in 2007. The RTA recovery ratio, which allows certain adjustments specified in the RTA Act, was 54.2% in 2011, down 1.3 percentage points from 2010 but 2.6 percentage points above 2007 levels. The region has seen a near doubling of available new capital funding compared to 2007, mostly due to the American Recovery and Reinvestment Act passed in February 2009, which boosted capital funding in 2010, as well as significant CTA bond issues in 2008 and 2010. While Metra and Pace show generally increasing capital funding, CTA has experienced more volatility as a result of its bond financing program and has incurred more debt service obligations which reduces its available funding. Within the past five years, each Service Board has transferred monies from their capital programs to cover operating expenses, a practice that will not be continued in future years. Capital program funding has a major impact on service level solvency and the ability to fund maintenance and infrastructure investments for the Service Boards; with funding levels being consistently insufficient to meet regular maintenance and replacement needs, the backlog of capital projects will continue to grow and carry over from year to year.

NOTES

1. This analysis is based on published data from the National Transit Database (NTD), RTA's audited financials, and operating data from the three Service Boards.

2. For 2009, NTD required Metra to change how it reported capital project credits, making Metra expense data between 2008 and 2009 inconsistent. In 2009, capital project credits (about 5% of Metra's operating cost) were no longer allowed to be subtracted from expenses as they had been in years through 2008, and were instead reported as a reconciling item. For 2010, NTD allowed Metra to report capital credits as offsets to operating expenses, as it had done in the years prior to 2009.

3. Customer satisfaction scores are being included for the first time, utilizing data gathered in the 2011 Customer Satisfaction Survey for each Service Board.

4. Prior years' ADA ridership data did not include companion or personal care attendant data, but are included in the 2011 data and going forward, per a clarification to NTD reporting policy. This change affects every indicator that includes ADA passenger trip data.

5. Metra's on-time performance methodology was amended as of May, 2011 to exclude "extra" trains added to handle special events that were not included in normal operating schedules. Prior to May 2011 all "extra" trains were included in the count of all trains and were always reported as on-time in the overall on-time performance calculation. With the change in methodology, "extra" trains are excluded from the overall on-time performance calculation unless those trains' schedules include all intermediate station stop times and are publicly distributed via Metra's website and/or paper flyers.

6. CTA changed its methodology for counting vehicle revenue hours and vehicle revenue miles in 2011. Through 2010, CTA counted a significant share of non-revenue service (pull-outs, pull-ins and deadheads) as revenue. The FTA asked CTA to stop including that service for the 2011 submittal. Although 2011 bus vehicle revenue miles and vehicle revenue hours were lower than in 2010, this change in methodology will exaggerate this reduction significantly. Under the old methodology, the decline in CTA bus vehicle revenue miles would have been -2.6% but is herein reported as -7.8%. Vehicle revenue miles would have been reported as -1.7% compared to 2010 under the old methodology, but is reported herein as -5.3%. The overall regional figures are also impacted by this methodology change and would have been about 1.5% more favorable under the old methodology for vehicle revenue hours and 1.3% more favorable for vehicle revenue miles.

7. The Miles between Major Mechanical Failures metric has been amended to present only the past three years of data for Pace. Prior to 2009, NTD did not require the reporting of major mechanical failures for purchased transportation; therefore, past reports included all the vehicle mileage traveled but none of the purchased transportation mechanical failures,

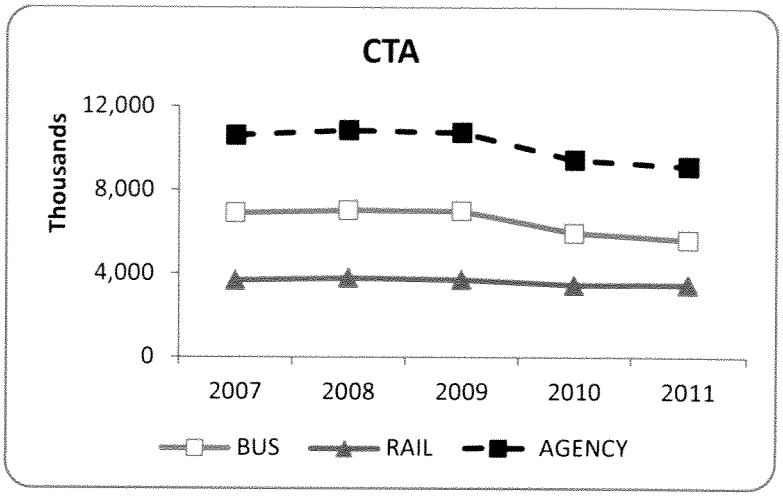
which served to artificially increase the miles between major mechanical failures for Pace bus, dial-a-ride, and ADA paratransit modes. Three years of data are shown for this measure (2009-2011) in the current report for Pace, so all failures are included for each mode and type of service.

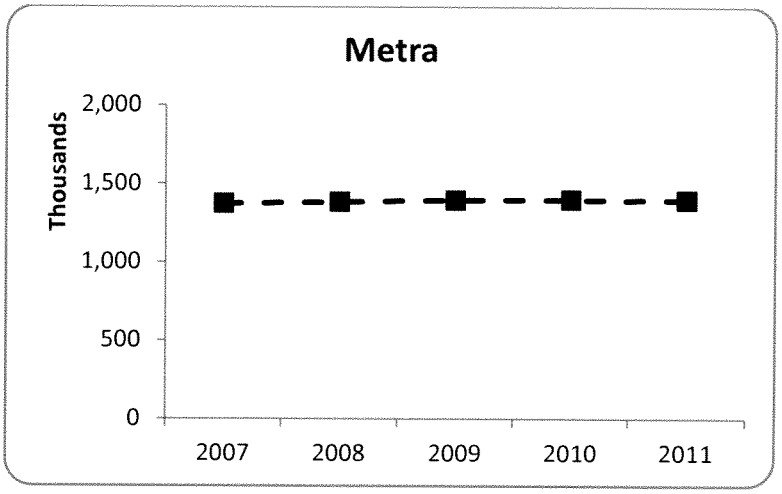
Vehicle Revenue Hours

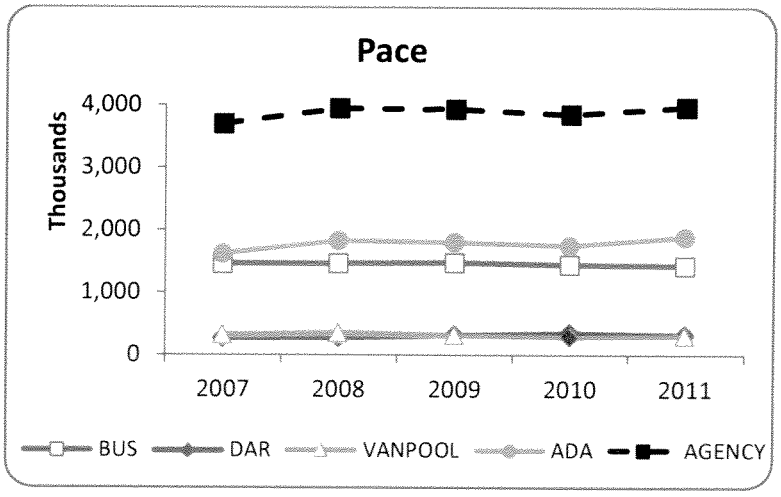
Vehicle revenue hours are the hours that vehicles travel while in revenue service, including layover/recovery time, but excluding vehicle repositioning (deadhead) time.

Recent Data and Interpretation

The RTA system experienced a 1.2% reduction in vehicle revenue hours in 2011 and an overall 7.5% decrease over the past five years. CTA, which implemented substantial service cuts in 2010, further reduced bus vehicle revenue hours in 2011, resulting in a five-year reduction of 18.5%. Part of the 2011 bus decline was related to a change in reporting methodology (see p. 5, note 6). Rail vehicle revenue hours, however, increased 0.7% in 2011 and were 5.2% below 2007 levels. Metra's vehicle revenue hours decreased 0.1% from 2010 levels but have increased overall 1.6% compared to 2007, related to new early morning reverse commute service in 2007 and enhanced weekend services in 2008 and 2009. Pace bus and dial-a-ride services experienced losses of 1% and 7.1%, respectively, in 2011, while vanpool and ADA saw gains of 7.5% and 7.9%, respectively, for the year. Over the past five years, bus and vanpool experienced losses of 2.1% and 3.0%, respectively, while dial-a-ride and ADA services expanded by 17.2% and 16.3%, respectively. Pace was the only Service Board to see an overall gain for 2011, up 3.1% compared to 2010 and up 7.4% compared to 2007.





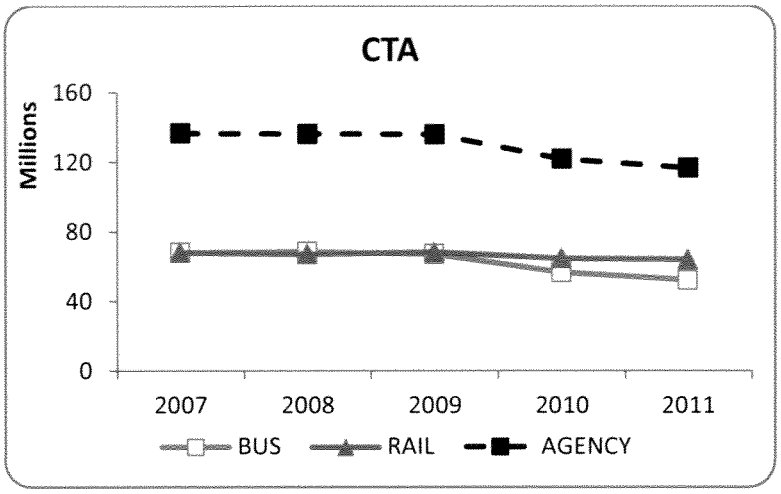


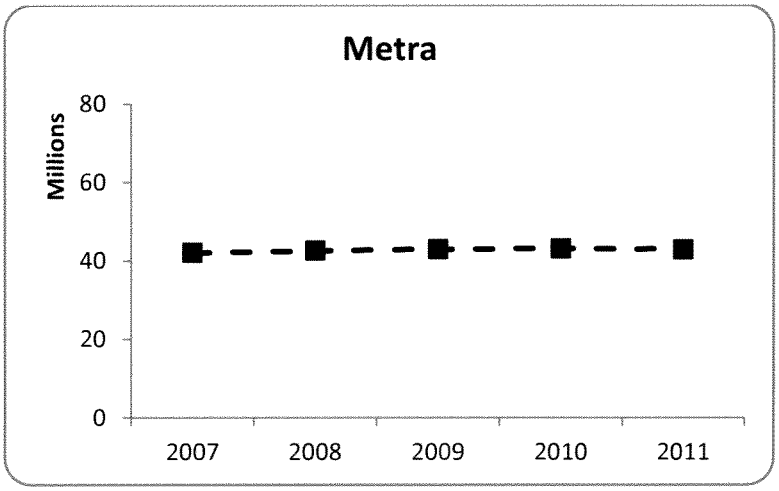
Vehicle Revenue Miles

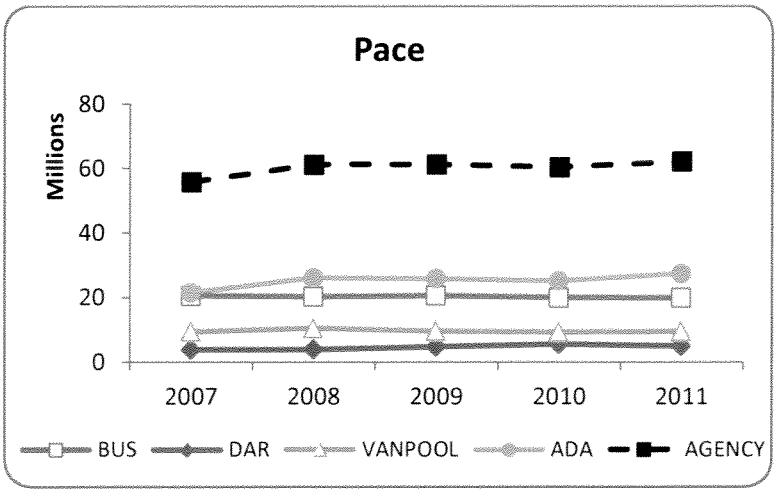
Vehicle revenue miles are the miles that vehicles travel while in revenue service, excluding repositioning (deadhead) mileage. Vehicle revenue miles reflect the amount of transit service supplied and available for use by the public.

Recent Data and Interpretation

The RTA system experienced a 1.6% decrease in vehicle revenue miles in 2011 largely due to CTA, which was down 7.8% for bus and 1.1% for rail. Part of the bus decline was related to a change in reporting methodology (see p. 5, note 6). Five-year system-wide losses of 4.9% reflect reductions of 23.3% for CTA bus and 3.8% for CTA rail services. While Metra saw a 0.6% decrease in vehicle revenue miles for 2011, overall it has seen a cumulative gain of 2.1% since 2007. Pace bus and dial-a-ride services showed decreases of 0.4% and 10.2%, respectively, in 2011, while vanpool increased 2% and ADA again showed the largest gains for the year at 8.7%. As with the vehicle revenue hours indicator, Pace was the only Service Board to see an overall gain for 2011, up 2.9%. The smaller vehicles used for ADA and vanpool services required more vehicle hours and vehicle miles to meet their increased ridership demands experienced in the year. Since 2007, dial-a-ride and ADA services have shown considerable gains of 26.4% and 26.9%, respectively, which are offset by a 3.2% decline in bus vehicle revenue miles. The vanpool program saw a net increase of 0.9% for the five-year period.





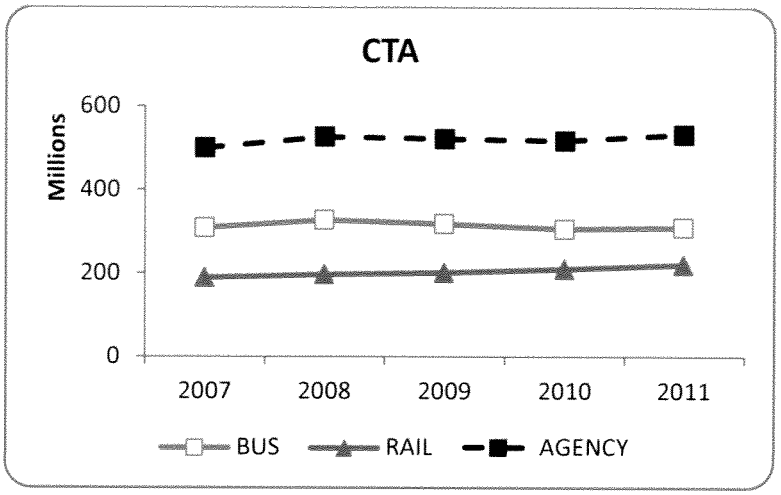


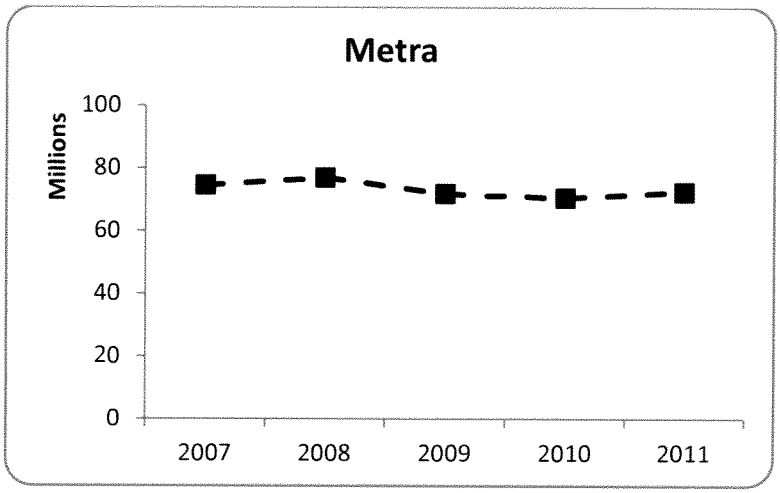
Passenger Trips

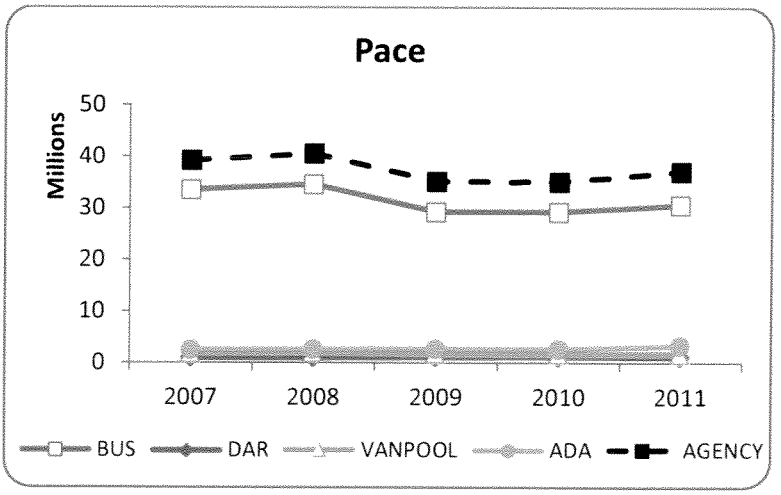
The number of passenger boardings on public transportation vehicles. A trip is counted each time a passenger boards a vehicle.

Recent Data and Interpretation

Each Service Board saw increases in ridership in 2011, for a net regional gain of 3.0%, with a five-year net gain of 4.6%. Improvement in the Chicago-area unemployment rate, coupled with higher gas prices, resulted in improved ridership for each mode except Pace dial-a-ride. In 2011, CTA bus ridership increased 1.4% while rail posted its fourth consecutive year of increased ridership, up 5.1% for the year and 16.5% compared to 2007. Metra ridership, particularly sensitive to job market fluctuations and the end of the Seniors Ride Free Program, experienced a 2.6% gain in 2011 as the economy began to improve, but remains 3% below 2007 levels. Pace bus ridership posted gains of 4.6% in 2011, its highest level since 2008, but remained 8.8% below 2007 levels. Vanpool, which is also sensitive to employment levels, saw an increase of 1.6% for 2011, but remains 5.3% below 2007 levels. Pace dial-a-ride service increased 10.6% since 2007; however, dial-a-ride was the only mode to have decreased ridership in 2011, down 1.6% from the prior year. Paratransit service posted a 23.4% gain in ridership for 2011, resulting from the inclusion of companions and personal care attendants, and is 30.2% higher than 2007.





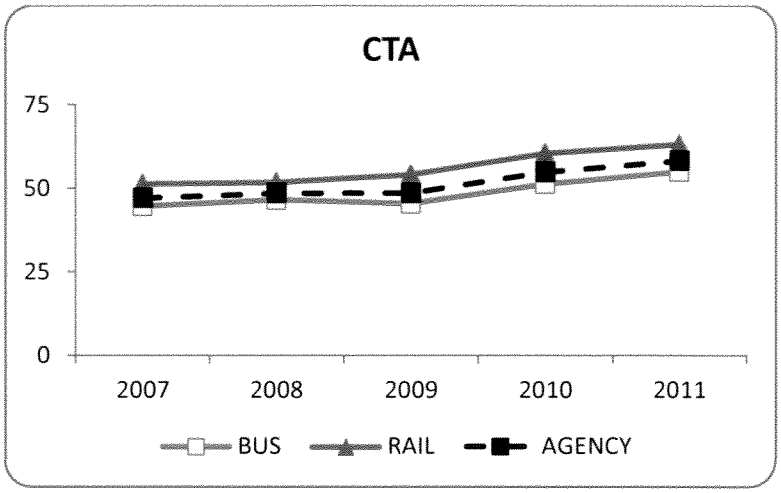


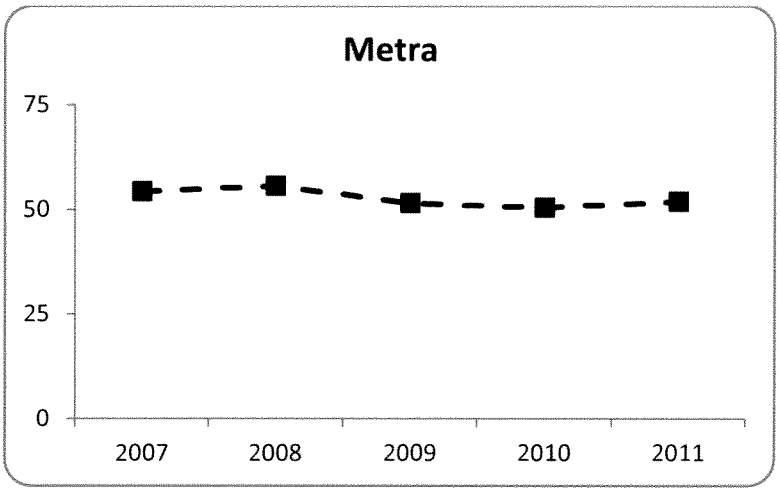
Passenger Trips per Vehicle Revenue Hour

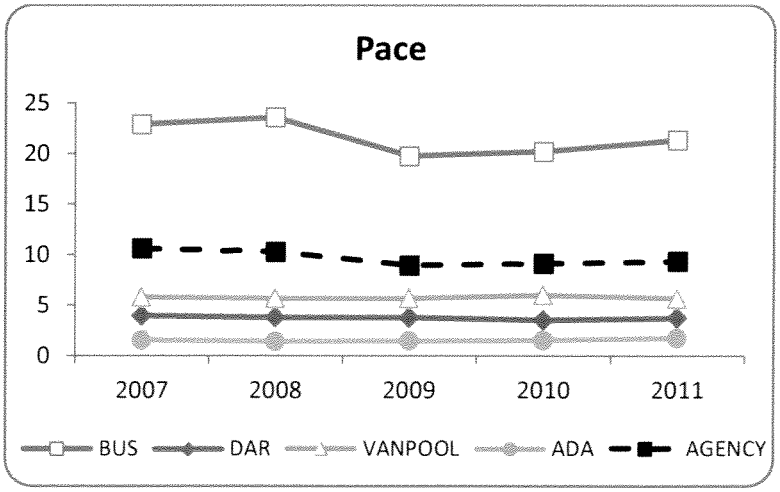
The number of passenger trips divided by the hours that vehicles travel while in revenue service. Passenger trips per revenue hour show how effectively the transit service supplied is used by the public.

Recent Data and Interpretation

Strategic service cuts coupled with increased ridership resulted in a 4.3% gain in passenger trips per hour in 2011, a 13% gain from 2007 -- the highest level of achievement for this service effectiveness measure since 2001. CTA bus saw a 7.1% improvement from 2010 and was 23.1% higher than 2007. Rail also posted a 4.4% improvement from last year and a 22.8% gain over 2007 levels. After two years of decreases in its passenger trips per vehicle revenue hour, Metra experienced a 2.7% improvement in 2011, reflecting the gain in passenger trips, and ended the year slightly higher than 2009 levels. Cumulatively, Metra's passenger trips per vehicle revenue hour for 2011 were 4.5% lower than in 2007. Pace vanpool was the only mode to show a decline in trips per hour for 2011, down 5.5%, due to a significant increase in vehicle revenue hours that was not offset by an increase in passenger trips. Pace bus and dial-a-ride service realized improvements of 5.6% and 5.9%, respectively, for this measure for 2011 yet remained 6.8% and 5.7% lower than 2007.





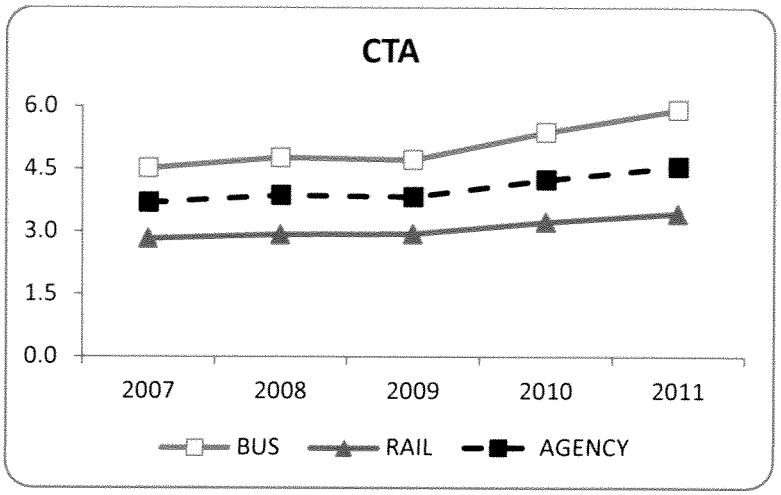


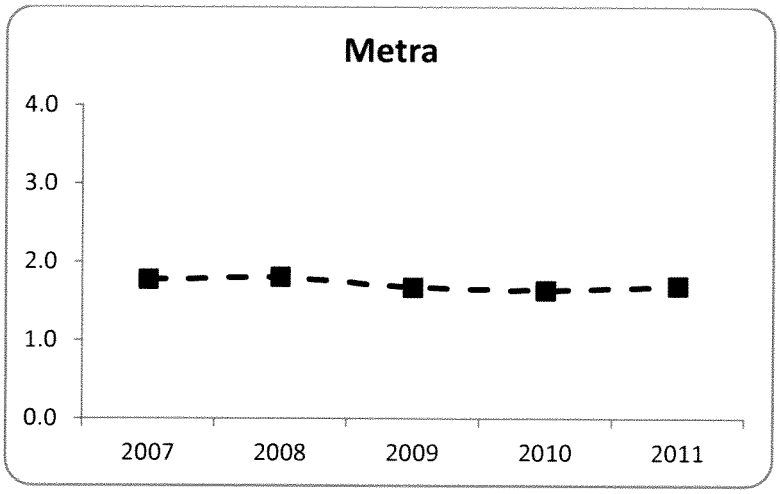
Passenger Trips per Vehicle Revenue Mile

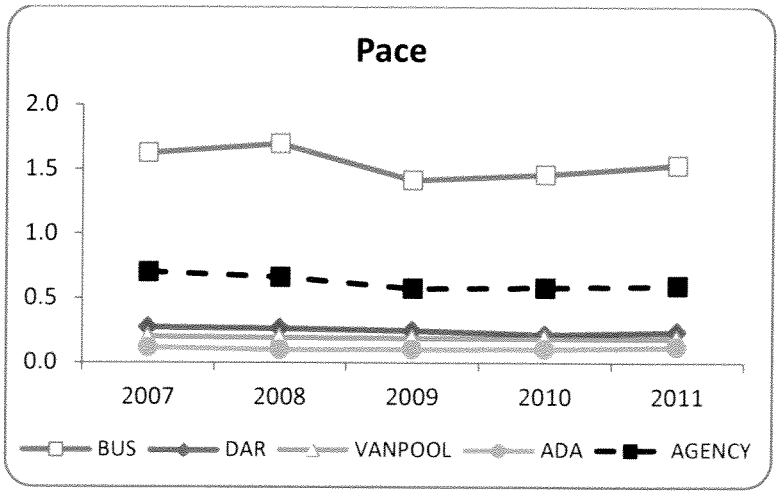
The number of passenger trips divided by the miles that vehicles travel while in revenue service. Passenger trips per revenue mile show how effectively the transit service supplied is used by the public.

Recent Data and Interpretation

Systemwide reductions in vehicle revenue miles for the one-year and five-year period, coupled with net increases in passenger trips for both time periods, resulted in a 4.7% favorable result for 2011 and 9.9% increase from 2007 for this measure. CTA bus saw a 10% improvement from 2010 and a 30.9% improvement from 2007, almost entirely due to reduced service. Rail experienced fewer reductions to vehicle revenue miles at the same time as ridership increased for each of the past four years, resulting in gains in passenger trips per vehicle revenue mile of 6.2% for 2011 and 21.1% compared to 2007. Metra's performance for this measure, which had dropped in 2009 and 2010 as ridership declined from the continued high regional unemployment rate, saw a 3.2% gain in 2011 resulting mostly from its 2.6% increase in passenger trips. Pace bus, dial-a-ride, and ADA services saw increases of 5%, 9.5%, and 13.4%, respectively, for 2011 with vanpool experiencing a slight decrease of 0.5%. Over the five-year period only ADA service at Pace showed a positive gain for this metric, with a 2.6% improvement from 2007 levels.





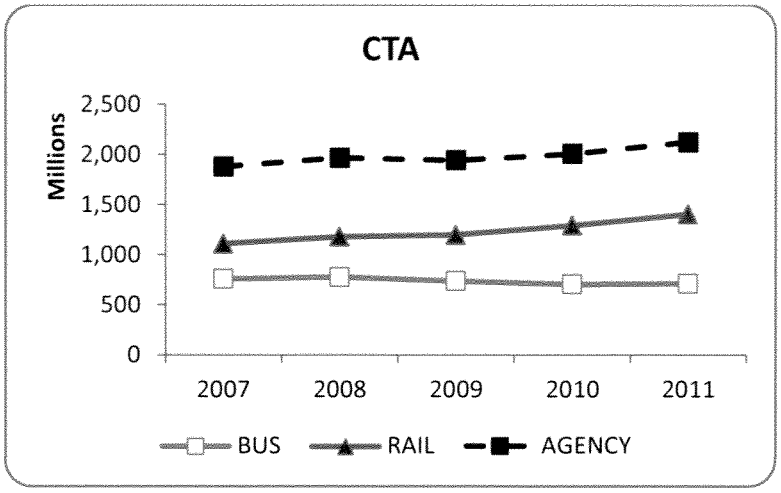


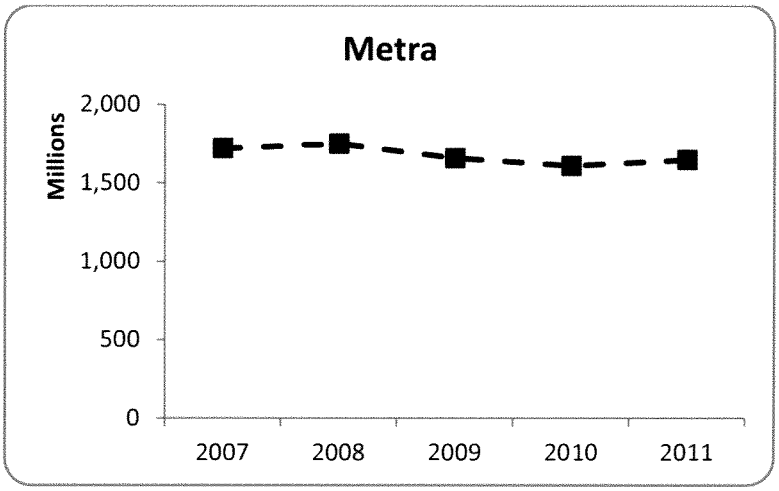
Passenger Miles

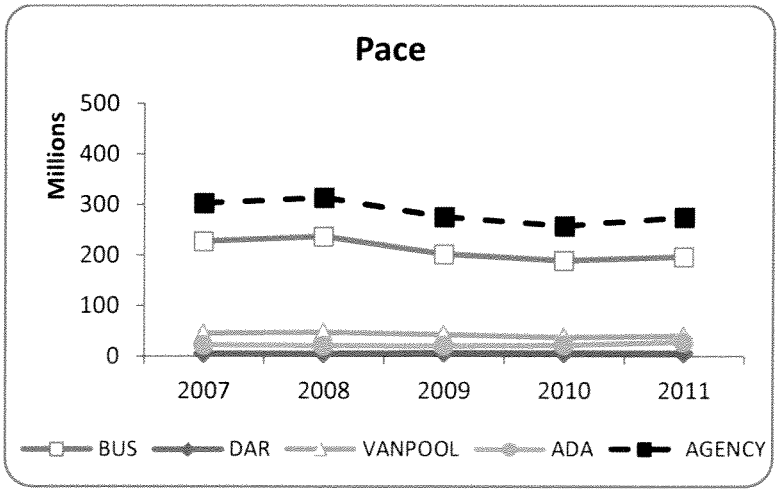
The cumulative sum of the distances ridden by each passenger. Passenger miles are equal to the average trip length multiplied by total passenger trips.

Recent Data and Interpretation

Systemwide passenger miles traveled reached a ten-year peak in 2011, increasing 4.5% from 2010 and 3.6% from 2007. CTA bus and rail posted passenger mile gains for the year, up 0.8% and 8.7%, respectively. Over the past five years, bus passenger miles declined by 6.5% while rail passenger miles increased 26.2%, for an overall 13% gain agency-wide. Metra, with ridership gains in 2011, saw a 2.3% gain in passenger miles for the year, but remained 4.3% below 2007 levels. Pace bus, vanpool, and ADA services each posted increases for passenger miles, although ADA stands out with a 27.2% increase from 2010 and was 25.7% higher than in 2007. These increases reflect increased passenger trips from companion rides. Pace bus and vanpool, each with increased ridership for the year, also experienced increased passenger miles of 4.0% and 8.9%, respectively; for the five-year period, each mode showed declines for this measure by 13.3% and 10.1%, respectively. Dial-a-ride was the only mode system-wide to post a decrease in passenger miles for the year, down 0.1%, but it remained 18.7% higher than in 2007.

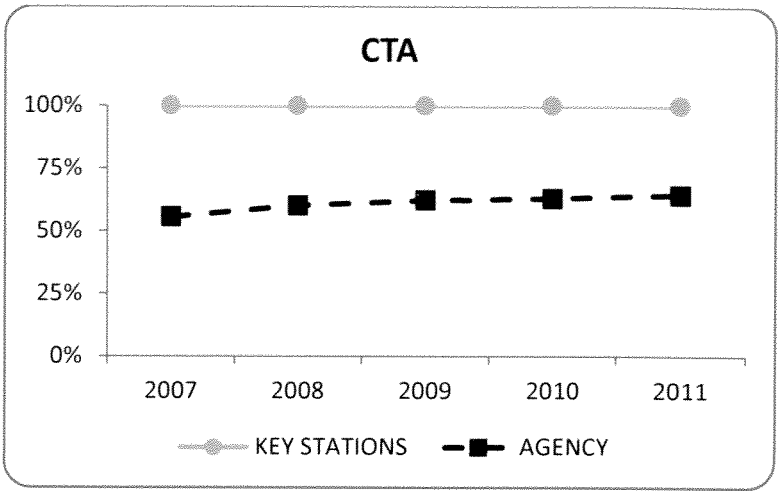


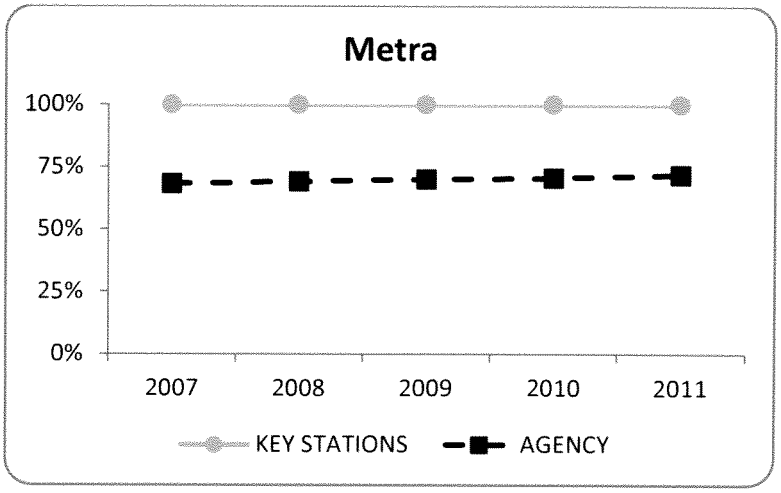


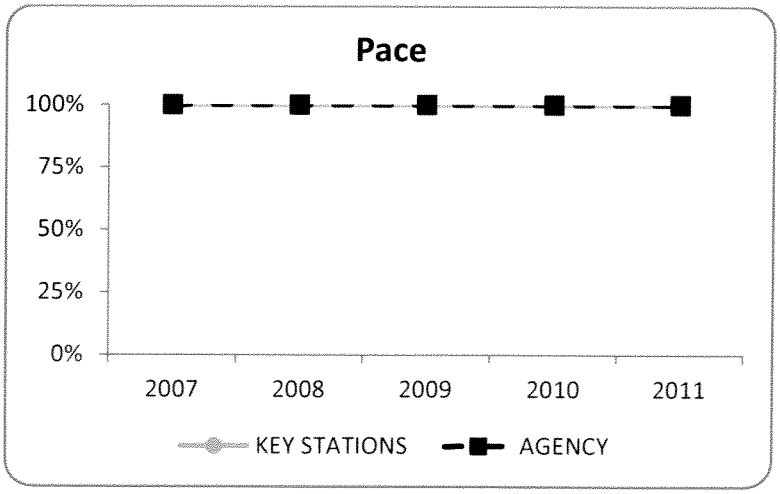


Percentage of Stations ADA Accessible

ADA accessibility refers to the ability to accommodate passengers with disabilities, either by removing barriers to transit use or by providing specially-equipped vehicles to allow equal access to transit. ADA accessibility standards for transit are established in Title 49, parts 27 and 38 of the Americans with Disabilities Act of 1990. In addition to complying with federal laws, meeting ADA accessibility standards in the public transit industry allows for increased mobility for all of the region's population and is a quality of life issue. "Key" stations include those stations whose number of passengers exceeds its system average by at least 15%, stations which are major transfer points to other transit modes, stations at the end of a line, or stations that serve major activity centers.







Recent Data and Interpretation

100% of the RTA system's key stations are ADA-accessible, and 71% of all stations are ADA-accessible.

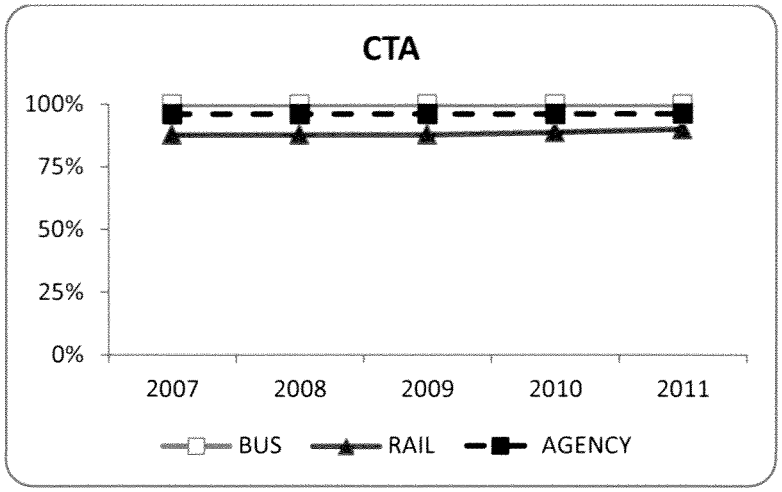
In reports released prior to 2011, the Pace stations actually referred to CTA or Metra train stations that Pace served, in addition to other facilities such as Pace transportation centers. With the 2011 NTD submission, NTD requested that Pace report only its own stations, which have been 100% ADA-accessible since 2007.

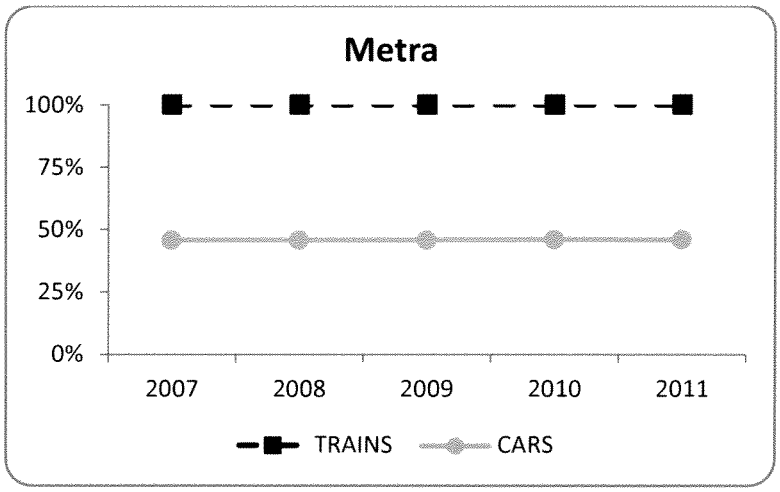
Percentage of Vehicles ADA Accessible

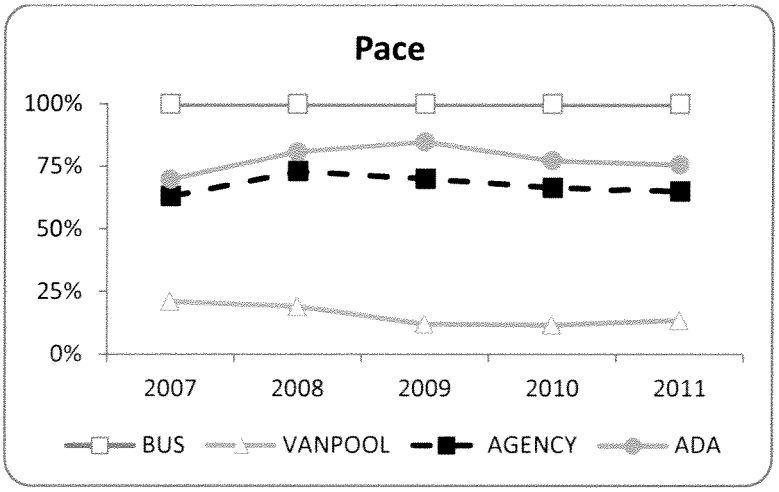
ADA accessibility refers to the ability to accommodate passengers with disabilities, either by removing barriers to transit use or by providing specially-equipped vehicles to allow equal access to transit. ADA accessibility standards for transit are established in Title 49, parts 27 and 38, of the Americans with Disabilities Act of 1990.

Recent Data and Interpretation

The RTA system has seen increasing numbers of ADA-accessible vehicles through 2011. 100% of CTA and Pace buses are ADA-accessible, as are 100% of CTA and Metra train sets. In regards to individual rail cars, 90% of CTA's 'L' fleet and 46% of Metra's commuter rail fleet are ADA-accessible. CTA provides at least two accessible cars on all trains, with four accessible cars on all eight-car trains (two in the front of the train and two in the back). All Metra train sets include at least one ADA-accessible car.





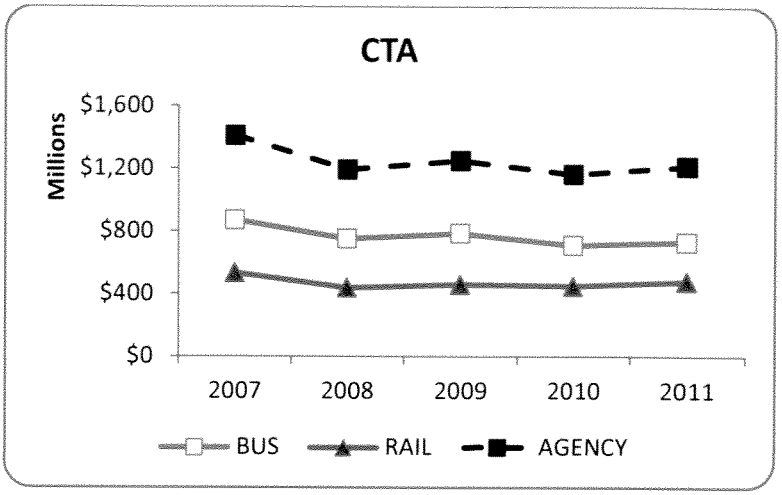


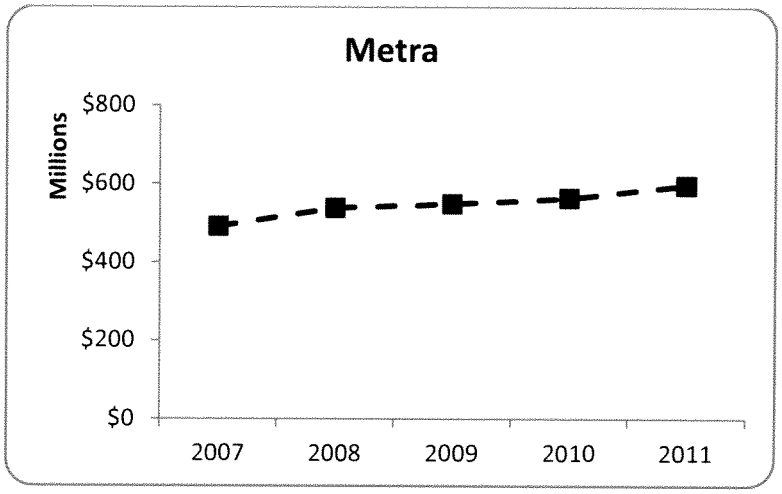
Operating Cost

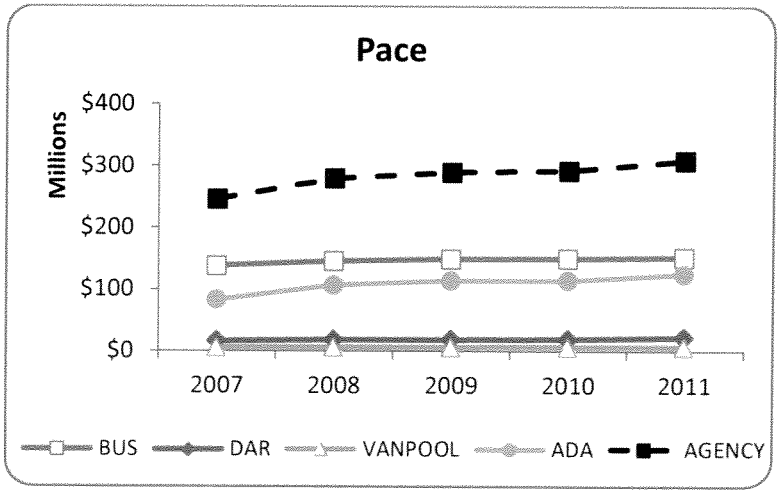
Total expenses associated with the operation of the transit agency.

Recent Data and Interpretation

Regional operating costs in 2011 were 4.9% above the 2010 level and 1.1% lower than 2007, compared to a one-year inflation rate of 2.7% and a five-year inflation rate of 6.8%. Cost-cutting and service reduction measures implemented at CTA resulted in a 13.9% reduction in operating costs over the five-year period; however, operating costs were up 4.4% for 2011, owing mostly to fuel prices which exceeded 2010 levels by 10%. Metra's costs grew 5.9% in 2011, and 21.5% since 2007, affected by rising diesel fuel prices, higher health insurance premiums, and the high maintenance cost of keeping its older fleet and infrastructure operational. Pace posted a 5.6% one-year increase in operating expenses, largely due to 15.2% and 9.2% increases in dial-a-ride and ADA services, respectively. These paratransit operations are significantly more expensive to operate on a per-passenger basis than bus and vanpool, which faced respective expense increases of only 1.6% and 2.9%. Pace bus route restructuring and pruning efforts have helped decrease operating costs. Five-year increases in operating costs for each Pace mode exceeded the inflation rate, with dial-a-ride at 34.4% and ADA at 49.9% over 2007 levels.





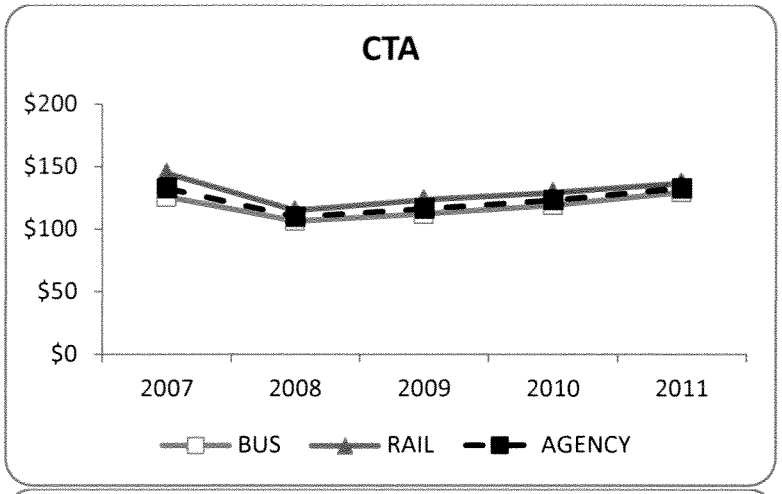


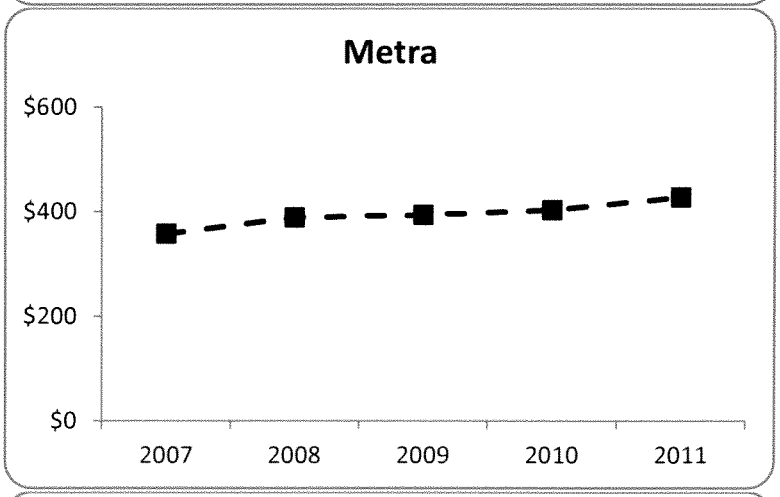
Operating Cost per Vehicle Revenue Hour

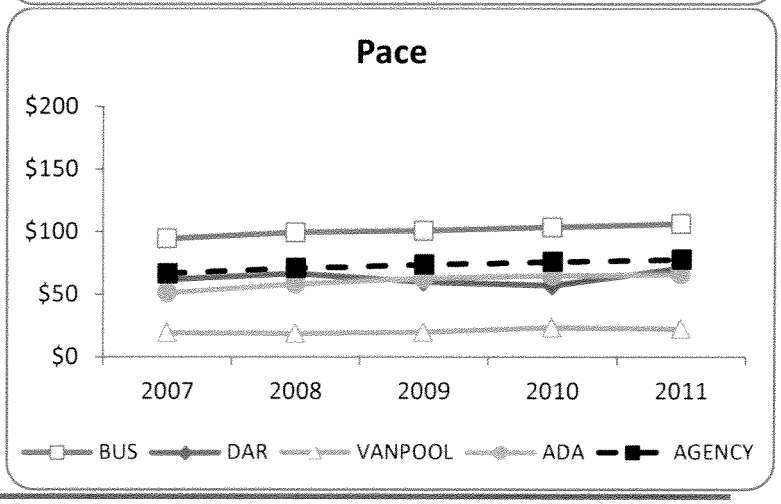
Operating expenses divided by the hours that vehicles travel while in revenue service. This measure demonstrates the actual dollar amounts that transit agencies must pay to operate each hour of service provided to the public.

Recent Data and Interpretation

The RTA system had 5.2% higher operating costs per vehicle revenue hour in 2011 than in 2007. This increase is lower than the 6.8% growth in inflation over the same period, and indicates some improvement in the efficiency of providing service. CTA's 7.7% increase in 2011 is largely reflective of reductions in bus vehicle revenue hours. CTA's net 0% change from 2007 in operating costs per vehicle revenue hour indicates that CTA has been effective at controlling operating costs by introducing service adjustments as needed. Metra's relatively higher cost per hour of service reflects the costs associated with maintaining a right-of-way throughout a large geographic area and is typical of commuter rail service. Metra's 6.1% increase for 2011 exceeded inflation, as did its five-year 19.6% increase; with consistent vehicle revenue hours, increases for this measure are attributable to higher operating costs and the impact of rising fuel costs. For 2011, Pace's 2.4% operating cost per vehicle revenue hour increase undercut the inflation rate, but Pace ended the five-year period 16.8% higher. Pace's increase was also more heavily weighted by operating cost increases than by reductions in vehicle revenue hours.





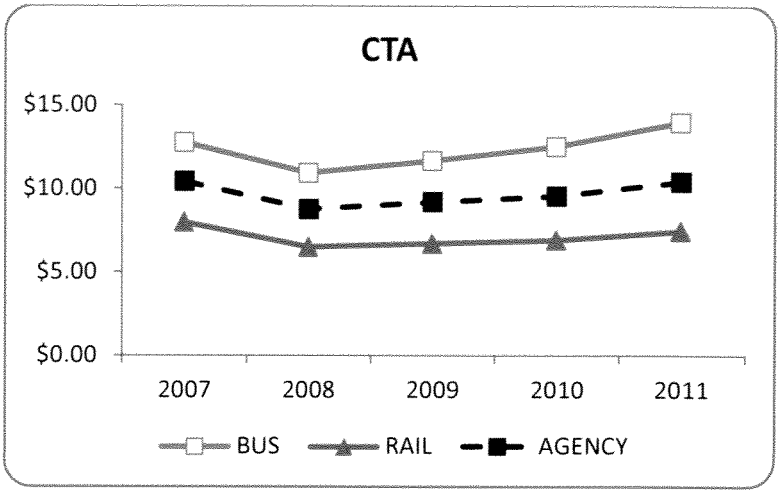


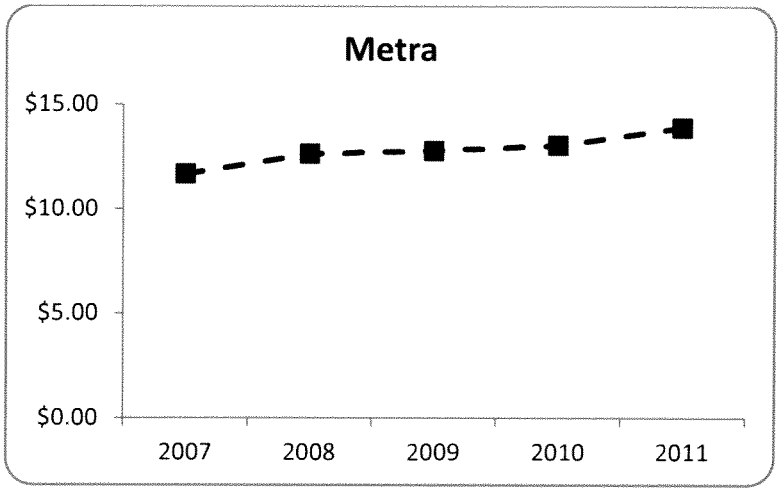
Operating Cost per Vehicle Revenue Mile

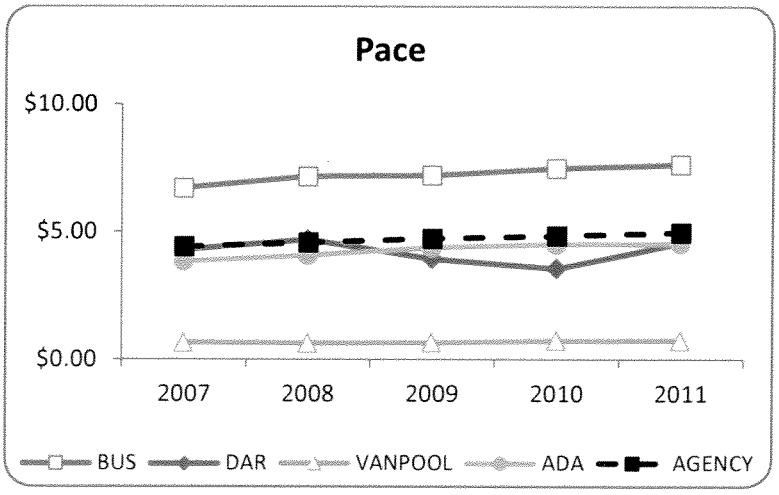
The expenses associated with the operation of the transit agency divided by the miles that vehicles travel while in revenue service. Operating costs show the level of resources spent on service delivery in relation to the service being provided and used.

Recent Data and Interpretation

Regionally, operating costs per vehicle revenue mile increased 3.9% for the five-year period, and 6.6% between 2010 and 2011. All three Service Boards and each mode experienced increases for this measure in 2011, indicating some loss of service efficiency. CTA rail was the only mode to experience a decline in operating cost per vehicle revenue mile over the five-year period, with a 6.7% decline from 2007, resulting from the combined effects of decreased operating costs and reduced vehicle revenue miles.





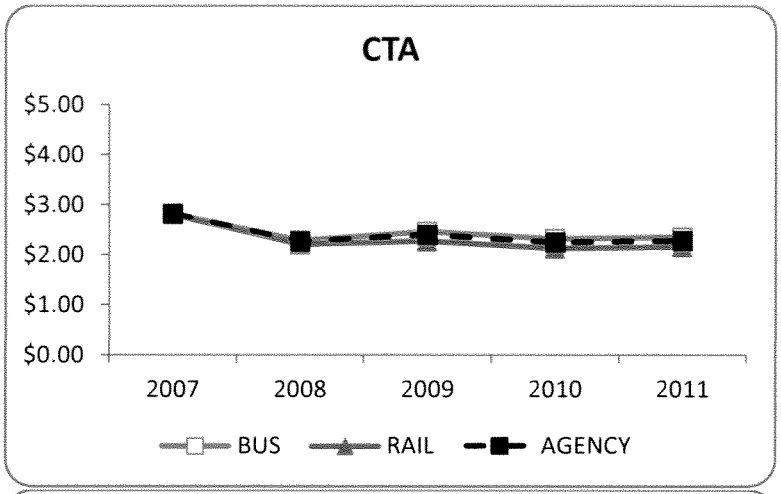


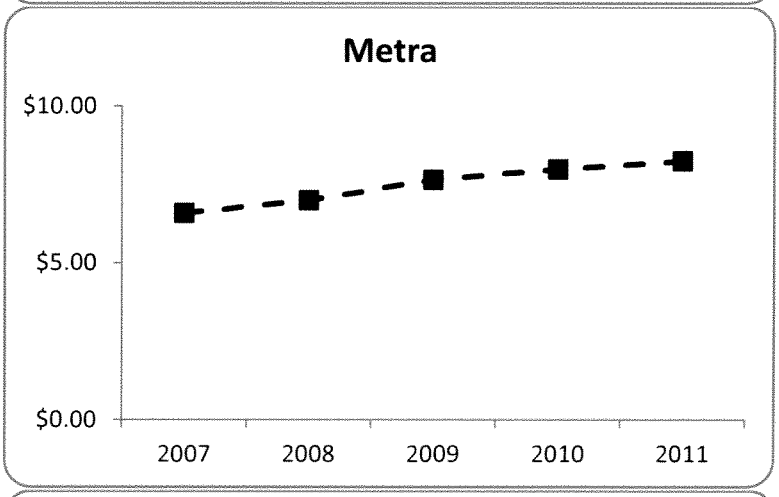
Operating Cost per Passenger Trip

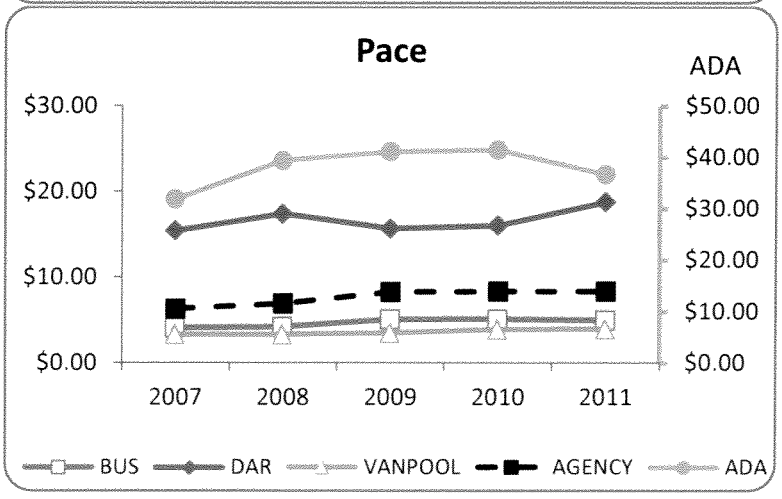
Operating cost divided by the total number of passenger trips. This measure illustrates the gap between the established fare and the cost of providing an individual trip.

Recent Data and Interpretation

Regional operating cost per passenger trip rose 1.8% in 2011, with cost increases mostly offset by gains in ridership for every mode but dial-a-ride. Over the five-year period, costs per trip declined 5.4%, again due to ridership gains, but also reflective of lower operating costs resulting from CTA service reductions. CTA bus and rail each posted 1.5% increases in their operating cost per passenger trip for 2011; from 2007, bus and rail experienced declines of 16.4% and 23%, respectively. Metra experienced a 3.3% increase in cost per trip for 2011 and has cumulatively increased its cost per trip by 25.2% since 2007. During this time period, Metra realized a 37.5% increase in fuel expenditures, which significantly contributed to its operating costs. Pace bus and ADA services saw decreases of 2.8% and 11.5%, respectively, while vanpool increased 1.4%. Reductions in ADA's cost per trip were due less to increased cost effectiveness and more to the higher number of passenger trips given the inclusion of companion riders. Dial-a-ride, the only mode to have fewer riders in 2011, saw the highest increase in operating cost per trip at 17.1%. Over the past five years, each Pace mode experienced increased operating cost per passenger trip, ranging from 15.1% for ADA to 21.6% for dial-a-ride.





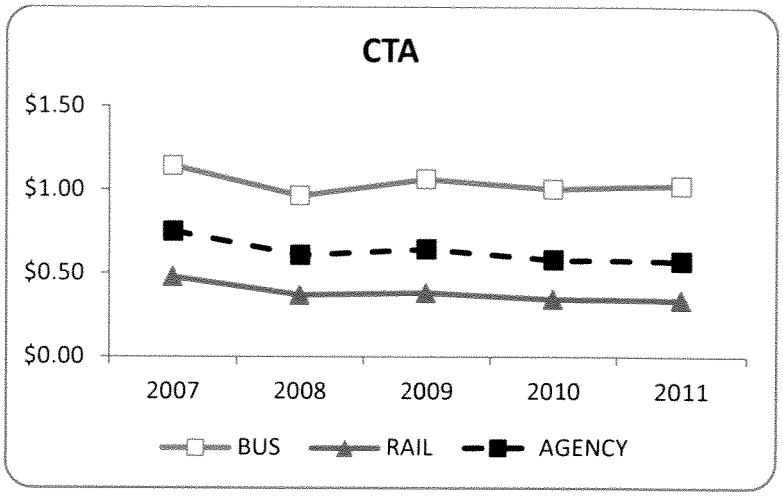


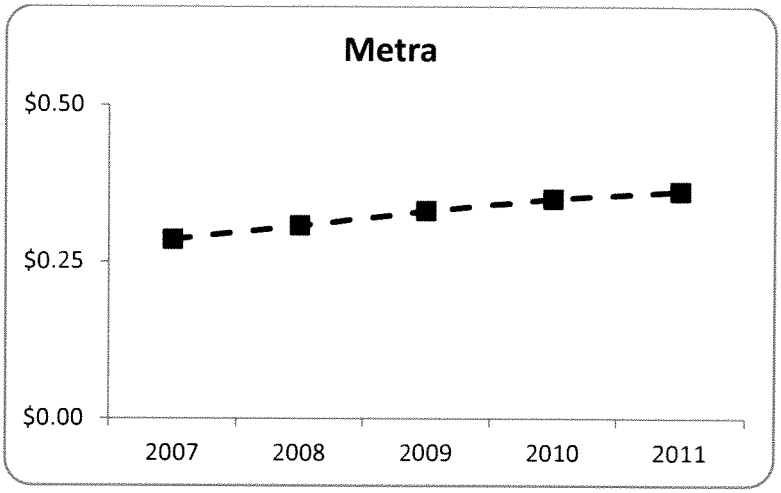
Operating Cost per Passenger Mile

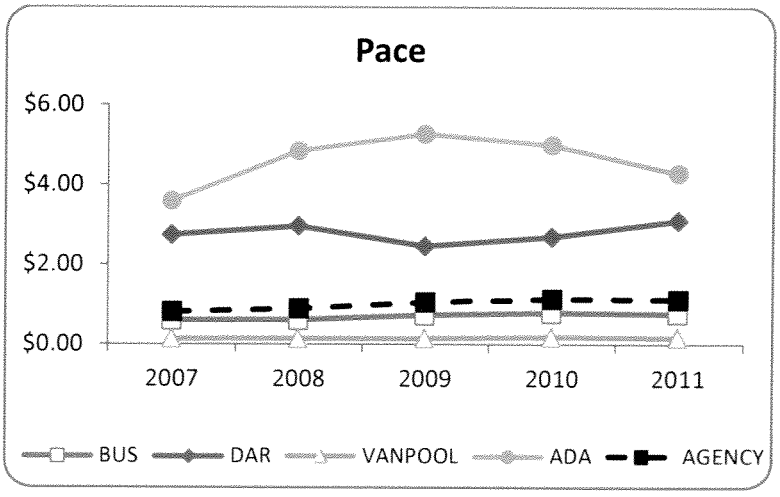
Operating costs divided by the cumulative sum of the distances ridden by all passengers.

Recent Data and Interpretation

Regionally, there was a 0.4% increase in the operating cost per passenger mile, and a 4.6% decline from 2007, reflective of the 2011 ten-year peak in passenger miles traveled. CTA experienced an overall 1.4% drop in operating cost per passenger mile, with bus increasing 2.2% and rail decreasing 1.9% for the year. Over the past five years, bus operating costs per mile declined 10.2%, resulting from decreased operating costs and decreased passenger miles whereas rail operating costs per mile dropped 28.9%, mostly due to the 26.2% improvement in passenger miles. Metra's operating cost increases of 5.9% were somewhat offset by a 2.3% gain in passenger miles, resulting in a 3.5% increase in this measure for 2011 and a 26.9% increase over 2007, reflecting significant increases in diesel prices over this time. Pace bus, vanpool, and ADA each saw decreases in their operating cost per passenger mile of 2.3%, 5.5%, and 14.1%, respectively, owing to gains in passenger miles and not to operating cost reductions. Dial-a-ride posted a 15.3% increase in operating costs per passenger mile in 2011, closely mirroring its 15.2% operating cost increase. Over the five-year period, each Pace mode experienced double-digit increases for this measure.





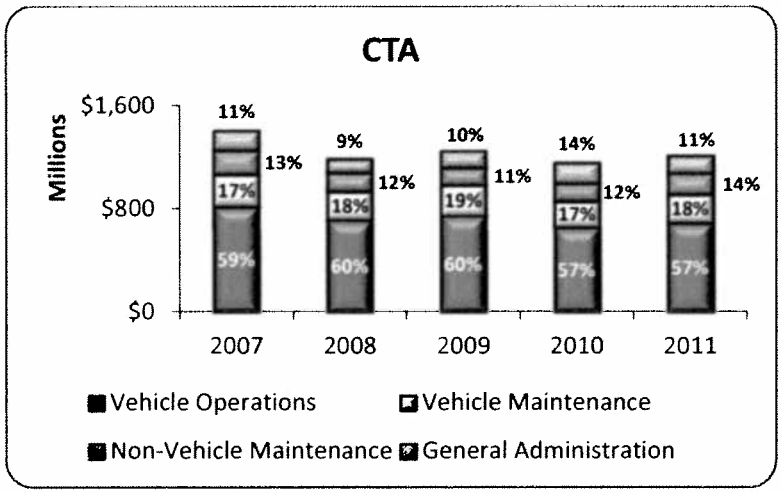


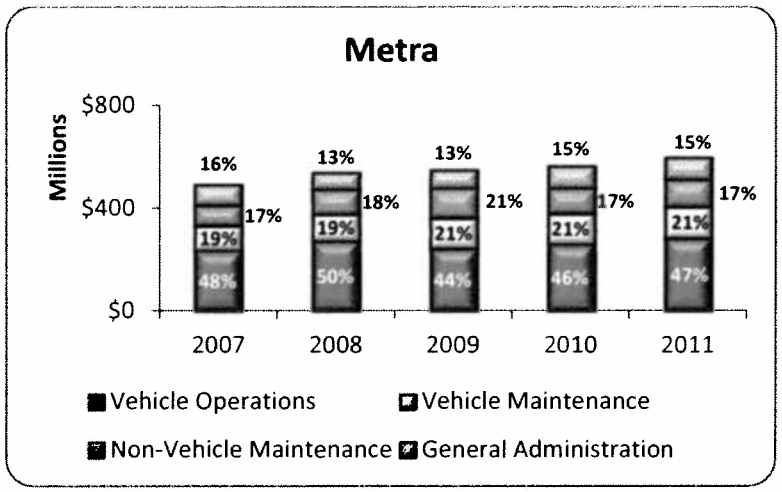
Operating Cost Components

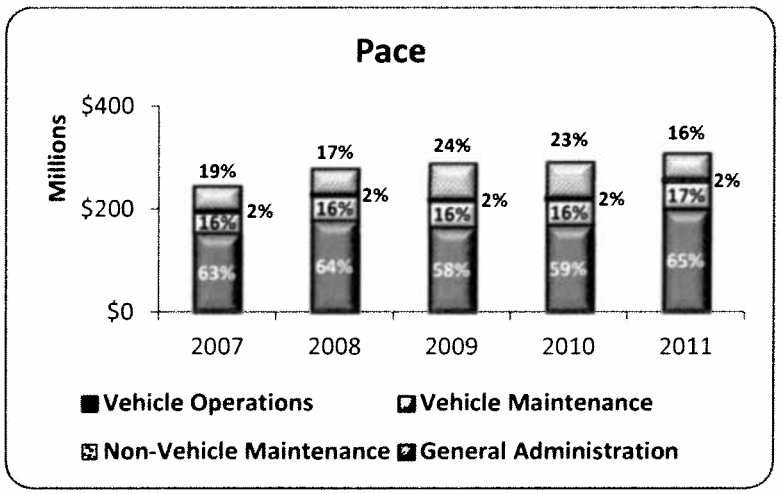
This measure refers to the allocation of costs among specific categories of expenses: general administration, vehicle maintenance, non-vehicle maintenance, and vehicle operations.

Recent Data and Interpretation

The proportion of costs allocated to major functions over the five years has remained relatively stable with a 1% decline in general administration costs and 1% gain in vehicle maintenance expenditures, and no change for either vehicle operations or non-vehicle maintenance. Vehicle operations consume the most significant proportion of all expense categories, ranging from 41% to 70% in 2011 depending on the mode of service. CTA rail and Pace vanpool had the lowest percentage of vehicle operation costs, reflecting the efficiencies inherent in train service where a single operator drives a multi-car train carrying many passengers and with using smaller vehicles driven by volunteers for vanpool. Higher vehicle operations costs on Pace and CTA reflect the more labor-intensive characteristic of bus operations, and in the case of Pace dial-a-ride and ADA, a mix of smaller vehicles that carry few passengers per driver. Metra and CTA rail have the highest proportion devoted to non-vehicle maintenance, which is related to the costs of maintaining an extensive right-of-way and passenger station network.





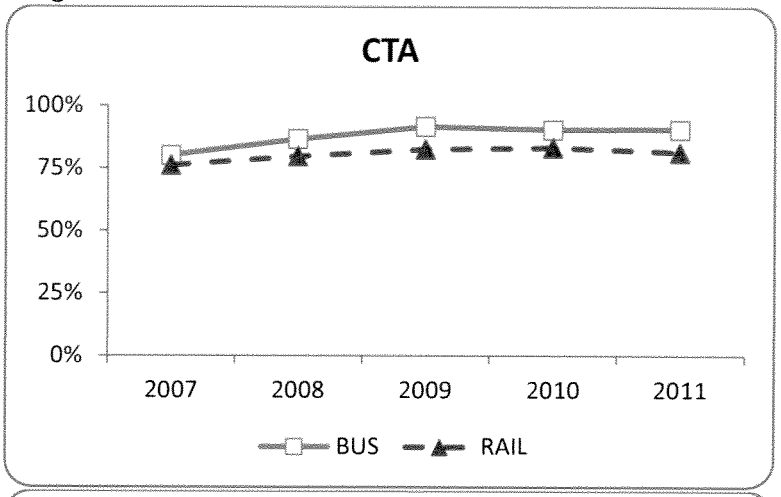


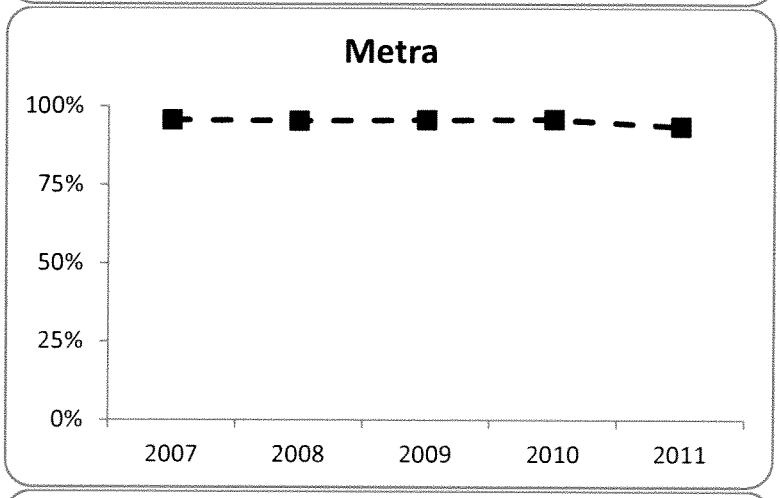
On-Time Performance

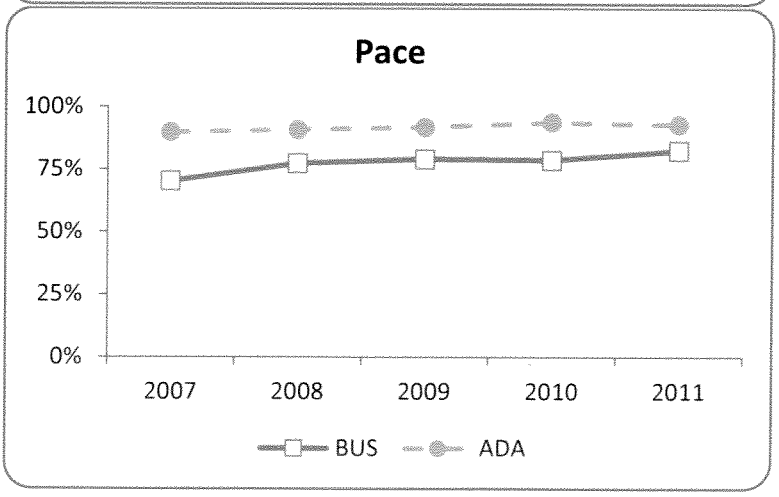
The percentage of the time a transit vehicle departs from and/or arrives at a location within a certain number of minutes after and/or before the scheduled time and/or interval maintenance for frequent service. The three Service Boards measure on-time performance differently from each other. CTA rail on-time performance is measured as arriving within one minute of the scheduled headway. CTA and Pace bus on-time performance is measured as leaving the terminal no more than one minute early and no more than five minutes later than scheduled. Metra follows the commuter rail industry standard by measuring on-time performance as arriving at the last station within six minutes of schedule. Pace paratransit on-time performance is defined as arriving within 20 minutes (city) or 15 minutes (suburban) of schedule.

Recent Data and Interpretation

CTA on-time performance dipped slightly in 2011 but is more than 8 percentage points higher compared to 2007. Metra's on-time performance has remained in the mid-90% range throughout the five-year period, with a 2.3 percentage point downtick for 2011 resulting from a methodology change (see note 5 on page 5). Pace bus improved from 78.8% in 2010 to 82.6% in 2011, significantly higher than the 70.4% reported in 2007, aided by schedule adherence management programs and the implementation of more limited-stop bus routes. ADA paratransit service has had steady on-time performance in the low 90% range since 2007.







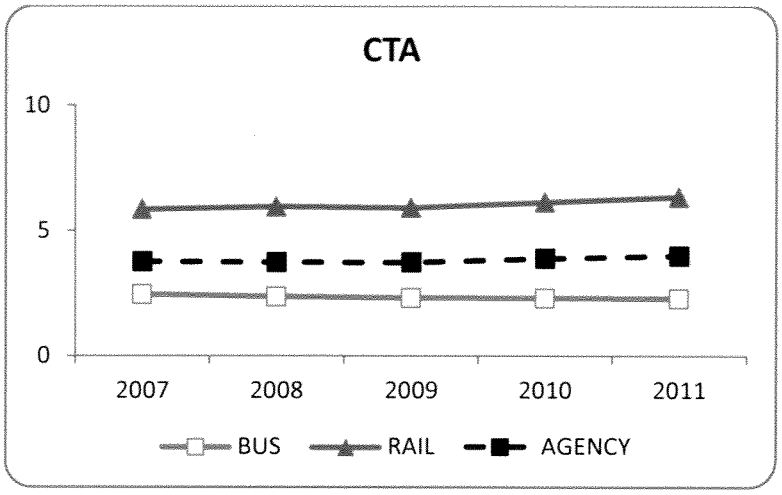
Average Passenger Trip Length

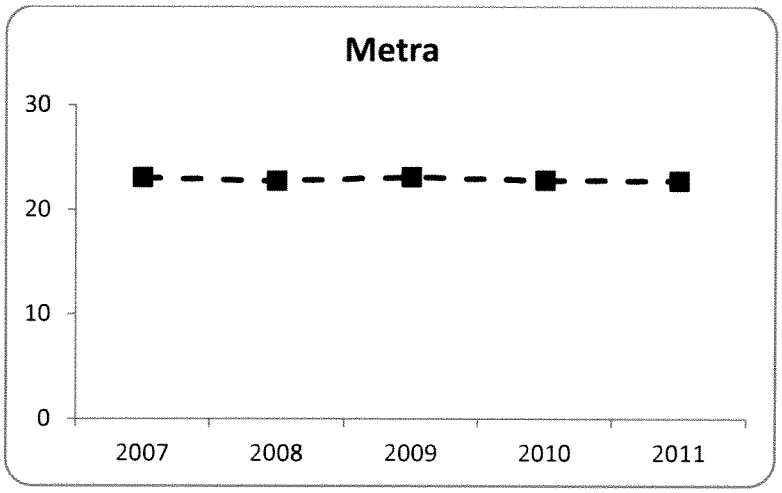
The average distance traveled for an unlinked passenger trip.

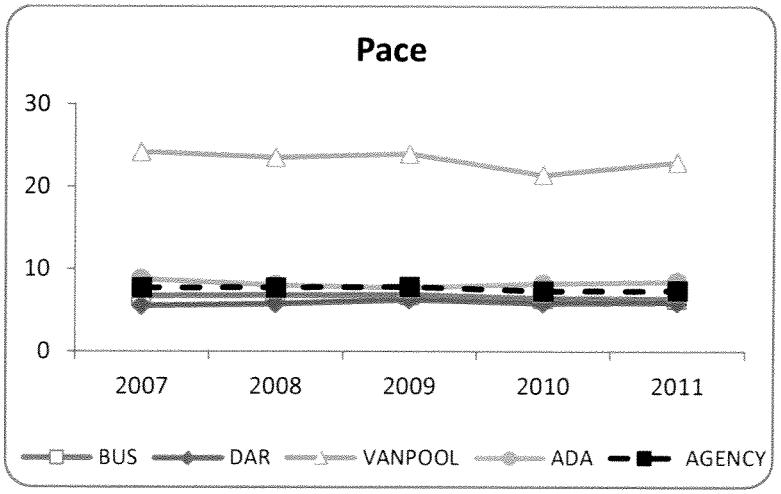
Recent Data and Interpretation

Average passenger trip lengths have remained fairly stable throughout the five-year period under review, with a 0.9% decrease from 2007 to 2011. CTA experienced a 6.8% decrease in bus average trip lengths and an 8.4% increase for rail average trip lengths over the five-year period, for a net gain of 6.1% for the agency. Metra's average passenger trip length in 2011 was 22.7 miles, a slight decrease of 0.2%, and shows little variance over the five-year period. CTA bus and Pace bus each experienced a loss of 0.6% for 2011; each other Pace mode had longer average trip lengths for the year, with vanpool showing the largest gain of 7.2%. Over the five-year period, the only Pace mode to see a gain for this measure is dial-a-ride, up 7.4%, with the agency seeing an overall 3.9% shorter average trip length compared to 2007.

The shortest average trip length is 2.3 miles for CTA bus riders; the longest average trip length is for vanpool customers at 23 miles. The system-wide average trip length was 6.3 miles in 2011.





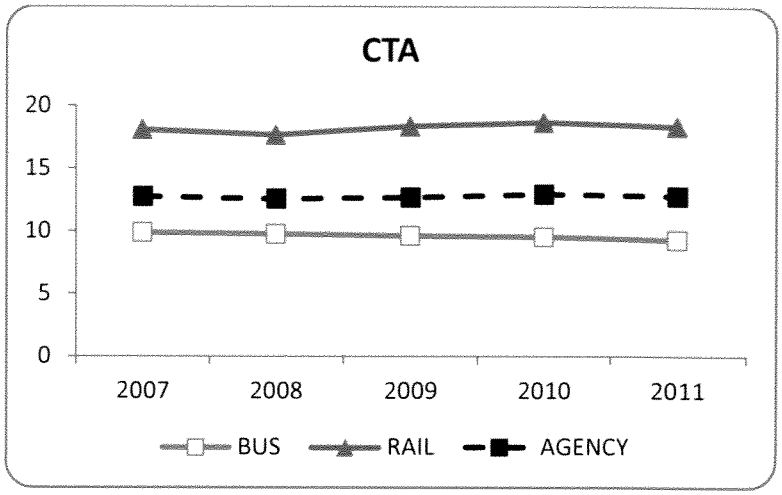


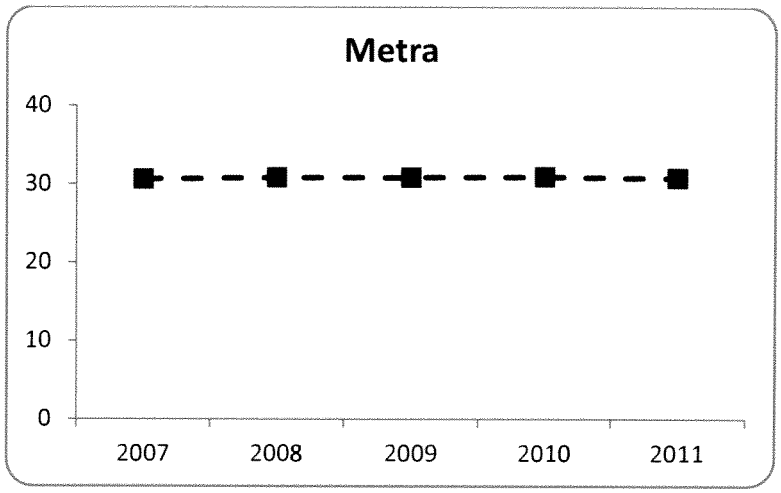
Average Speed

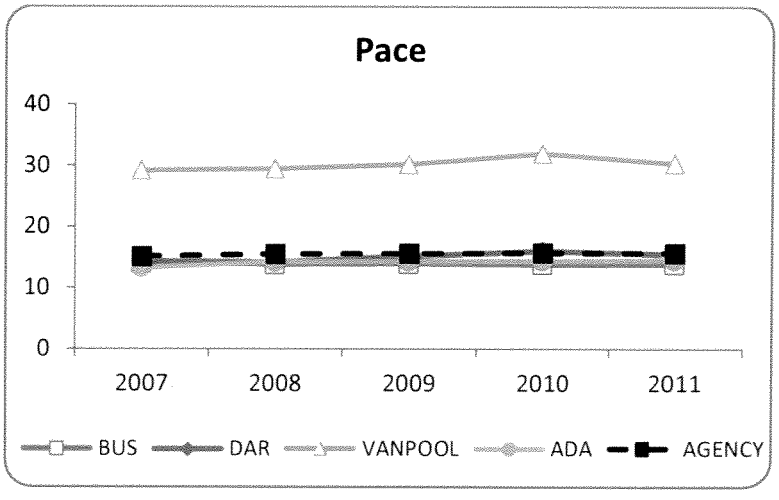
The miles that vehicles actually travel while in revenue service divided by the hours that vehicles are in revenue service, which include layover periods of time that occur between scheduled routes when the revenue vehicle is not in motion.

Recent Data and Interpretation

Average speeds decreased for most modes in 2011, resulting in a system-wide loss of 0.4% for the year. Over the five-year period, the system-wide average speed has increased 2.8%, with the largest increases seen for dial-a-ride (up 7.9%) and ADA (up 9.1%), indicative of more effective scheduling efforts. Metra's average speed has remained largely unchanged throughout the five-year period. The fastest regional trips are on Metra commuter rail and Pace vanpool, with average speeds of over 30 mph, double the system-wide average speed of 15.3 mph.





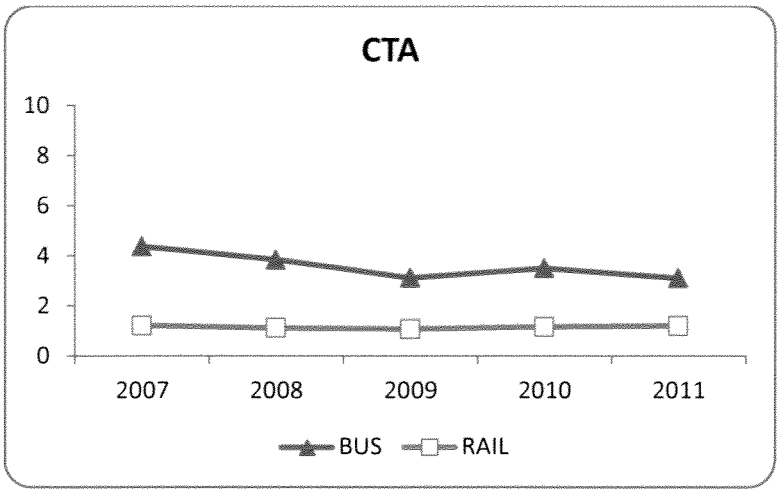


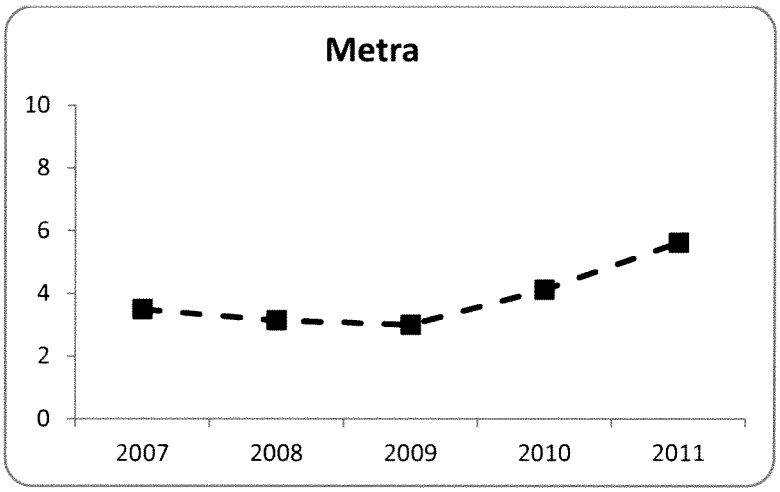
Complaints Reported per 100,000 Passenger Trips

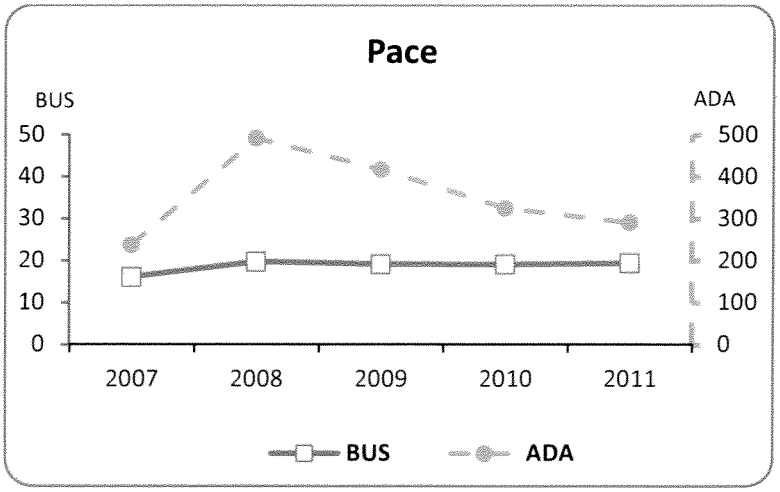
The percentage of service complaints reported as compared to total passenger trips. CTA and Metra data are not available prior to 2007; Pace paratransit data are available from March 2007.

Recent Data and Interpretation

CTA bus complaints continued to decline in 2011 and are almost 29% fewer than in 2007. CTA rail complaints have remained low and stable throughout the five-year period. Complaints to Metra declined from 2007-2009, then increased in 2010 in response to proposed service restrictions from a construction project and in 2011 in response to proposed fare increases. The sheer volume of ridership on CTA and Metra serves to dilute the reported complaint rates. Pace bus complaints have increased 10% from 2007; the ADA paratransit complaint ratio peaked in 2008 and has declined each year since.







Reportable Safety and Security Incidents per 100,000 Passenger Trips

The rate of reportable safety and security incidents per 100,000 unlinked passenger trips.

Recent Data and Interpretation

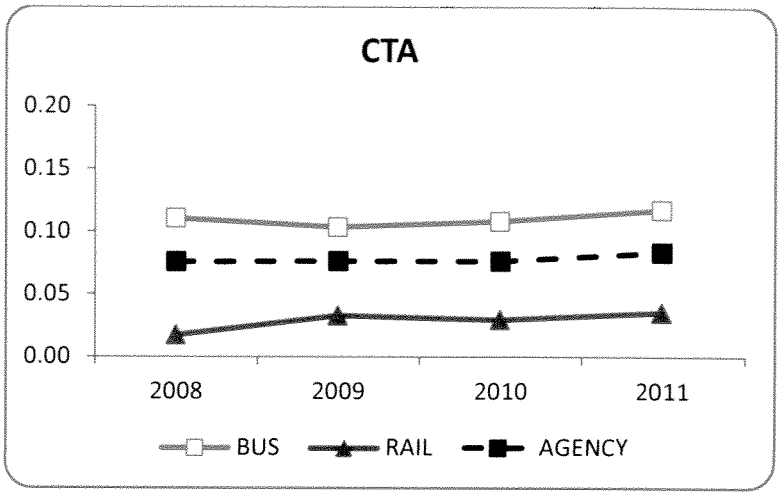
Data for years prior to 2008 have been omitted due to extensive changes to NTD reporting standards, which created a discontinuity in the data series by incorporating incidents which had previously been excluded.

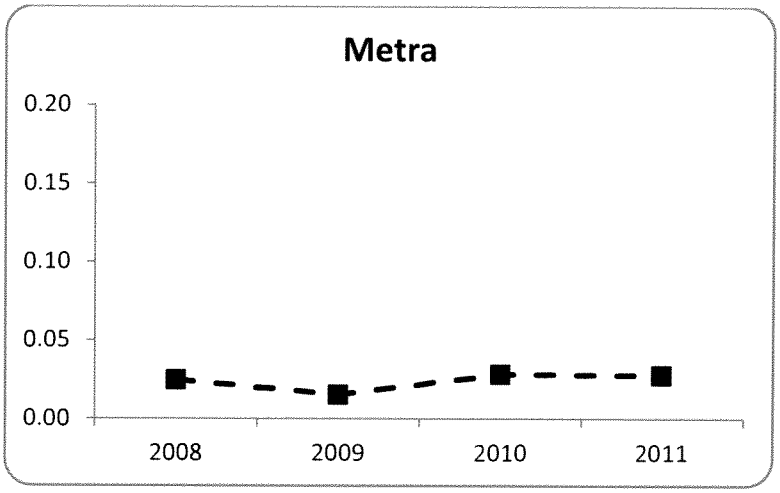
In 2011, the region had 78 more reportable incidents compared to 2010: CTA bus reported 33 more incidents, rail 16 more, Pace bus 3 more, and ADA service had 28 more, for a total 16.4% increase. Metra had two fewer incidents in 2011. Vanpool had one incident, as it had in 2010. Dial-a-ride did not report any incidents for the year. Normalizing the incidents by stating them in terms of trips taken reveals a very low rate of 0.086 incidents per 100,000 trips.

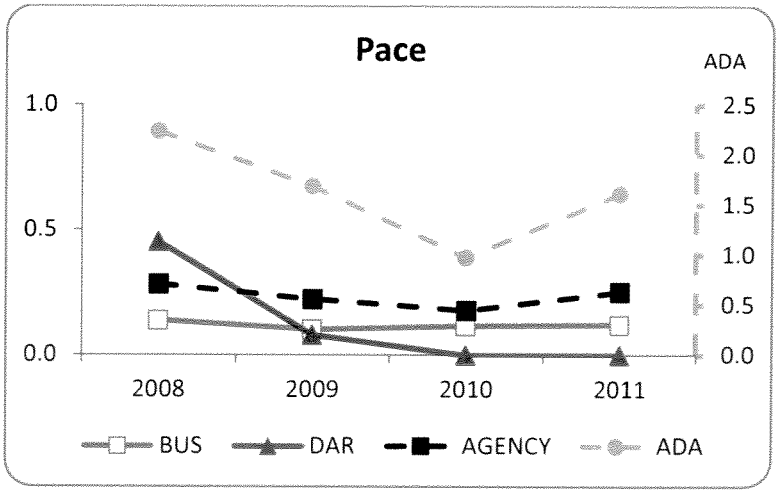
Percentage of ADA Paratransit Trips Denied

The percentage of requested trips for which service was denied.

No paratransit trips were denied for the period of time under study. (No chart provided.)







Customer Loyalty Rating

The percentage of customers who stated they would recommend the Service Board to others.

Customer Value of Service Rating

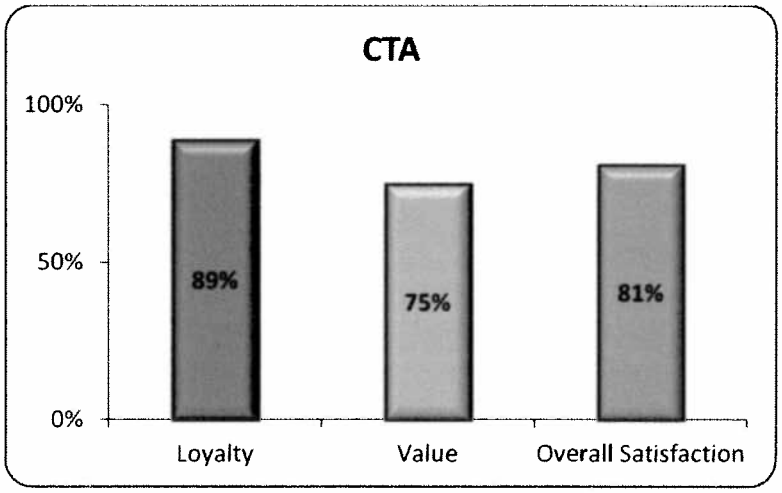
The percentage of customers who stated that the service provided was valuable considering the fare paid.

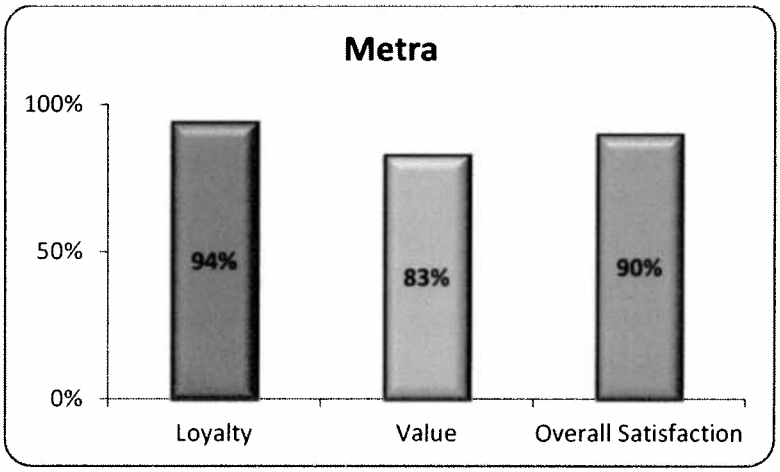
Customer Satisfaction Rating

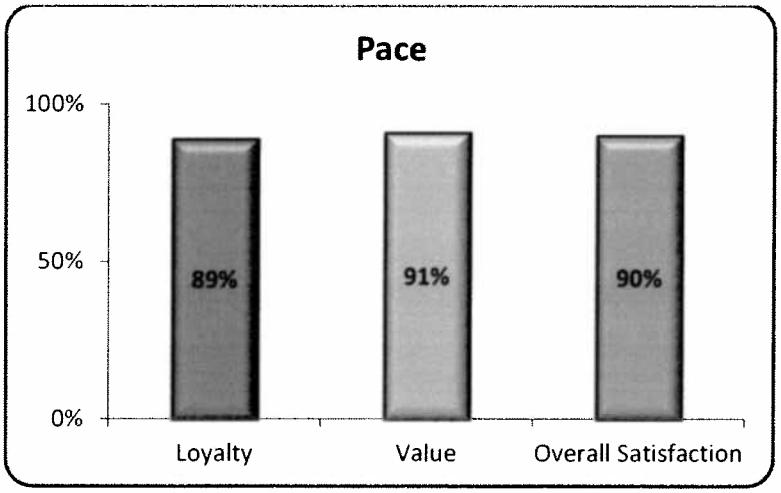
The percentage of customers who rated their general satisfaction level with the Service Board as 'satisfied' or 'very satisfied'.

Recent Data and Interpretation

Customer satisfaction studies have been conducted in prior years by each Service Board independently; however, results from those earlier studies used differing scales, questions, and methodologies. The customer satisfaction surveys that were conducted throughout 2011 resulted from a collaboration among the Service Boards to begin the collection of a core set of data that will be repeated in future studies along predictable sampling techniques. Results from the 2011 survey indicate that customers are generally very satisfied with each Service Board and would recommend their services to others. Metra surveys were conducted prior to the implementation of fare increases in February 2012, which may impact comparisons to future satisfaction ratings.





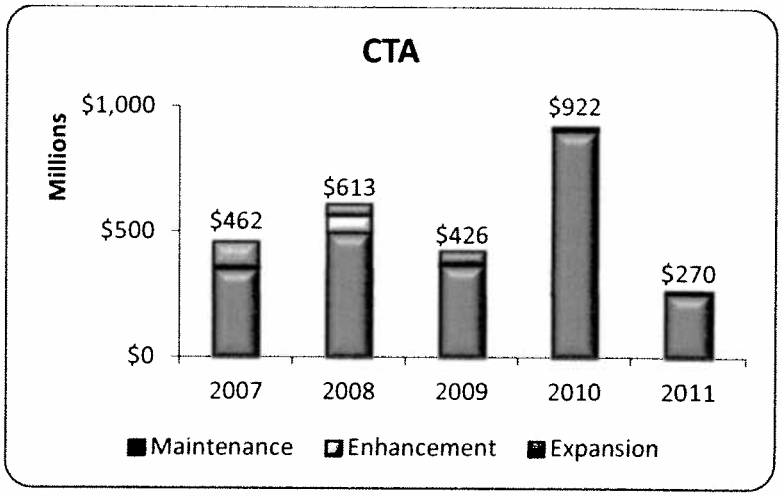


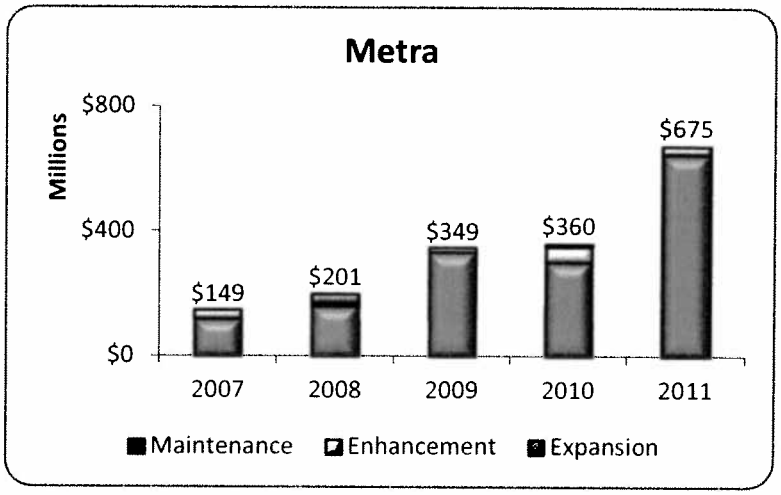
Capital Program

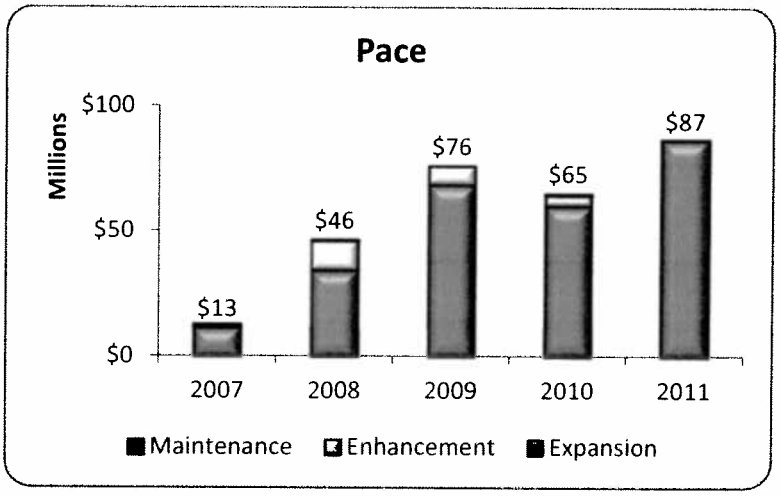
The allocation of projects budgeted within each category as a proportion of the capital program. These figures represent the total monies available for capital maintenance, expansion, and enhancement, and are the sums of new funding as well as de-obligated and re-programmed funding available for these purposes.

Recent Data and Interpretation

Regionally, there has been a significant shift in capital program dollars toward funding maintenance projects. Since 2007, when maintenance projects comprised 78% of the capital program, the share has increased each year and totaled 96% of the 2011 capital program. Conversely, capital expansion projects have dropped each year, from a high of 16% in 2007 to 0% in 2011. Enhancement projects peaked in 2008 at 10% of the capital program and comprised 4% of the program in 2011. The accompanying charts clearly show increasing maintenance shares for Metra and Pace's capital programs over the past five years, with CTA showing more variability from year to year, along with the gradual disappearance of expansion program dollars.







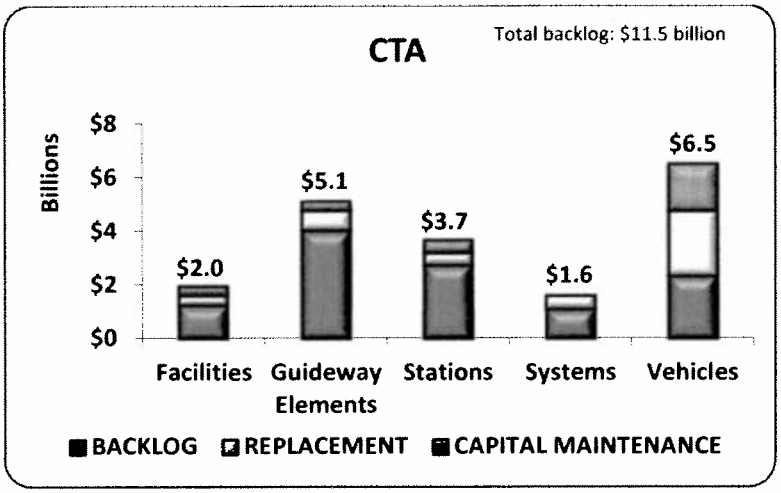
10-Year Capital Funding Needs

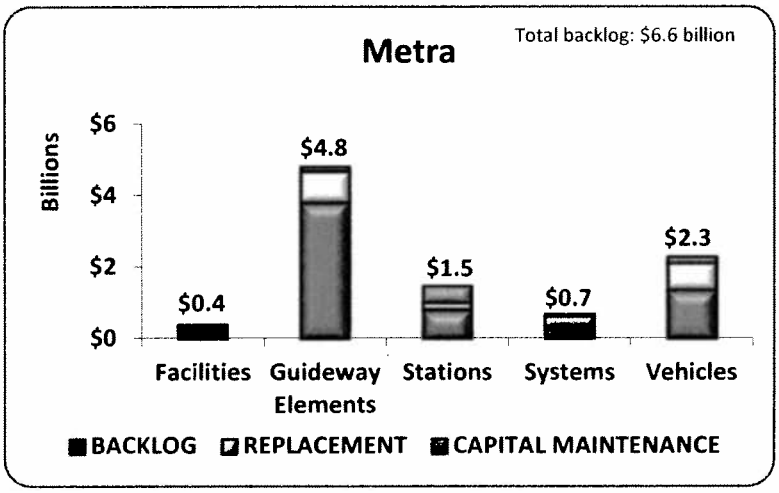
The capital funding that would be required to bring the condition of Service Board assets into a state of good repair, as projected for a ten-year time frame. The *backlog* value represents the replacement of assets that are already beyond their useful life. *Replacement* costs are the costs to replace assets that will reach the end of their useful life during the ten-year period. *Capital maintenance* refers to the costs of rehabilitation and other capital expenses associated with keeping an asset in a state of good repair.

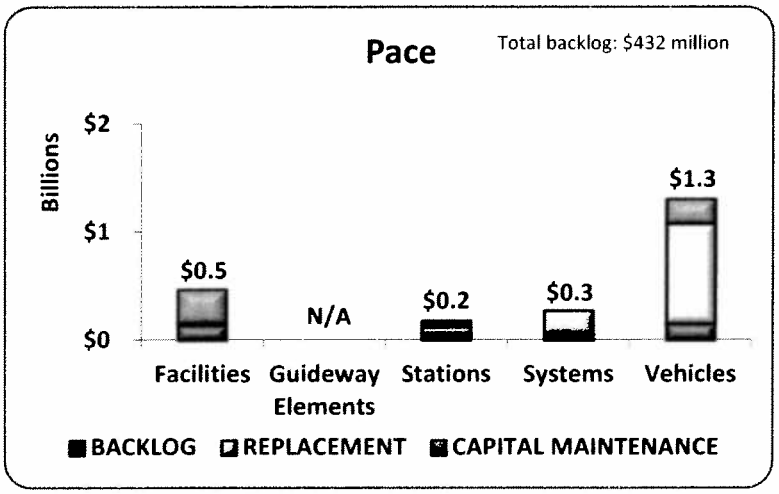
Recent Data and Interpretation

These charts represent 2011 data developed through a sampling of the region's assets. More extensive sampling will be conducted in upcoming years. *Facilities* include maintenance garages and yards. *Guideway elements* include track, rail, bridges, and ties. *Stations* include passenger facilities and parking lots. *Systems* include signals, fare collection equipment, radios, phones, and interlockings. *Vehicles* include all transit vehicles.

RTA system-wide capital needs over the next ten years are projected to exceed $30.9 billion, which includes approximately $18.5 billion in backlog projects.





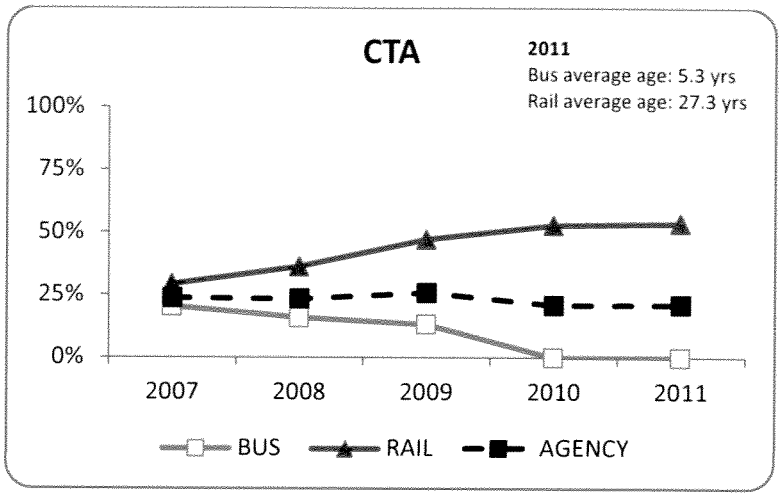


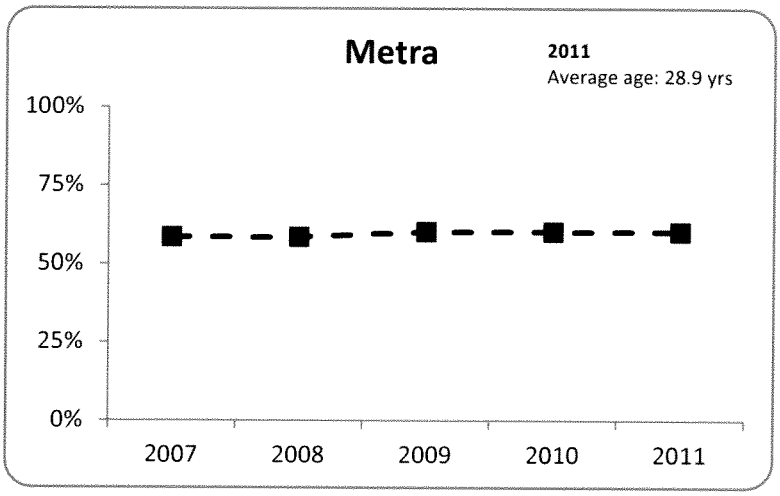
Percent of Vehicles Beyond Useful Life

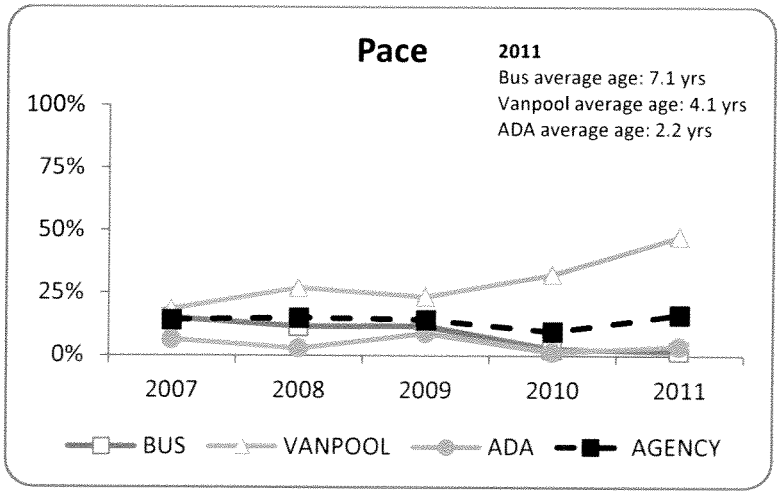
The percentage of revenue vehicles in the total active vehicle fleet beyond their minimum useful life as defined by the Federal Transit Administration. The FTA defines useful life as 4 years for automobiles or vans, 12 years for buses, and 25 years for rail cars. These data reflect the age of revenue service vehicles and do not consider life-extending rehabilitations, as this information is not reported by the NTD. The actual age at which vehicles are retired from service generally exceeds the minimum useful life due to limited capital funding.

Recent Data and Interpretation

Regionally, there has been an increase in the percentage of vehicles beyond their useful life, which for 2011 was 27.8%. None of CTA's buses are beyond their useful life; however, nearly 54% of its rail cars are at least 26 years old and thus meet the criterion. Metra's average age increased to 28.9, with 60.2% of its vehicles beyond their useful life. To keep its locomotives and cars in service and operating safely longer than the FTA guidelines, Metra undertakes extensive maintenance and rehabilitation programs. 16.3% of Pace's vehicles are beyond their useful life: 1.9% of buses, 47.5% of vanpool vehicles, and 3.9% of ADA vehicles.





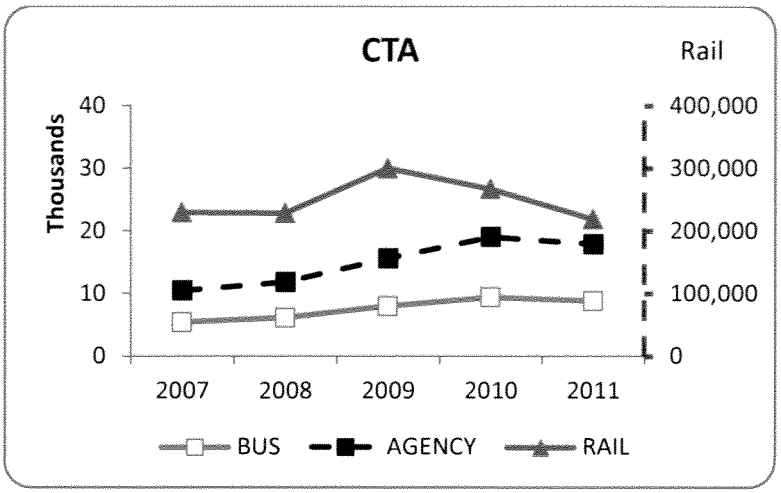


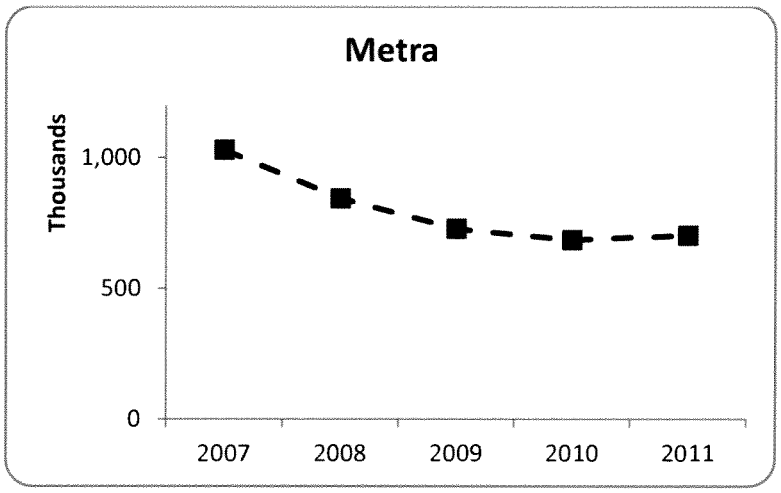
Miles between Major Mechanical Failures

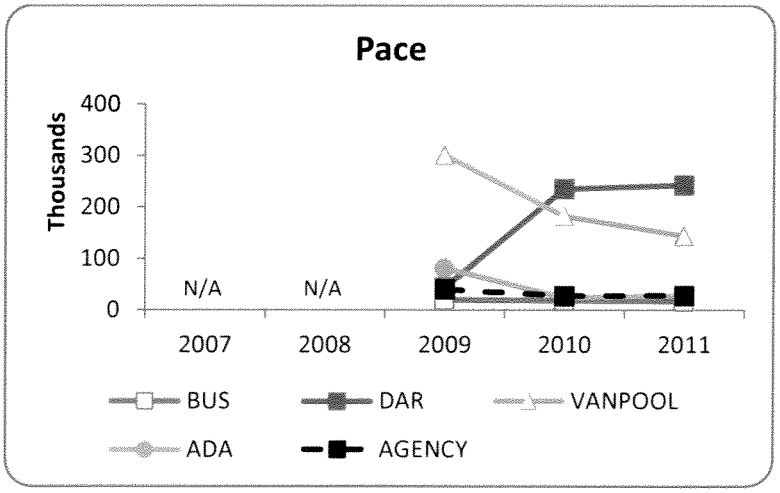
The average number of miles that vehicles travel while in service (total revenue vehicle miles plus deadhead miles) between failures of some mechanical element or a safety concern that prevents the vehicle from completing a scheduled trip or from starting the next scheduled trip.

Recent Data and Interpretation

Prior to 2009, NTD did not require reporting of major mechanical failures for purchased transportation; therefore, three years of data are shown for Pace so that all of the mechanical failures are represented for each mode and type of service. CTA bus had a decline of 6.3% for 2011, although bus miles between major mechanical failures increased 10% compared to 2009 and 62% since 2007, as older buses were removed from its fleet. CTA rail's miles between major mechanical failures have steadily declined 27% since 2009, as might be expected with its aging rail fleet. Metra's average distance between major mechanical failures declined by nearly 32% from its five-year high in 2007, although it did experience a 2.5% gain in 2011. Dial-a-ride was the only Pace mode to see three-year gains for this measure, due to an 81% reduction in major mechanical failures. Each of the other Pace modes experienced higher failure rates than in 2009 and show declines for this measure.





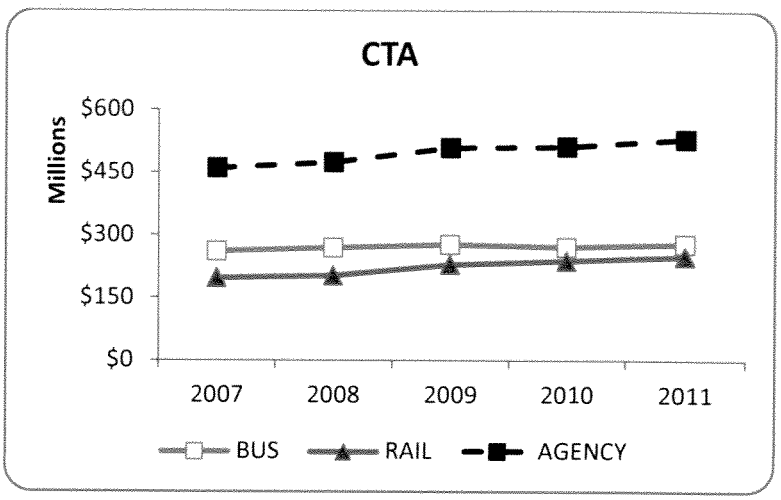


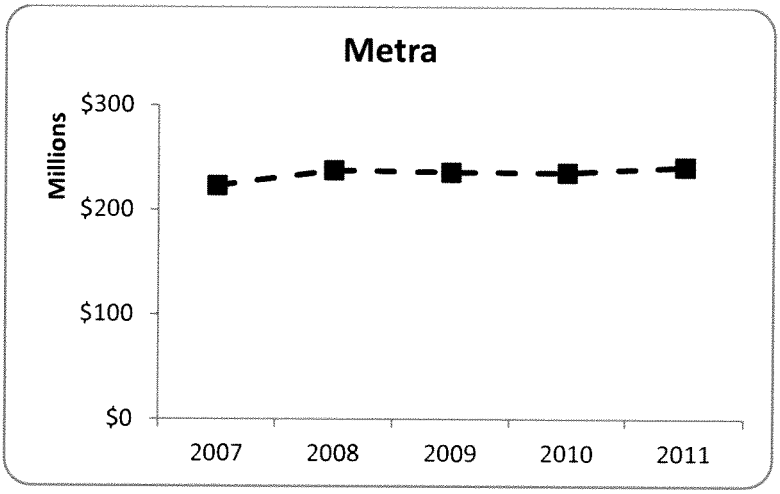
Fare Revenue

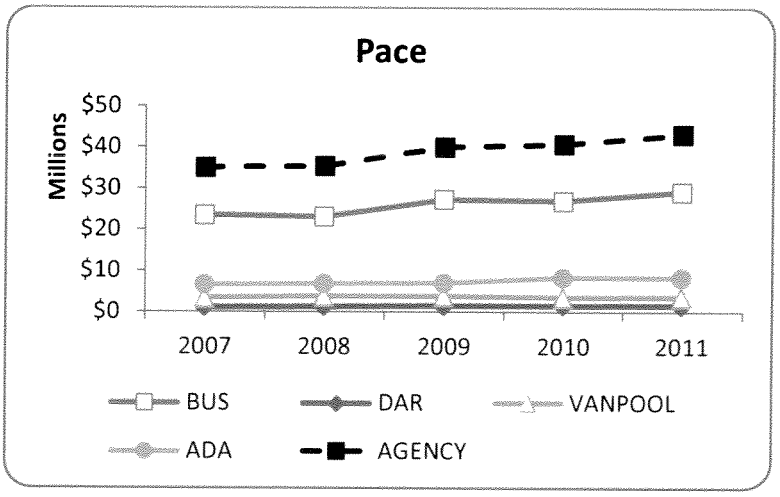
All income received directly from passengers, either paid in cash or through pre-paid tickets, passes, etc. and the reduced fares paid by passengers in a user-side subsidy arrangement. Any gap between paid fares and the cost of operation must be covered by tax revenues, public transportation funds, and system-generated revenues other than fares.

Recent Data and Interpretation

Fare revenue for 2011 improved for each Service Board and for each mode except for ADA, which was virtually unchanged from 2010. System-wide fare revenue was up 3.4% for the year and 13.5% for the five-year period. CTA fare revenues have improved over 15.2% since 2007, from a fare increase in 2009 and ridership growth. Rail fare revenue increased 26.4% and bus fare revenues were also favorable by 6.8%. Metra saw a 2.5% increase over 2010 and was 8.3% higher than in 2007 with a fare increase in 2008 and fare adjustments in 2010. In 2011, Pace realized agency-wide fare revenue increases of 5.9%, largely due to the 8.3% increase in bus fare revenue. Dial-a-ride and vanpool each contributed gains of 2.7%. Over the past five years, Pace's total fare revenue gains topped 23%, with fare increases in 2009. Double-digit gains were realized for dial-a-ride (32%), ADA (26.1%), and bus (24.1%). Vanpool also realized an increase compared to 2007, and was up 7.5%.





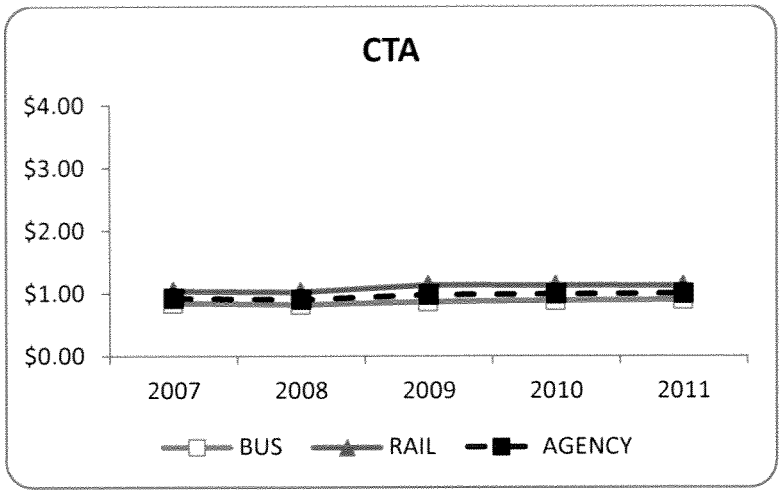


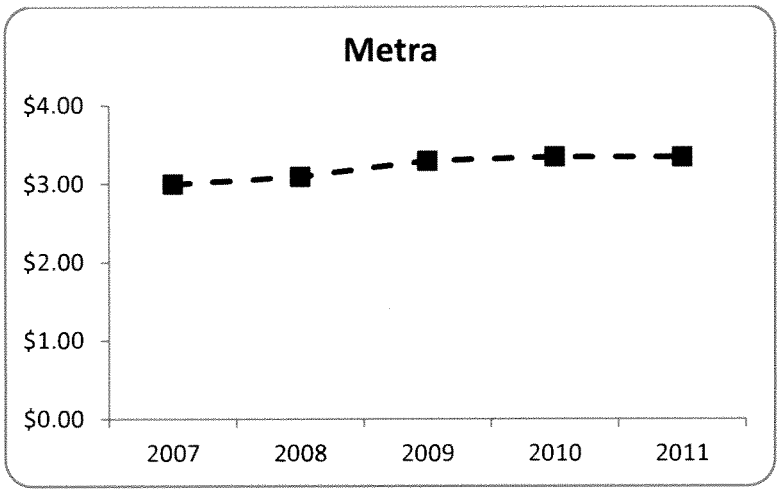
Fare Revenue per Passenger Trip (Average Fare)

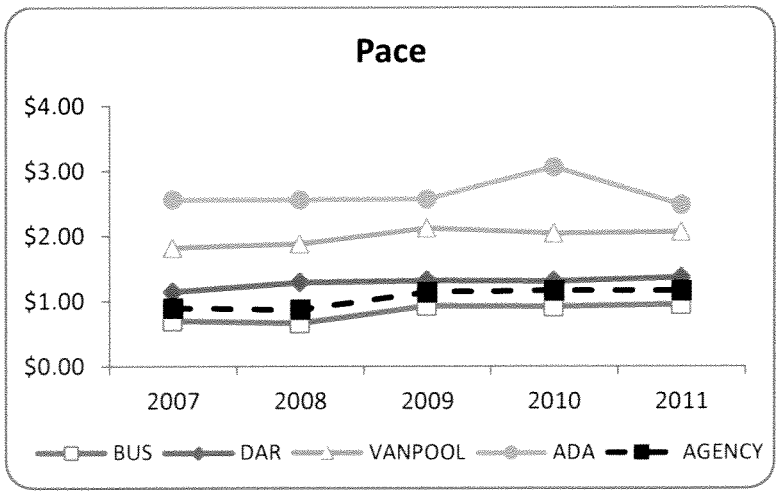
Total fare revenues divided by the total number of passenger trips.

Recent Data and Interpretation

With each Service Board realizing gains in fare revenue, the only modes to see a decline in fare revenue per passenger trip were CTA rail, Metra, and Pace ADA, whose percentage increases in passenger trips exceeded their percentage increases in fare revenue. CTA rail and Metra fare revenue per passenger trip was down 0.5% and 0.1%, respectively; however, over the five years under analysis, showed gains of 8.5% and 11.6%, respectively. ADA's 18.9% loss in fare revenue per passenger trip in 2011 comes entirely as a result of its increase in passenger trips and the inclusion of companions and personal care attendants, as the difference in fare revenue between 2010 and 2011 totaled only $106. All of the other modes saw increases in this measure for 2011 and for the five-year period, ranging from 6.4% (CTA bus) to 36% (Pace bus).





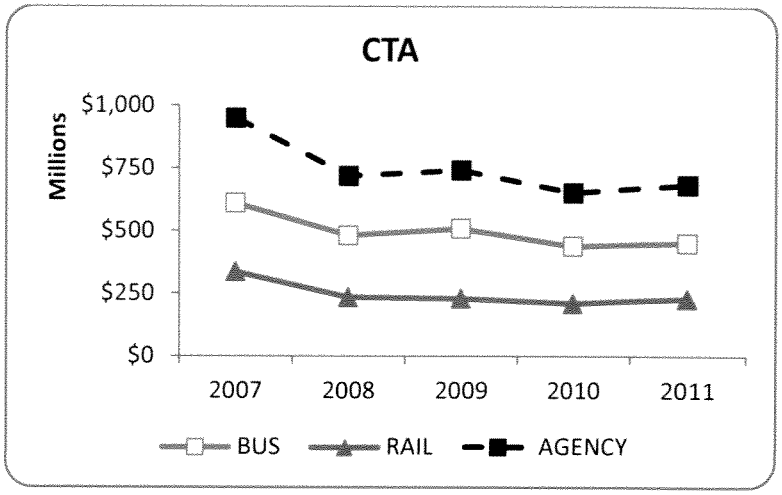


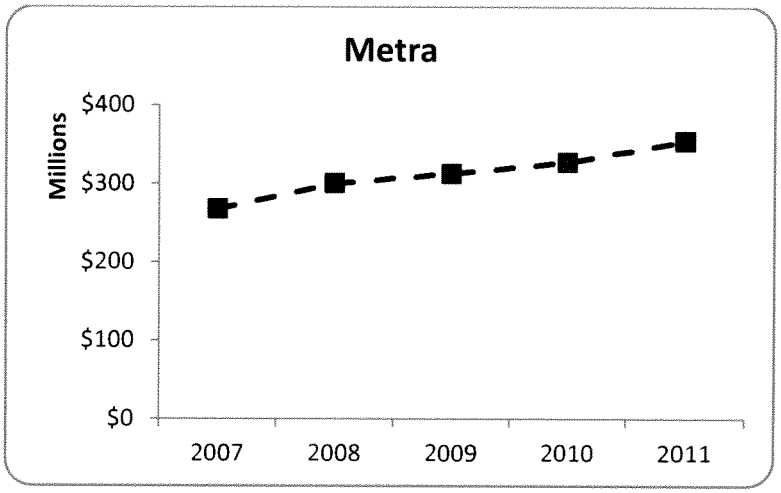
Non-Fare Revenue (Farebox Recovery Shortfall)

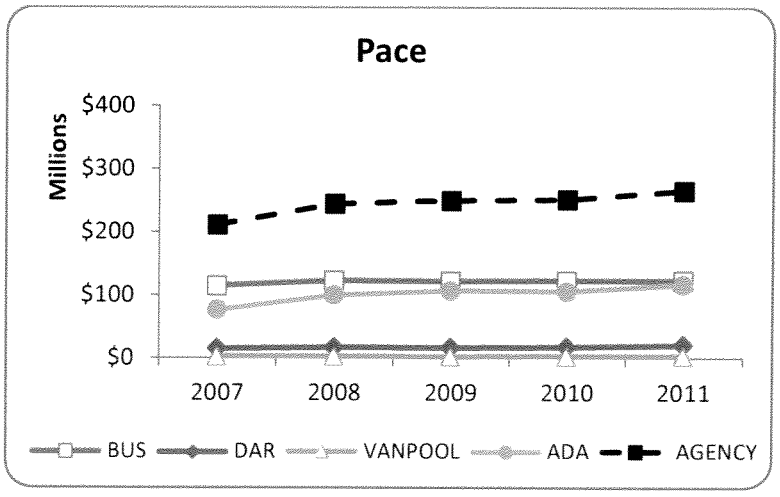
The amount of revenue from all sources, other than fare revenue, that is required to cover the total cost of operations. Non-fare revenue can be system-generated, e.g., concessions, advertising, etc., or can come from state, local and/or federal funds.

Recent Data and Interpretation

Overall, the region experienced an increase in non-fare revenue of 5.8% in 2011, but was 8.3% lower than in 2007. Although CTA experienced increases for this measure in 2011 (bus up 3.1%, rail up 9%), it has had significant reductions of 25.9% and 31.8%, respectively, since 2007, indicating a lower reliance on public subsidy to cover operating costs. Metra's non-fare revenue experienced an increase of 8.4% in 2011, for a cumulative increase of 32.5% over five years. Each Pace mode saw increases for this indicator in 2011, from 0.2% for bus to 16.3% for dial-a-ride, which can be subsidized by a municipality. Five-year increases ranging from 7.2% (bus) to 52% (ADA) resulted in a net gain of 25.8% for Pace, signaling an increased dependence on public subsidy to cover the cost of operations.





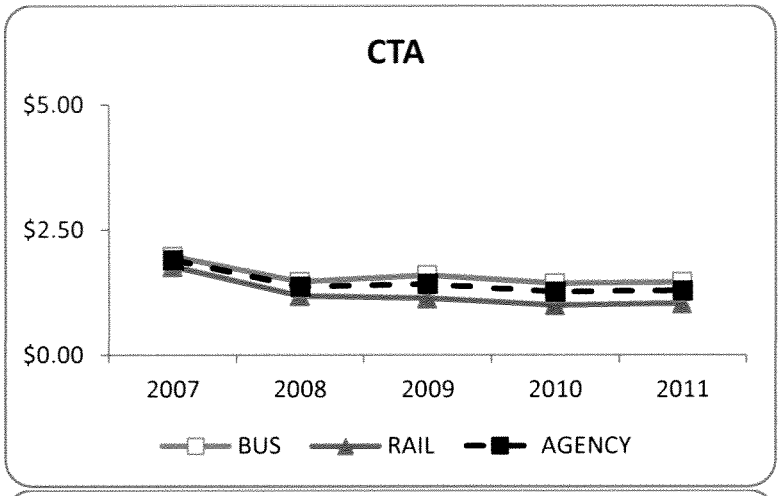


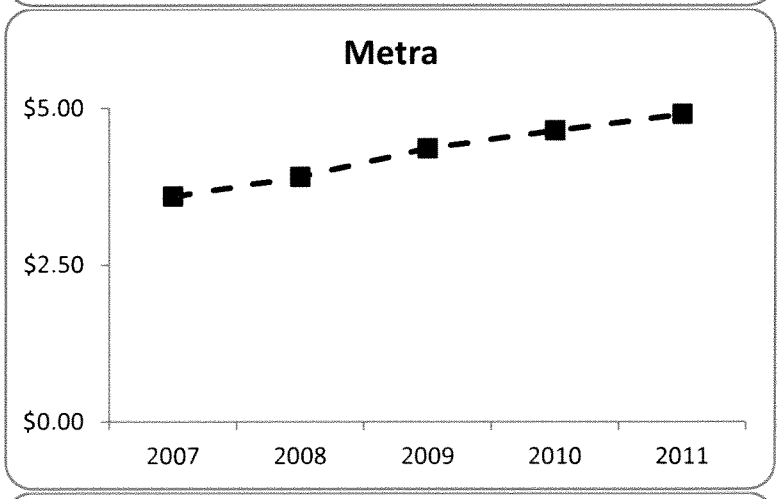
Non-Fare Revenue (Farebox Recovery Shortfall) per Passenger Trip

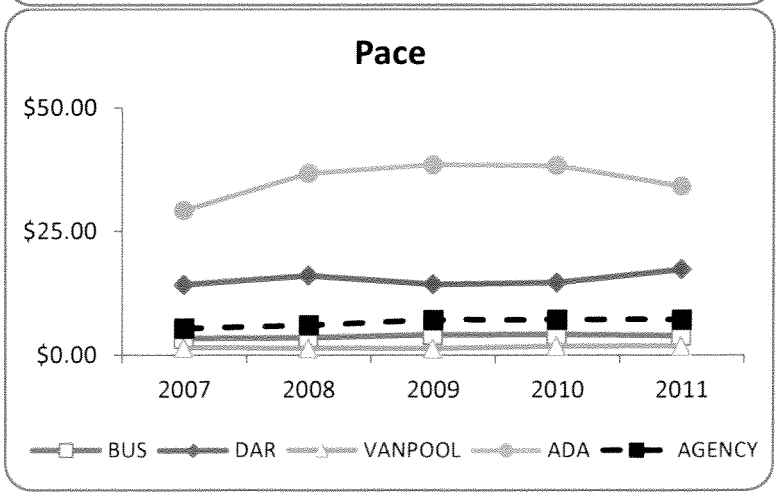
Total non-fare revenue divided by the total number of passenger trips taken. Non-fare revenue per trip is the amount of revenue from all sources, other than fares, required to cover the average cost of a passenger trip.

Recent Data and Interpretation

Examining farebox recovery shortfalls on a per-trip basis gives context to the Service Boards' reliance on public subsidy to meet operating costs. CTA's 2011 5% increase in farebox recovery shortfall was offset by ridership gains, resulting in a 2% increase for non-fare revenue per passenger trip for 2011 (1.6% for bus and 3.7% for rail, respectively). Over the past five years, however, CTA bus has realized a 26.1% decrease in farebox recovery shortfall per trip, and rail has decreased by 41.4%, indicating a reduced reliance on public subsidy per trip. Metra has seen steady increases in non-fare revenue per trip and was up 5.6% in 2011 (36.5% higher than in 2007), indicating a widening gap between fare revenues and increased operating costs. Pace reported a 0.1% decrease for this measure in 2011, primarily resulting from declines of 4.2% for bus and 10.9% for ADA, meaning more of their customers' fares are covering the cost of service. Over the past five years, each Pace mode has experienced increases in their farebox recovery shortfalls, ranging from 16.7% for ADA to 25.8% for vanpool.





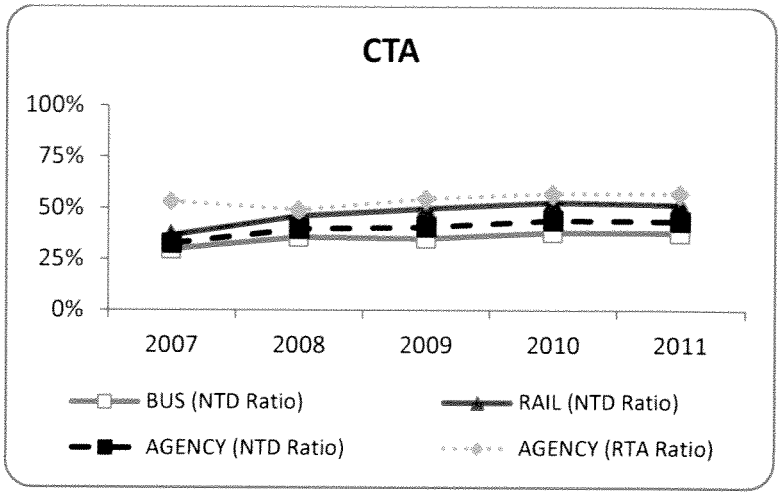


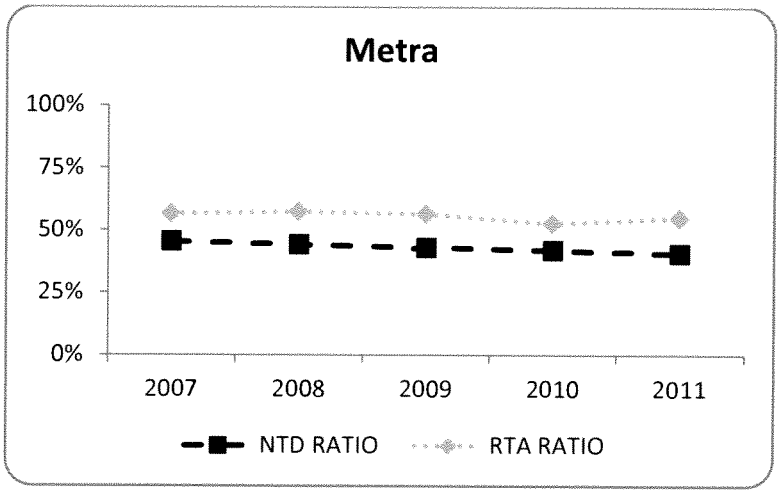
Fare Recovery Ratio

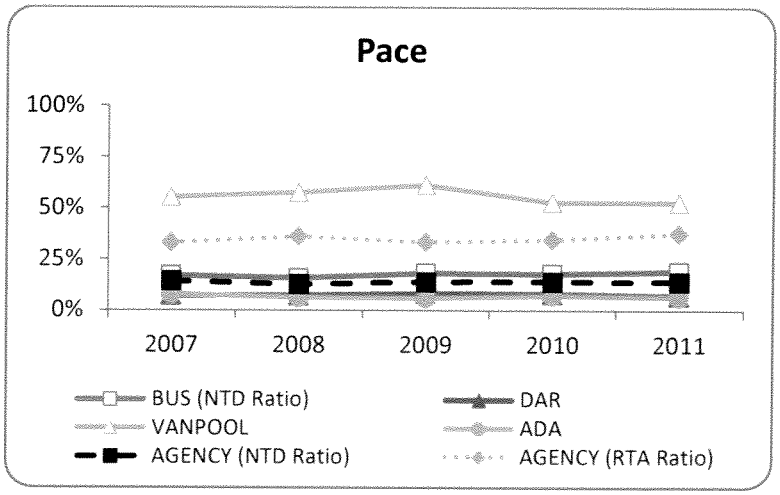
The National Transit Database (NTD) fare recovery ratio is the percentage of actual operating cost of service delivery that is covered by passenger fares, which differs somewhat from the RTA recovery ratio. The RTA recovery ratio also takes into account certain adjustments as enumerated in the RTA Act, which requires that the aggregate of all system-generated revenues (excluding ADA paratransit) equal at least 50% of the aggregated costs of providing public transit. Costs and revenues for ADA paratransit must meet a 10% recovery ratio.

Recent Data and Interpretation

System-wide, the NTD recovery ratio decreased in 2011, from 38.4 to 37.9%, but was 4.9 percentage points higher than in 2007. CTA bus saw improvement from 30% in 2007 to 38.2% in 2011. CTA rail also improved from 36.9% in 2007 to 52% in 2011, indicating that fare increases and reductions in operating costs have been successful to narrow the gap between farebox revenue and operating costs. Metra has seen a decline in its fare recovery ratio, from 45.5% in 2007 to 40.5% in 2011 and implemented fare increases in 2012 to reverse this trend. Pace has kept its agency fare recovery ratio around 14% for each of the five years under analysis, although the fare recovery ratio for bus has fluctuated from 17% in 2007 to 19.2% in 2011, and vanpool declined from a high of 61.2% in 2009 to 52.7% in 2011.





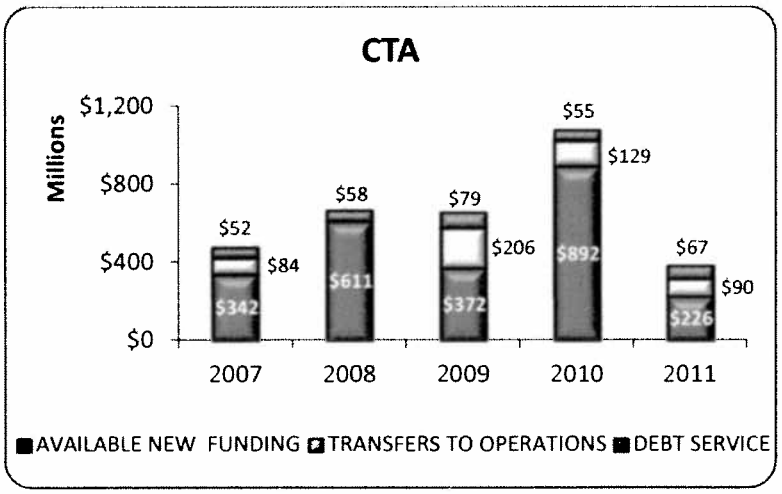


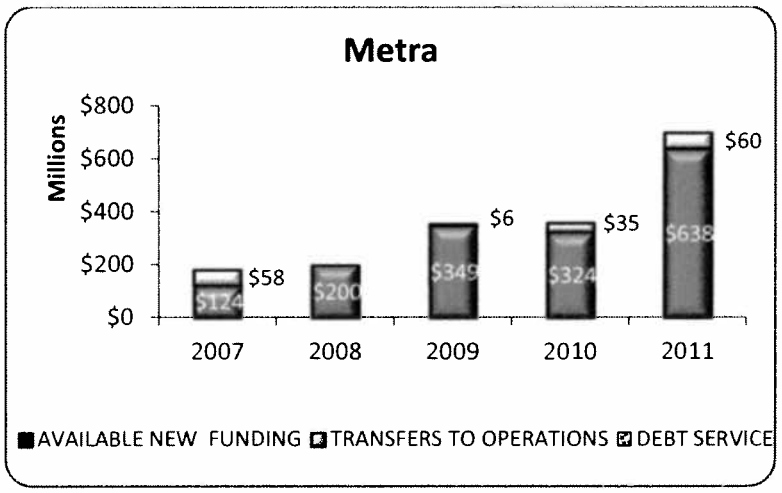
Capital Program Funding

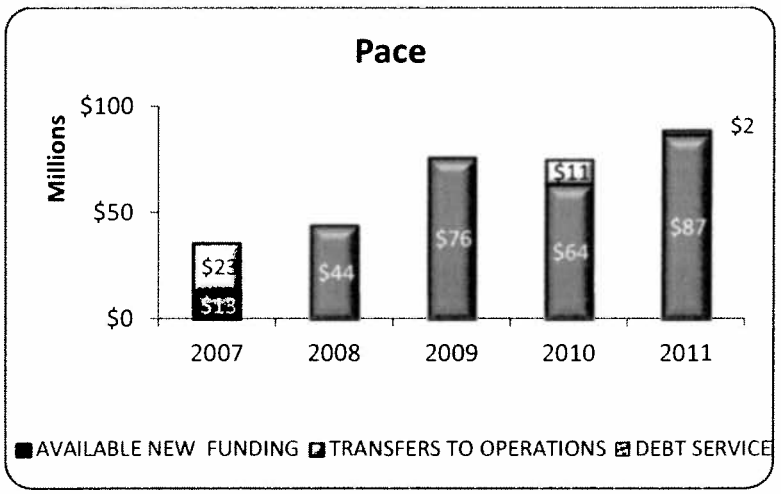
This indicator demonstrates the amount of capital funds available to finance the maintenance, enhancement, and expansion of the transit system infrastructure. These figures represent the year-end total capital program for each Service Board.

Recent Data and Interpretation

The region as a whole has seen a near doubling of available new capital program funding compared to 2007, with Metra and Pace showing trends of increasing capital program funding, while CTA's capital program was more volatile and ended 2011 at a level lower than in 2007. CTA's peaks occurred in years of CTA bond issues ($342 million in 2008 and $471 million in 2010) and presented subsequent debt service obligations that reduced available capital program funding dollars for those years. Furthermore, available capital funds were lessened when the Service Boards transferred monies to fund operating costs, a practice that each agency has committed to discontinue in future years. These charts illustrate that capital program funding streams do not consistently increase, as does funding to cover operating costs. The yearly capital program typically does not meet annual funding needs to cover normal replacement and regular preventive maintenance of equipment and agency assets, contributing to an ever-growing backlog of capital funding needs.







APPENDICES

APPENDIX A

CTA Bus Modal Characteristics

data source: National Transit Database	2007	2008	2009	2010	2011
Vehicles Operated in Maximum Service	1,846	1,843	1,737	1,707	1,781
Vehicle Revenue Hours	6,915,000	7,038,300	7,008,308	5,955,896	5,638,171
Vehicle Revenue Miles	68,329,700	68,740,300	67,442,222	56,821,006	52,405,033
Passenger Trips	309,271,311	328,199,214	318,672,798	306,023,976	310,381,447
Passenger Miles	762,277,900	779,847,400	739,267,903	707,314,873	712,866,883
Operating Cost	$872,189,939	$752,000,163	$786,905,237	$710,902,330	$732,131,718
Average Passenger Trip Length (miles)	2.46	2.38	2.32	2.31	2.30
Average Speed (mph)	9.88	9.77	9.62	9.54	9.29
Miles Between Major Mechanical Failures	5,450	6,162	8,021	9,425	8,828
Fare Revenue	$261,649,776	$270,011,586	$277,525,084	$271,642,600	$279,457,944
Non-Fare Revenue	$610,540,163	$481,988,577	$509,380,153	$439,259,730	$452,673,774

APPENDIX B
CTA Rail Modal Characteristics

data source: National Transit Database	2007	2008	2009	2010	2011
Vehicles Operated in Maximum Service	1,002	1,016	1,002	980	1,200
Vehicle Revenue Hours	3,695,100	3,813,000	3,732,593	3,479,766	3,504,281
Vehicle Revenue Miles	66,913,800	67,450,000	68,592,225	65,033,869	64,340,151
Passenger Trips	190,272,996	198,137,245	202,569,039	210,849,074	221,587,192
Passenger Miles	1,115,899,100	1,183,980,800	1,201,135,716	1,296,492,619	1,408,768,355
Operating Cost	$536,049,010	$439,880,792	$462,014,895	$451,039,566	$480,953,575
Average Passenger Trip Length	5.86	5.98	5.93	6.15	6.36
Average Speed	18.11	17.69	18.38	18.69	18.36
Miles Between Major Mechanical Failures	230,004	228,869	300,330	267,440	219,133
Fare Revenue	$198,020,403	$203,809,557	$230,587,978	$239,349,891	$250,304,754
Non-Fare Revenue	$338,028,607	$236,071,235	$231,426,917	$211,689,675	$230,648,821

APPENDIX C
Metra Modal Characteristics

data source: National Transit Database	2007	2008	2009	2010	2011
Vehicles Operated in Maximum Service	1,056	1,056	1,056	1,057	1,052
Vehicle Revenue Hours	1,372,900	1,383,300	1,394,322	1,397,021	1,394,927
Vehicle Revenue Miles	42,031,100	42,591,500	42,930,292	43,143,575	42,895,967
Passenger Trips	74,550,584	76,937,575	71,767,204	70,534,886	72,349,765
Passenger Miles	1,719,331,900	1,749,113,800	1,657,430,332	1,608,049,284	1,645,354,028
Operating Cost	$490,677,586	$538,006,078	$548,648,030	$562,779,173	$596,040,975
Average Passenger Trip Length (miles)	23.06	22.73	23.09	22.80	22.74
Average Speed (mph)	30.61	30.79	30.79	30.88	30.75
Miles Between Major Mechanical Failures	1,029,165	843,494	727,072	684,997	702,060
Fare Revenue	$223,146,883	$237,769,628	$236,067,676	$235,643,554	$241,577,676
Non-Fare Revenue	$267,530,703	$300,236,450	$312,580,354	$327,135,619	$354,463,299

APPENDIX D

Pace Bus Modal Characteristics

data source: National Transit Database	2007	2008	2009	2010	2011
Vehicles Operated in Maximum Service	613	607	629	579	596
Vehicle Revenue Hours	1,464,100	1,467,000	1,479,917	1,447,614	1,433,378
Vehicle Revenue Miles	20,622,000	20,375,200	20,685,145	20,038,582	19,952,683
Passenger Trips	33,587,298	34,655,169	29,296,943	29,292,008	30,630,292
Passenger Miles	227,631,100	237,200,700	202,437,813	189,683,635	197,155,815
Operating Cost	$138,572,130	$146,161,626	$149,331,611	$150,136,535	$152,568,250
Average Passenger Trip Length (miles)	6.78	6.84	6.91	6.48	6.44
Average Speed (mph)	14.09	13.89	13.98	13.84	13.92
Miles Between Major Mechanical Failures	19,278	14,582	20,298	18,913	17,909
Fare Revenue	$23,585,702	$23,160,069	$27,350,008	$27,015,467	$29,262,270
Non-Fare Revenue	$114,986,428	$123,001,557	$121,981,603	$123,121,068	$123,305,980

APPENDIX E

Pace Dial-a-Ride Modal Characteristics

data source: National Transit Database	2007	2008	2009	2010	2011
Vehicles Operated in Maximum Service	249	260	326	301	317
Vehicle Revenue Hours	280,300	286,100	322,207	353,736	328,458
Vehicle Revenue Miles	4,038,500	4,079,600	4,908,675	5,686,897	5,106,633
Passenger Trips	1,125,515	1,102,680	1,234,527	1,265,118	1,244,368
Passenger Miles	6,327,300	6,470,500	7,845,377	7,517,744	7,510,823
Operating Cost	$17,416,037	$19,238,974	$19,404,323	$20,326,193	$23,406,371
Average Passenger Trip Length (miles)	5.62	5.87	6.35	5.94	6.03
Average Speed (mph)	14.41	14.26	15.23	16.08	15.55
Miles Between Major Mechanical Failures	1,191,050	N/A	45,032	236,281	243,815
Fare Revenue	$1,297,841	$1,430,405	$1,638,065	$1,667,170	$1,712,833
Non-Fare Revenue	$16,118,196	$17,808,569	$17,766,258	$18,659,023	$21,693,538

APPENDIX F

Pace Vanpool Modal Characteristics

data source: National Transit Database	2007	2008	2009	2010	2011
Vehicles Operated in Maximum Service	677	725	643	605	641
Vehicle Revenue Hours	323,000	355,000	318,517	291,431	313,324
Vehicle Revenue Miles	9,420,500	10,455,600	9,615,683	9,314,829	9,505,472
Passenger Trips	1,877,245	2,021,235	1,809,752	1,751,388	1,778,633
Passenger Miles	45,429,400	47,581,200	43,375,569	37,507,196	40,830,511
Operating Cost	$6,194,590	$6,629,230	$6,287,346	$6,782,420	$6,980,968
Average Passenger Trip Length (miles)	24.20	23.54	23.97	21.42	22.96
Average Speed (mph)	29.17	29.45	30.19	31.96	30.34
Miles Between Major Mechanical Failures	338,313	316,836	300,490	182,644	144,022
Fare Revenue	$3,420,562	$3,809,750	$3,845,001	$3,578,691	$3,675,781
Non-Fare Revenue	$2,774,028	$2,819,480	$2,442,345	$3,203,729	$3,305,187

APPENDIX G

Pace ADA Paratransit Modal Characteristics

data source: National Transit Database	2007	2008	2009	2010	2011
Vehicles Operated in Maximum Service	705	863	754	785	785
Vehicle Revenue Hours	1,629,500	1,837,000	1,811,670	1,756,485	1,894,391
Vehicle Revenue Miles	21,741,700	26,284,800	26,036,382	25,365,727	27,580,943
Passenger Trips	2,623,611	2,725,799	2,785,569	2,769,464	3,416,326
Passenger Miles	23,213,400	22,122,000	21,685,948	22,935,897	29,169,187
Operating Cost	$83,704,648	$107,435,566	$114,574,702	$114,861,027	$125,463,683
Average Passenger Trip Length (miles)	8.85	8.12	7.79	8.28	8.54
Average Speed (mph)	13.34	14.31	14.37	14.44	14.56
Fare Revenue	$6,738,386	$6,996,428	$7,177,555	$8,497,617	$8,497,511
Non-Fare Revenue	$76,966,262	$100,439,138	$107,397,147	$106,363,410	$116,966,172

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2012 Sub-Regional Report

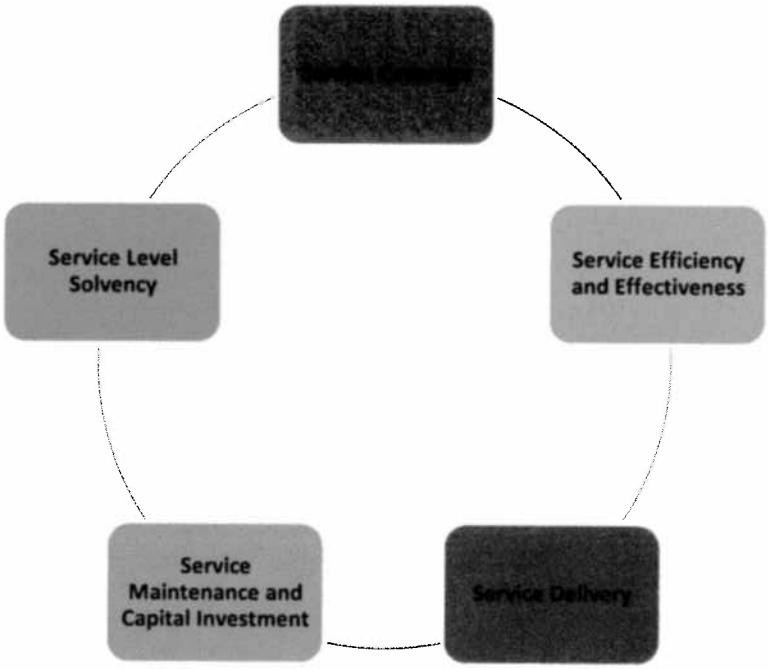
PERFORMANCE MEASURES

Regional Transportation Authority

September 2013
Prepared by the Department of
Finance & Performance Management

REGIONAL PERFORMANCE MEASURES
2012 Sub-Regional Report

RTA staff has undertaken the development of a performance measurement and reporting program to evaluate the impact and effectiveness of public transit in Northeastern Illinois. Overall service performance is a function of five major areas:



- **Service Coverage** - monitors both how much service is available to people in the region (in terms of population and square miles) and how much of that service capacity is used.

- **Service Efficiency and Effectiveness** - evaluates the level of resources spent on delivering service in relation to the level of service provided and the extent to which passengers are using that service.

- **Service Delivery** - reflects the quality of the service delivered.

- **Service Maintenance and Capital Investment** - indicates the allocation of capital funds and the replacement and maintenance of infrastructure components on a schedule consistent with their life expectancy.

- **Service Level Solvency** - assesses financial condition to ensure that there are sufficient resources to meet current and ongoing budgetary needs (both operating and capital).

This report includes several performance measures for each of the five areas and describes the factors contributing to each indicator.

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EXECUTIVE SUMMARY

As a complement to the Regional Report Card, the Sub-Regional Report delves further into the performance of each Chicagoland public transit operator – CTA, Metra, and Pace -- using data submitted to the National Transit Database as well as some directly-reported service indicators. Performance is described according to five service areas: service coverage, service efficiency and effectiveness, service delivery, service maintenance and capital investment, and service level solvency. In all, thirty-one performance measures are presented, describing the operations of each Service Board and each mode of service (urban bus, heavy rail, commuter rail, suburban bus, dial-a-ride, vanpool, and ADA paratransit), covering the 2008-2012 five-year time period. While this report illustrates how each mode of service performs and contributes to the regional transportation service, caution should be exercised in not directly comparing modes to each other; each mode of service operates within different environments and cost structures. Rather, modes should be examined separately and compared to their own performance over the five years presented for analysis.

Following two years of ridership declines that resulted from fare increases, service cuts, and regional job losses, there was a rebound in 2011 that continued throughout 2012. On a regional basis, 2012 had the highest ridership year of the five years reviewed, with each Service Board and mode reporting ridership gains for the year, although some of that gain is attributable to the extra weekday resulting from the leap year. Throughout 2012, the region was experiencing declining unemployment rates and significantly increasing gas prices, two major variables impacting customers' decisions to use transit. Ridership increases, as well as the implementation of a significant fare increase at Metra, resulted in an overall increase in fare revenues for the year. Continued budget trimming measures mitigated operating cost increases that outpaced inflation, driven by higher labor, insurance, and fuel costs. An increasingly aged vehicle fleet contained over 2,000 vehicles in service beyond their useful life; however, the near future will see replacement of hundreds of fleet vehicles (particularly at CTA and Metra) and is reflected in the capital program, which more than doubled from 2011 to 2012.

Service coverage indicators monitor both how much service is available to the region's residents (supply) and how much of that supply is actually used by the public (consumption). In 2012, there was a 2.3% positive gain in vehicle revenue hours, with each Service Board and mode reporting increases except for Pace fixed-route bus, which declined 0.2%. Vehicle revenue miles increased 2.2% for the year, with gains seen for each mode. Vanpool and ADA paratransit stand out with a 9.5% and 9.0% gain in vehicle revenue miles, respectively. These gains, however, were not enough to offset the system-wide losses resulting from significant service cuts implemented at CTA in 2010 and followed by further declines in vehicle revenue hours and vehicle revenue miles in 2011, partly due to reduced service and partly due to a change in the methodology used to calculate revenue service (see page 5, note 5). Over the five-year time period, vehicle revenue hours were down 8.3% and vehicle revenue miles were down 5.5%.

The ridership rebound that began in 2011 continued throughout 2012, resulting in the highest ridership reported since 1990. System-wide ridership was up 2.7% compared to 2011, and was

2.3% higher than in 2008. Each mode reported increases in ridership, ranging from 0.2% for dial-a-ride to 10.3% for vanpool. Gains in ridership more than outpaced the increases in vehicle revenue hours and miles, resulting in improved performance measures for passenger trips per vehicle revenue hour and per vehicle revenue mile, up 1.1% and 0.5%, respectively. Aside from the number of passenger trips provided, the total number of passenger miles is a particularly compelling indicator of service consumption, as it reflects the extent to which the service is used. In 2012, passenger miles traveled increased 4.8% and surpassed 4 billion miles – a ten-year peak. Gains were noted for each mode and Service Board, led by CTA rail's 9.4% increase from 2011.

Service efficiency and effectiveness measures evaluate the cost of supplying transit services. Operating costs increased for each service mode at rates exceeding the 1.5% annual inflation rate, primarily due to increased labor, fuel, and insurance expenses, and were only partially offset by increases in service coverage. Accordingly, performance measures for operating cost per vehicle revenue hour, operating cost per vehicle revenue mile, and operating cost per passenger trip were unfavorable for each mode for 2012 and for the five-year period, with the exception of ADA, which showed some favorable declines on per-mile and per-trip bases. With its large gain in passenger miles traveled, CTA rail was the only mode to see a decline in operating cost per passenger mile, down 2.1% for 2012 and down 10.1% from 2008. System-wide, the region saw a 0.9% rise in operating cost per mile and a 6.0% increase for this measure over the five-year period.

Service delivery indicators focus on the quality of service delivered. In 2012, CTA's bus on-time performance exceeded 90% for the fourth year in a row but dipped slightly to 90.2%; compared to 2008, bus on-time performance has shown an improvement of 3.5 percentage points. CTA rail on-time performance was 81.8% for 2012, a slight year-over-year decrease, but 1.9 percentage points higher compared to 2008. Metra's on-time performance had remained steady in the mid-90% range over the five-year period, with a slight downtick in 2011 resulting from a change in how the metric is calculated so that special event trains are excluded. Although this made the 2011 results incomparable to prior years, there was an uptick for this measure in 2012 as Metra's on-time performance improved from 93.6% to 95.8%. Pace bus also improved in 2012, reaching 83.9%, its best results for the five years under review. Pace ADA paratransit service also saw improvement for the year and over the past five years, reaching 93.7% in 2012.

Average vehicle speeds have remained largely unchanged over the past five years. The overall CTA average speed went from 12.6 miles per hour in 2008 to 12.7 miles per hour in 2012; however, the average bus speed dropped 5.1% and the average rail speed increased 3.1% during that time. Metra's average speed of 30.8 miles per hour varied less than 0.1% throughout the five-year period. Average speeds for Pace bus, dial-a-ride, and vanpool have increased over the past five years, with vanpool experiencing the largest increase of 9.6% to an average speed of 32.3 miles per hour in 2012. ADA service dropped 1.8% in 2012 to 14.3 miles per hour, which was 0.1% lower than 2008. Reportable safety and security incidents rose for each fixed-route mode in 2012; however, the number of incidents remains very small when considered in relation to the number of trips provided. Overall, there were 0.092 incidents reported for every 100,000 trips taken in the region.

Service Maintenance and Capital Investment performance indicators evaluate reliability and State of Good Repair. The capital program budget for maintenance, enhancement, and expansion of the system can be volatile on a year-to-year basis, as evidenced by more than doubling from 2011 to 2012 as CTA programmed over $1 billion for upcoming rail projects. Longer-term trends indicate a generally increasing capital program, with the 2012 program being $1.3 billion higher than in 2008. Maintenance projects, which totaled 81% of the 2008 capital program, have grown to constitute 95% of the 2012 program. Conversely, capital expansion projects have decreased each year, from a high of 9% of the 2008 capital program to 0% in 2011 and 2012, while enhancement projects dropped from their peak of 10% of the 2008 program to 5% in 2012. Ten-year capital funding needs have increased to $31.1 billion, consisting of $18.7 billion in backlog projects and $12.4 billion for regular maintenance and replacement projects to reach a state of good repair. This figure will likely grow in future years with inflation and other factors such as: underfunding of capital needs, aging of the vehicle fleet, and the development and evaluation of more comprehensive asset data. The number of vehicles beyond their minimum useful life grew by 147 in 2012, and now comprises 30.3% of the system-wide fleet, including over half of CTA and Metra rail cars and nearly 50% of Pace's vanpool fleet. The bus fleets of both CTA and Pace have improved for this measure over the past five years from capital investments in new rolling stock; none of CTA's bus fleet and only 5.5% of Pace's bus fleet is beyond its useful life. CTA and Metra rail fleets will be adding new rolling stock in the next few years, which will substantially reduce their average fleet ages. There were 625 (6.6%) fewer major mechanical failures in 2012 than in 2011 spread out over more vehicle miles traveled, resulting in a significant 9.3% increase in miles between major mechanical failures, particularly noteworthy given the advanced age of many of the region's vehicles.

Service Level Solvency measures assess whether operating and capital resources meet current and budgetary needs. Fare revenue for 2012 improved for each Service Board and mode; regionally, there was a 9.8% increase in fare revenue compared to 2011 and a 19.6% gain over 2008. Much of that difference comes from the significant fare increase implemented at Metra in February; Metra's fare revenue increased by 23.5% for the year and was 25.5% higher than in 2008. CTA has also realized significant gains in fare revenue related to ridership growth and a 2009 fare increase. CTA had a 4.0% increase in fare revenue in 2012 and 16.3% gain compared to 2008; most of those gains were seen by rail service, which took in 28.8% more fare revenue than in 2008. CTA bus, although sustaining significant service reductions in 2010 and 2011, still generated positive fare revenues of 3.3% for 2012 and 6.9% compared to 2008. Each Pace mode experienced increased fare revenue for 2012 and compared to 2008, ranging from 3.1% for vanpool to 29.2% for fixed-route bus.

Factoring in the 2012 ridership increases seen for each service mode dilutes the impact of the increased fare revenues on the average fare per trip measure for each mode. CTA remained largely neutral on fare revenue per trip, with a 1.4% increase for the year, but was 12.2% higher than in 2008. Metra, with its large 2012 fare increase, saw a 20.4% gain in fare revenue per trip and was 30.0% higher than in 2008. Dial-a-ride was the only Pace mode to see improvement in fare revenue per trip in 2012, up 6.3%. Fixed-route, vanpool, and ADA services saw declines of 2%, 3.1%, and 1.9%, respectively, as each of those modes had ridership increases that outpaced fare

revenue gains. Over the five-year period, though, ADA was the only mode to see a decline for this measure, down 5.0%; average bus fares increased 36.9%, dial-a-ride increased 12.7%, and vanpool was 6.2% higher compared to 2008.

Increased fare revenues of 2012 were not enough to offset increases in operating costs for each service mode except for Metra commuter rail; hence, the non-fare revenue (or farebox recovery shortfall) was higher for each mode at CTA and Pace. The increases in passenger trips across the board helped to dilute the increased reliance on non-fare revenue to bridge the gap between farebox revenues and operating costs, resulting in an overall 0.6% gain in non-fare revenue per passenger trip. Farebox recovery ratios for the region rose by 1.4 percentage points in 2012, reaching 39.3%, its highest point of the five years under review. The RTA recovery ratio, which allows certain adjustments specified in the RTA Act, reached 56.7% in 2012, up 2.5 percentage points from 2011 and 0.5 percentage points above 2008 levels.

The most significant change in the service level solvency among the Service Boards was the increase in new funding for capital programs. CTA's new capital funding quadrupled in 2012, reaching almost $1 billion, preceding the Red Line Reconstruction Project. Metra, which had seen a near doubling of its new capital funding in 2011 that allowed for the purchase of its new rail cars, recorded a decline of 40.3% in 2012. Pace reported a 7.8% increase in its new capital funding in 2012 and has experienced the most stable, continuous growth in its capital program funding, whereas CTA and Metra have seen more volatility and inconsistency. The region has seen a 74% increase in available new capital funding compared to 2008, mostly due to federal American Recovery and Reinvestment Act and MAP-21 programs, significant CTA bond issues in 2008 and 2010, and state capital dollars made available through the Illinois Jobs Now and Jump Start bond programs. However, the bond authorizations for the Jump Start program have yet to pass the Illinois General Assembly. Each Service Board resolved to discontinue the practice of transferring money from their capital programs to cover operating expenses, and indeed refrained from doing so in 2012. This policy represents a major commitment toward bringing the region's assets into a State of Good Repair, which has been shown to present a clear and growing challenge as the backlog of capital projects continues to grow and carry over from year to year. This challenge is exacerbated by inconsistent and insufficient capital dollars to meet the demands presented by service maintenance and capital investment needs of the region's Service Boards.

NOTES

1. This analysis is based on published data from the National Transit Database (NTD), RTA's audited financials, and operating data from the three Service Boards.

2. For 2009, NTD required Metra to change how it reported capital project credits, making Metra expense data between 2008 and 2009 inconsistent. In 2009, capital project credits (about 5% of Metra's operating cost) were no longer allowed to be subtracted from expenses as they had been in years through 2008, and were instead reported as a reconciling item. For 2010, NTD allowed Metra to report capital credits as offsets to operating expenses, as it had done in the years prior to 2009.

3. Prior to 2011, reported ADA paratransit ridership did not include companion or personal care attendant data, which were included in the 2011 data and going forward per a clarification to NTD reporting policy. This change affects every indicator that includes ADA ridership data, a factor that should be considered when comparing 2011 and 2012 ridership to prior years.

4. Metra's on-time performance methodology was amended as of May, 2011 to exclude "extra" trains added to handle special events that were not included in normal operating schedules. Prior to May 2011 all "extra" trains were included in the count of all trains and were always reported as on-time in the overall on-time performance calculation. With the change in methodology, "extra" trains are excluded from the overall on-time performance calculation unless those trains' schedules include all intermediate station stop times and are publicly distributed via Metra's website and/or paper flyers.

5. CTA changed its methodology for counting vehicle revenue hours and vehicle revenue miles in 2011. Through 2010, CTA counted a significant share of non-revenue service (pull-outs, pull-ins and vehicle repositioning) as revenue service. The FTA asked CTA to stop including that service for the 2011 submittal. Although 2011 bus vehicle revenue miles and vehicle revenue hours were lower than in 2010, this change in methodology exaggerated this reduction significantly. The 2011 overall regional figures were also impacted by this methodology change and would have been about 1.5% more favorable under the old methodology for vehicle revenue hours and 1.3% more favorable for vehicle revenue miles.

6. The Miles between Major Mechanical Failures metric has been amended to present only the past four years of data for Pace. Prior to 2009, NTD did not require the reporting of major mechanical failures for purchased transportation; therefore, past reports included all the vehicle mileage traveled but none of the purchased transportation mechanical failures, which served to artificially increase the miles between major mechanical failures for Pace bus, dial-a-ride, and ADA paratransit modes. Four years of data are shown for this measure (2009-2012) in the current report for Pace, so all failures are included for each mode and type of service.

7. The 2012 report includes a new metric, Percent of Assets in a State of Good Repair. This measure refers to the general physical condition of specific assets, based on current physical condition and age distribution, with data taken from a sample of assets throughout the RTA region. As part of the Capital Asset Condition Assessment project, assets are given condition ratings (on a scale of 1-5) consistent with the numbering system used by the Federal Transit Administration. For the purpose of this report, assets rated 2.5 or better are considered to be in a State of Good Repair. The Percent of Assets in a State of Good Repair is a measure of outstanding needs relative to the replacement value of all existing transit assets (e.g., a measure of 80% would suggest that reinvestment needs are equal to 1 – 0.80 = 20% of total asset replacement value). Therefore, the percent of assets in a state of good repair is a financial measure of investment needs and cannot be used to assess other asset attributes such as performance and safety.

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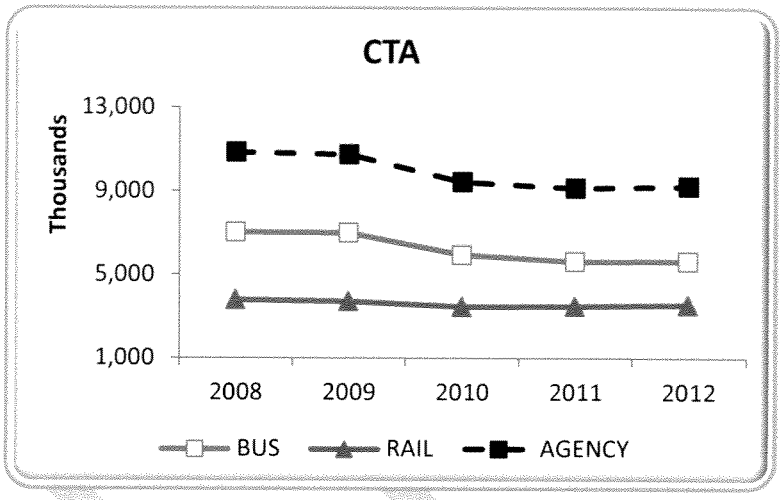
SERVICE COVERAGE
Service Supplied

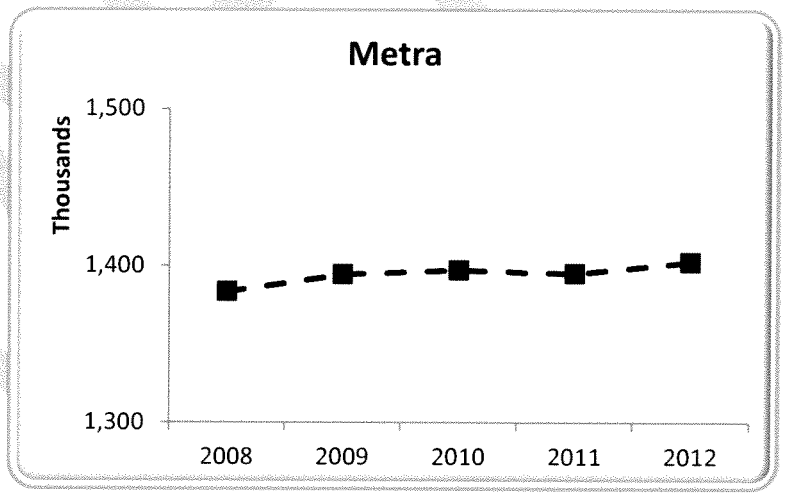
Vehicle Revenue Hours

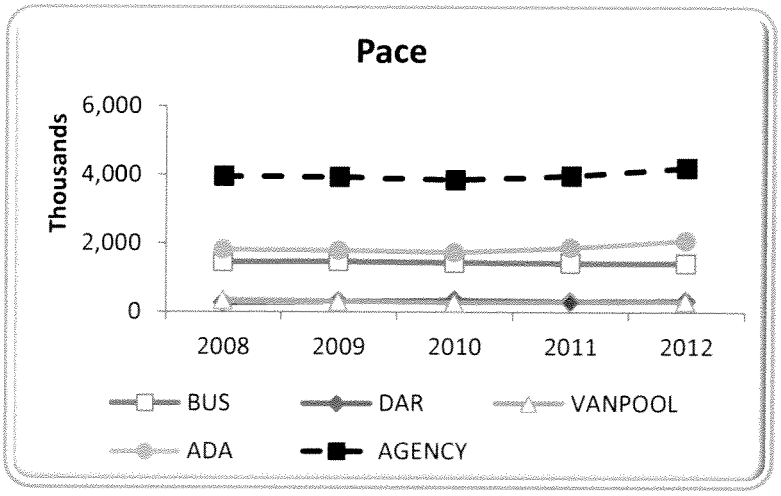
Vehicle revenue hours are the hours that vehicles travel while in revenue service, including layover/recovery time, but excluding vehicle repositioning (deadhead) time.

Recent Data and Interpretation

The RTA system experienced a 1.7% increase in vehicle revenue hours in 2012 but has declined 8.9% over the past five years. CTA implemented substantial service cuts in 2010 and further reduced bus vehicle revenue hours in 2011; part of the 2011 bus decline was related to a change in reporting methodology (see p. 5, note 5). However, bus and rail modes showed increased vehicle hours in 2012 (up 0.4% and 2.0%, respectively). Overall, CTA service rose 1.0% in 2012 and was 14.9% below 2008 levels. Metra has accomplished stable service levels throughout the five-year period, increasing 0.5% from 2011 levels and 1.4% overall compared to 2008. Pace bus saw a 0.2% decrease in service from 2011, and 2.5% compared to 2008, mostly resulting from service streamlining efforts. Pace vanpool and dial-a-ride services realized 3.0% and 6.1% gains, respectively, compared to the prior year. However, dial-a-ride services posted a significant 21.8% increase over the past five years, whereas vanpool has seen a 9.1% decline in this service coverage measure. ADA service vehicle revenue hours grew 11.0% in 2012, and supplied 14.4% more service than in 2008.







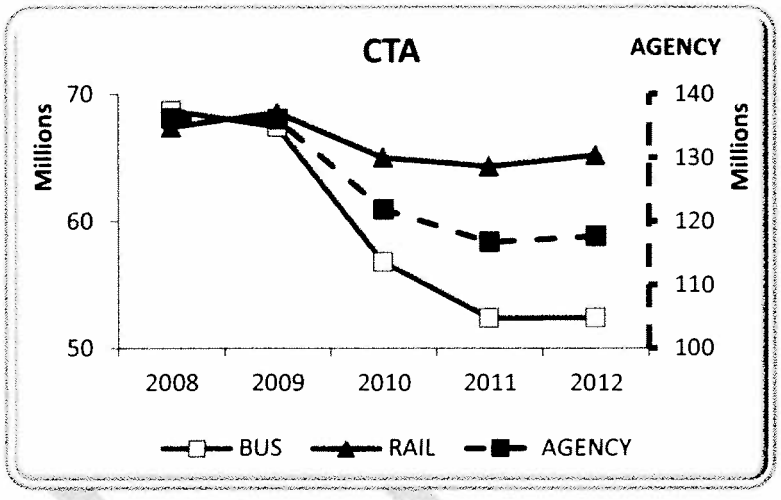
SERVICE COVERAGE
Service Supplied

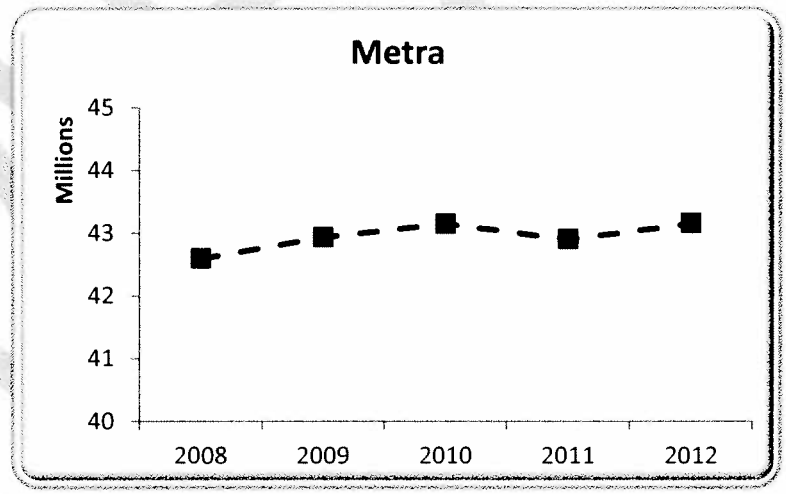
Vehicle Revenue Miles

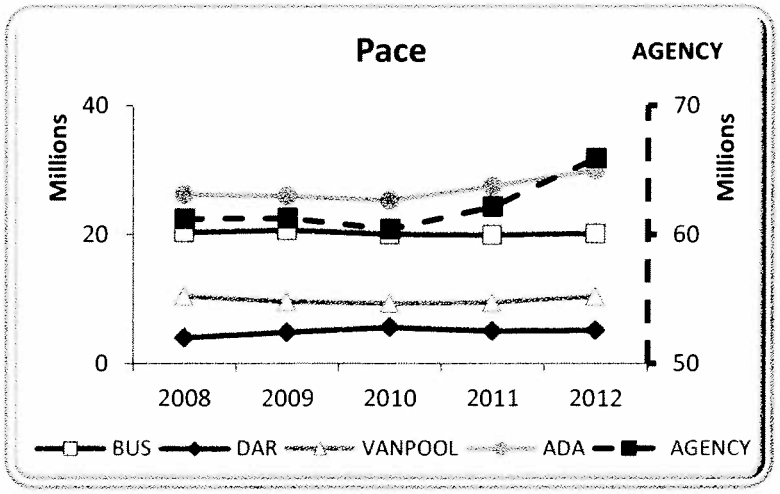
Vehicle revenue miles are the miles that vehicles travel while in revenue service, excluding repositioning (deadhead) mileage. Vehicle revenue miles reflect the amount of transit service supplied and available for use by the public.

Recent Data and Interpretation

The RTA system experienced a 2.2% increase in vehicle revenue miles in 2012. Five-year system-wide losses of 5.5% reflect reductions of 23.7% for CTA bus and 3.3% for CTA rail services. In 2012 CTA bus vehicle revenue miles remained level with 2011, while CTA rail rose by 1.4%. Metra saw a 0.6% increase in vehicle revenue miles for 2012; overall it has seen a cumulative gain of 1.3% since 2007. Each Pace mode experienced increased vehicle revenue miles compared to 2011. Fixed-route buses traveled 1.2% more revenue miles in 2012, yet remain 0.9% below 2008 levels. After experiencing a 10.2% decline in revenue miles in 2011, dial-a-ride services saw a 2.7% increase in 2012 and were 28.5% higher than in 2008. Vanpool and ADA each posted a second year of gains for this indicator. Vanpool rose 9.5% in 2012 and ended the five-year period 0.4% below 2008 levels. ADA revenue miles increased 9.0% in 2012 and ended 14.3% higher compared to 2008. With smaller vehicles, vanpool and ADA services require more vehicle miles to accommodate increased passenger demands.







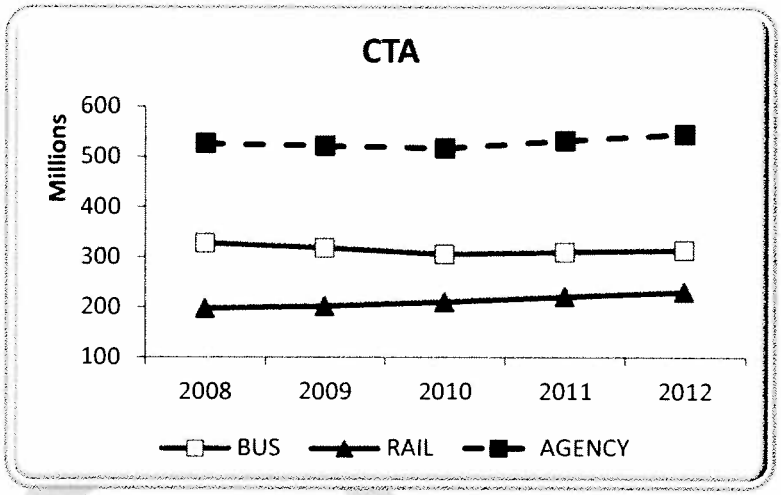
SERVICE COVERAGE
Service Consumed

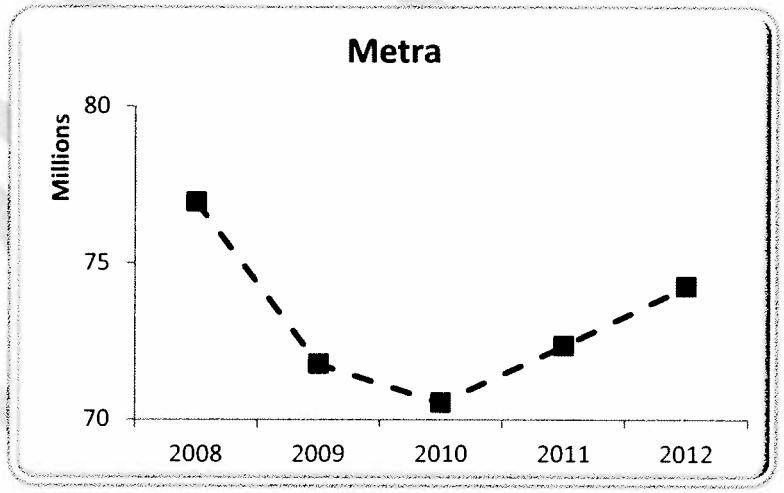
Passenger Trips

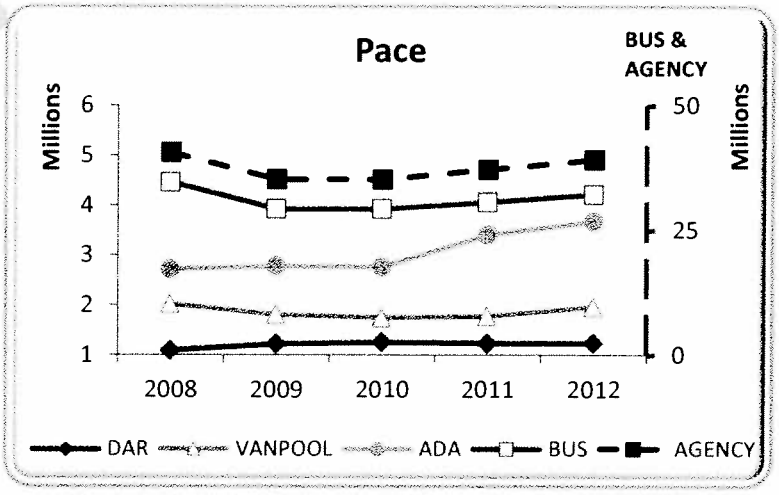
The number of passenger boardings on public transportation vehicles. A trip is counted each time a passenger boards a vehicle.

Recent Data and Interpretation

For the second year in a row, each Service Board saw increases in ridership in 2012, for a regional gain of 2.7%, with a five-year net gain of 2.3%. Improvement in the Chicago-area unemployment rate, coupled with higher gas prices, resulted in improved ridership for each mode. In 2012, CTA bus ridership increased 1.3%; CTA rail posted its fifth consecutive year of increased ridership, up 4.3% for the year and 16.7% compared to 2008. Metra ridership, particularly sensitive to job market fluctuations and the end of the Seniors Ride Free Program, experienced its second year of 2.6% ridership gains as the economy continued to improve, but remains 3.5% below 2008 levels. Pace bus ridership posted gains of 5.1% in 2012, its second year of ridership gains, but remained 7.1% below 2008 levels. Vanpool, which is also sensitive to employment levels, improved 10.3% in 2012, and was 2.9% below 2008 levels. Pace dial-a-ride service had a modest 0.2% gain in 2012 and has increased 13.1% since 2008. ADA paratransit service posted a 23.4% gain in ridership for 2011, resulting from the inclusion of companions and personal care attendants, followed by a 7.8% gain in 2012, and is 35.1% higher than 2008.







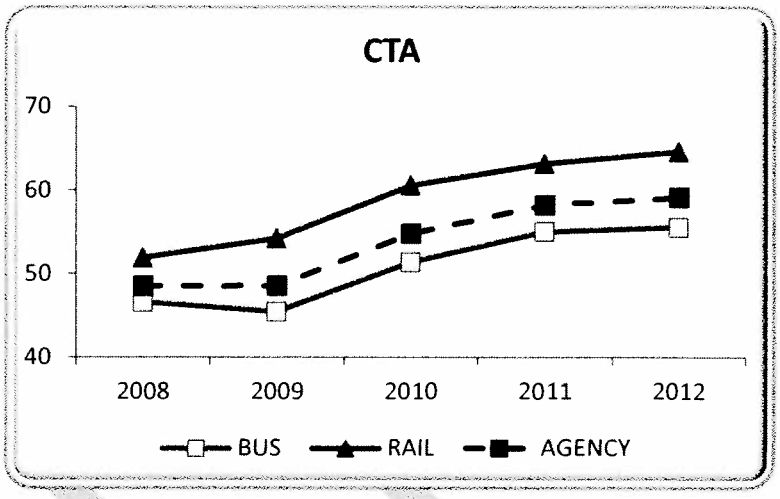
SERVICE COVERAGE
Service Consumed

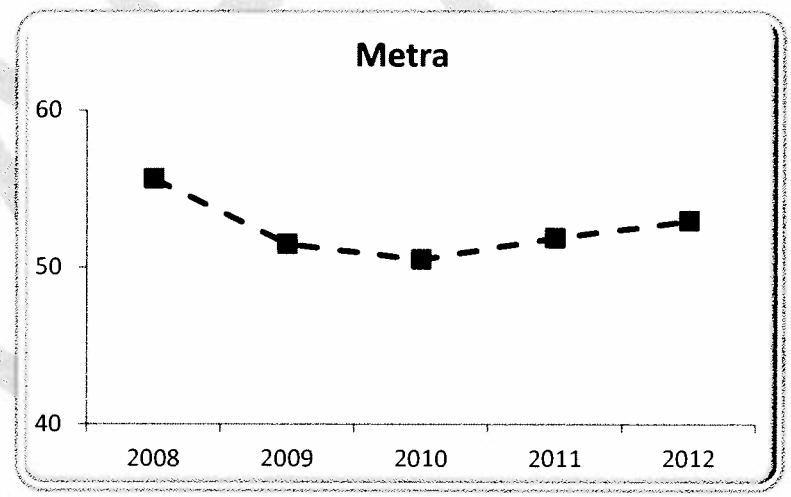
Passenger Trips per Vehicle Revenue Hour

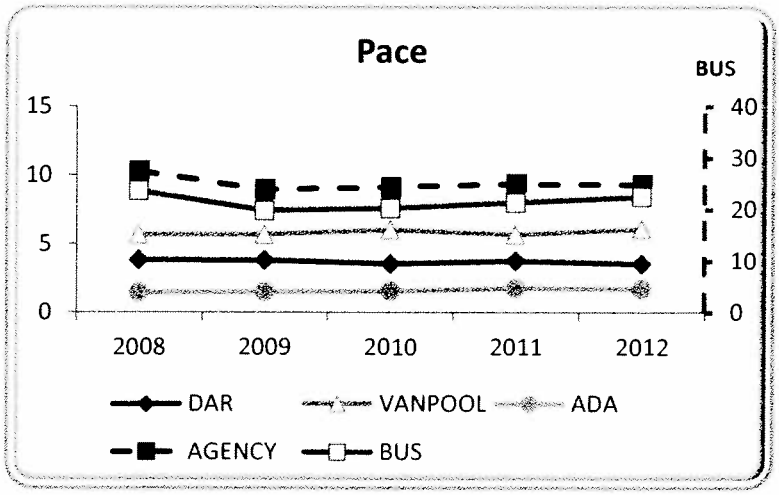
The number of passenger trips divided by the hours that vehicles travel while in revenue service. Passenger trips per vehicle revenue hour show how effectively the transit service supplied is used by the public.

Recent Data and Interpretation

For each Service Board, ridership gains outpaced increases in vehicle revenue hours, resulting in a 1.1% regional improvement for this measure in 2012. Over the five-year period, this measure improved 12.3%, mostly due to the 2010 CTA service reductions. For 2012, CTA bus increased 0.9% and rail increased 2.2% for this measure; over five years, these improvements were 19.2% and 24.4%, respectively. Gains in Metra ridership exceeded increased vehicle revenue hours, resulting in a 2.1% improvement for this measure in 2012, its second year of improvements, and Metra ended the year 4.8% below 2008 levels for this measure. Pace fixed route bus saw a 5.4% improvement for this measure, due to increased ridership and slightly reduced vehicle hours. Pace vanpool increased ridership at a greater rate than it increased vehicle hours, resulting in a 7.1% improvement for this measure in 2012. Dial-a-ride and ADA had unfavorable results for this indicator in 2012, down 5.5% and 2.9% respectively, due to vehicle revenue hours increasing at a more rapid rate than ridership.







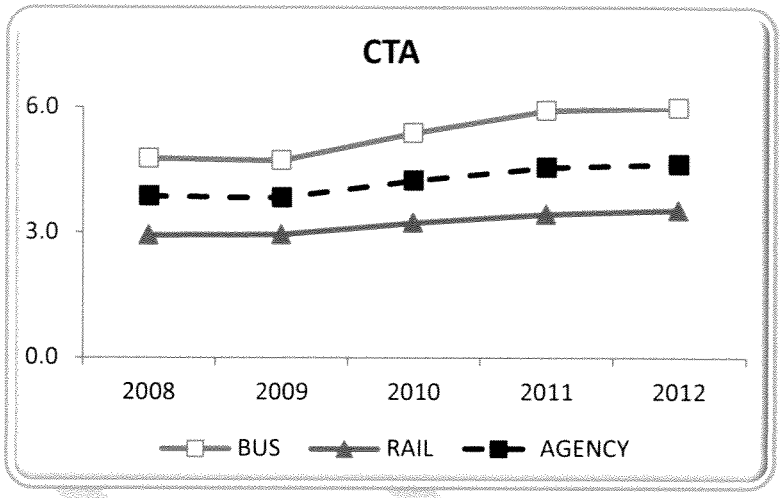
SERVICE COVERAGE
Service Consumed

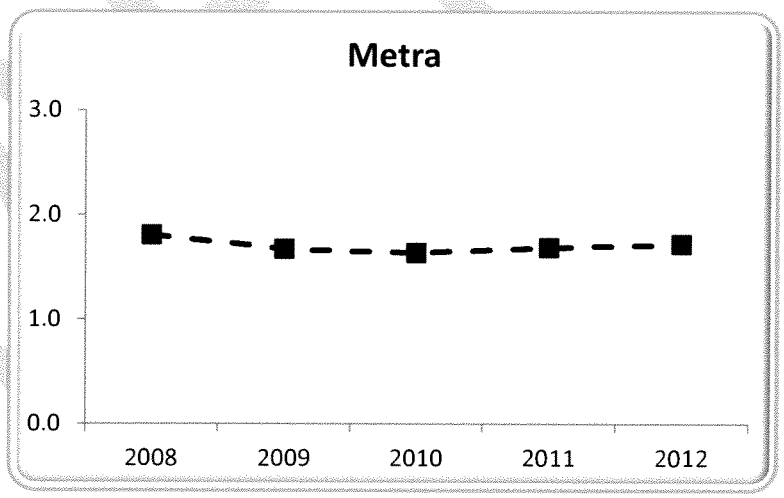
Passenger Trips per Vehicle Revenue Mile

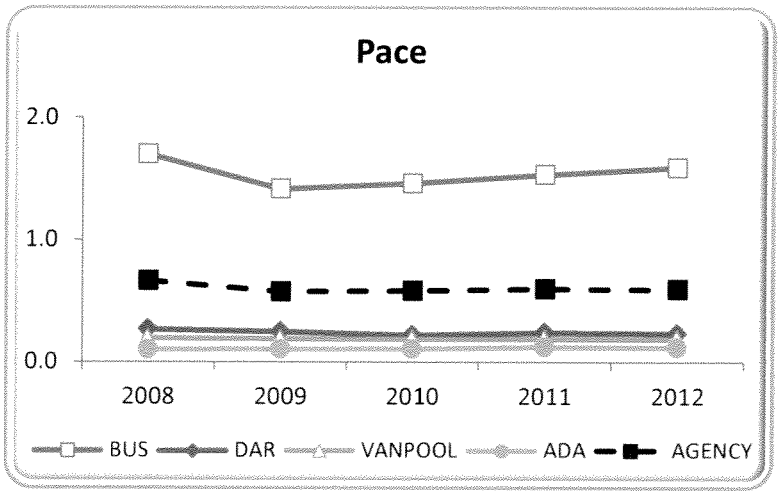
The number of passenger trips divided by the miles that vehicles travel while in revenue service. Passenger trips per revenue mile show how effectively the transit service supplied is used by the public.

Recent Data and Interpretation

Although each Service Board reported ridership gains for 2012, improvement for this metric was offset by increases in vehicle revenue miles in most cases. CTA bus, with no change in vehicle revenue miles, showed a 1.3% improvement for passenger trips per vehicle revenue mile, all of which was due to increased ridership. CTA rail had a 2.9% gain for 2012 as its 4.3% gain in ridership was partially offset by increased vehicle miles. Over the five-year period, passenger trips per vehicle revenue mile for CTA bus was up 25.6% and for rail was up 20.6%, largely due to the 2010 and 2011 service reductions. Metra saw gains for this measure for the second year in a row, up 2.0% from 2011. Pace bus and vanpool saw increases of 3.8%, and 0.7%, respectively, for 2012 with dial-a-ride down 2.4% and ADA down 1.1% for the year. ADA is the only Pace mode to show improvement for this measure over a five-year period, up 18.2% from 2008, although some of that gain is due to the 2011 change in ridership methodology that allowed inclusion of companions and personal care attendants in passenger trip counts.







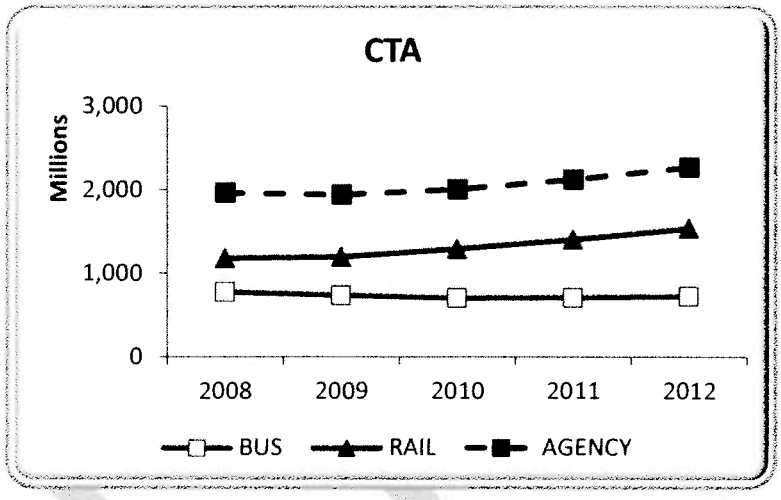
SERVICE COVERAGE
Service Consumed

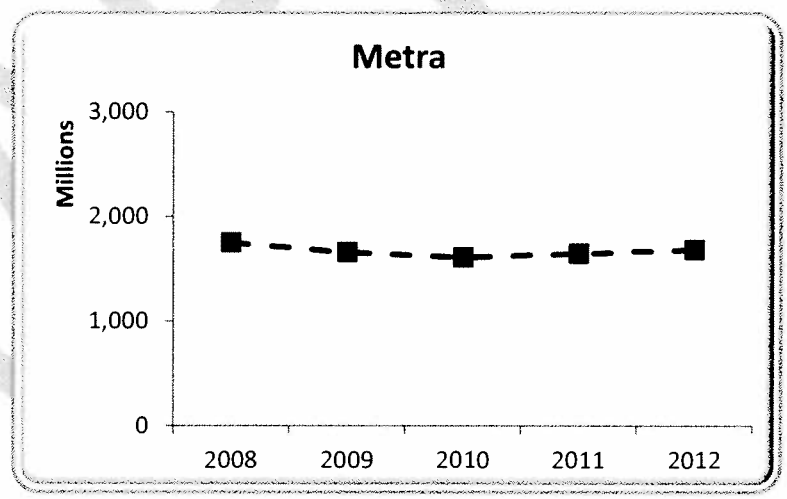
Passenger Miles

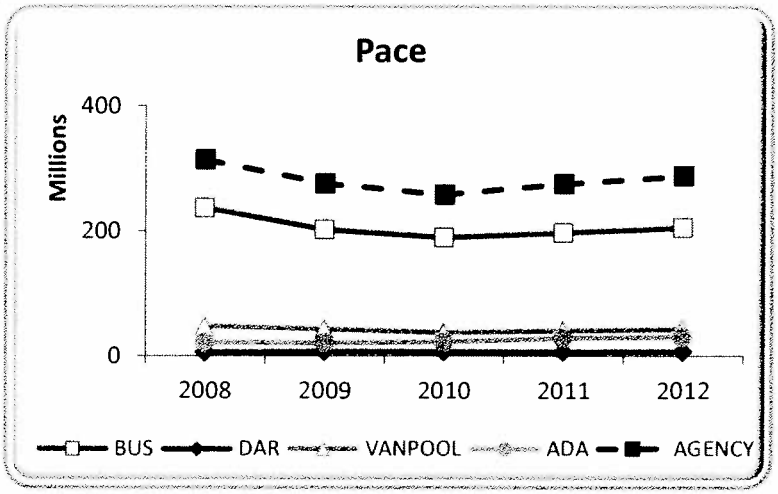
The cumulative sum of the distances ridden by each passenger. Passenger miles are equal to the average trip length multiplied by total passenger trips.

Recent Data and Interpretation

Systemwide passenger miles traveled reached a ten-year peak in 2011, and grew another 4.8% in 2012, with every mode reporting gains for this measure. CTA rail posted the largest passenger mile gains for the year, up 9.4% from 2011, while CTA bus passenger miles grew by 1.7%. Over the past five years, bus passenger miles declined by 7.0% while rail passenger miles increased 30.2%, for an overall 15.4% gain agency-wide. Metra, with a 2.3% gain for this indicator in 2011, saw another 2.2% gain in 2012, but remained 3.8% below 2008 levels. Increases in passenger miles on Pace modes ranged from 1.3% for dial-a-ride to 7.0% for ADA, for an overall 4.7% increase across Pace services. Over the five-year period, Pace bus and vanpool passenger miles remain -13.3% and -9.2%, respectively, below 2008 levels. The dial-a-ride and ADA modes have experienced significant increases and are 17.6% and 41.0% above 2008 levels, respectively.







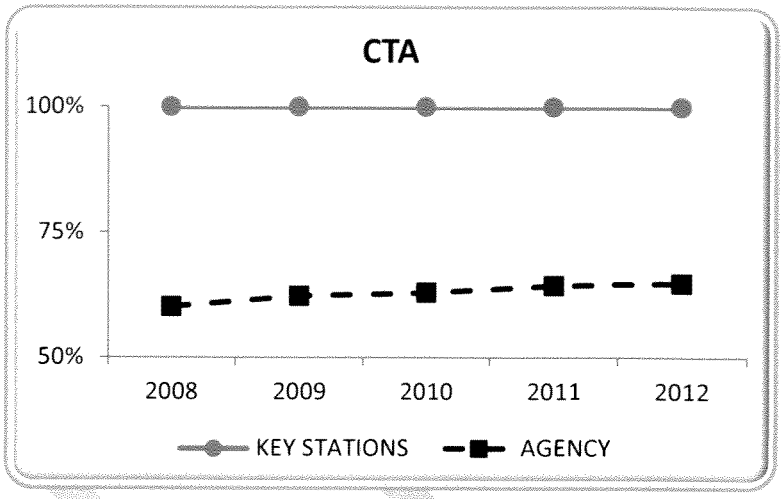
SERVICE COVERAGE
Service Supplied

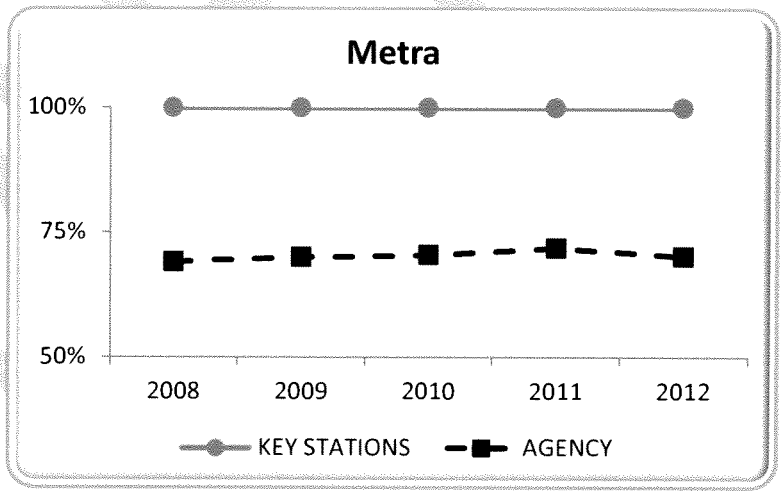
Percentage of Stations ADA Accessible

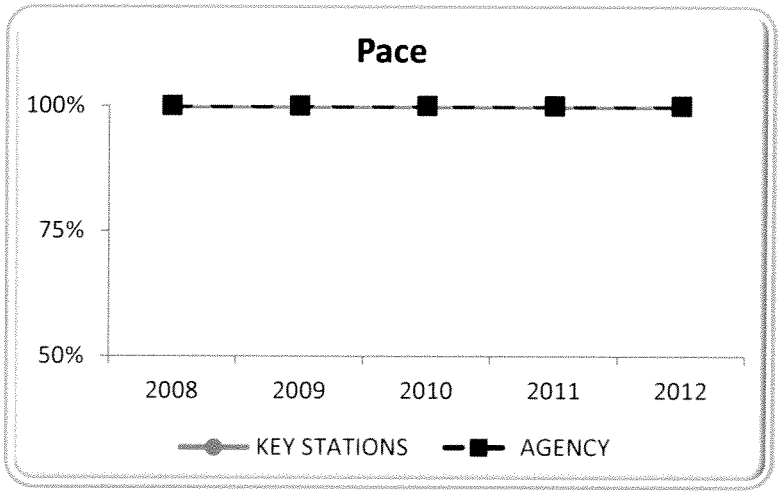
ADA accessibility refers to the ability to accommodate passengers with disabilities, either by removing barriers to transit use or by providing specially-equipped vehicles to allow equal access to transit. ADA accessibility standards for transit are established in Title 49, parts 27 and 38 of the Americans with Disabilities Act of 1990. In addition to complying with federal laws, meeting ADA accessibility standards in the public transit industry allows for increased mobility for all of the region's population and is a quality of life issue. "Key" stations include those stations whose number of passengers exceeds its system average by at least 15%, stations which are major transfer points to other transit modes, stations at the end of a line, or stations that serve major activity centers.

Recent Data and Interpretation

100% of the RTA system's key stations are ADA-accessible, and 70% of all stations are ADA-accessible.







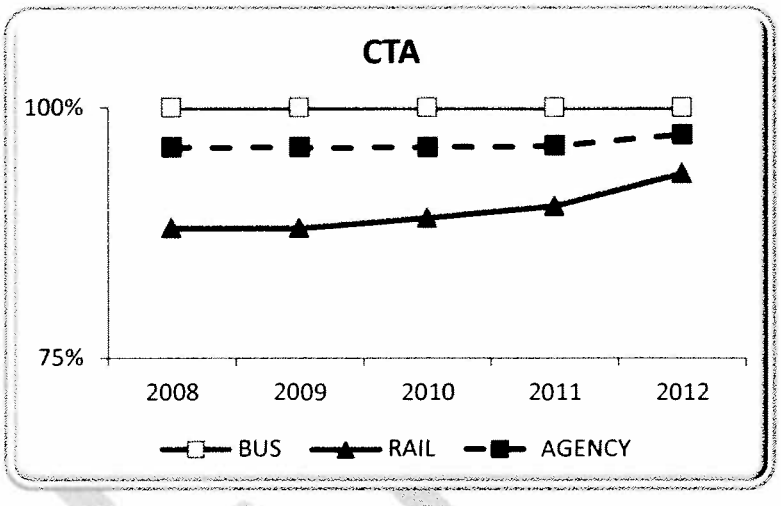
SERVICE COVERAGE
Service Supplied

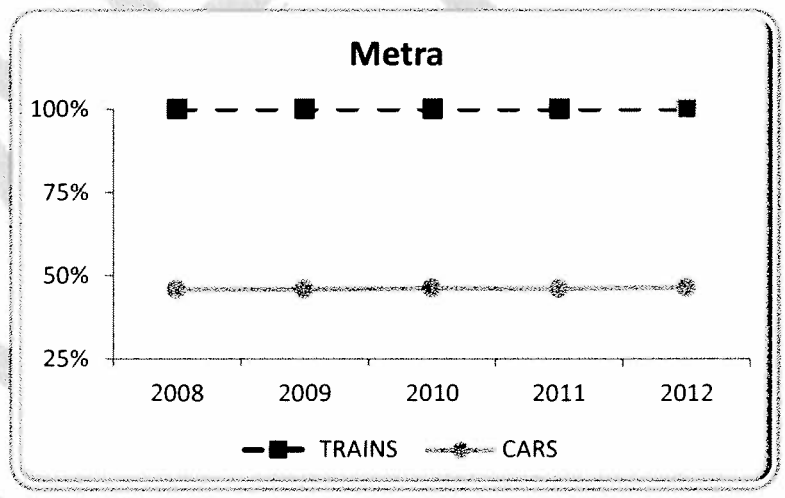
Percentage of Vehicles ADA Accessible

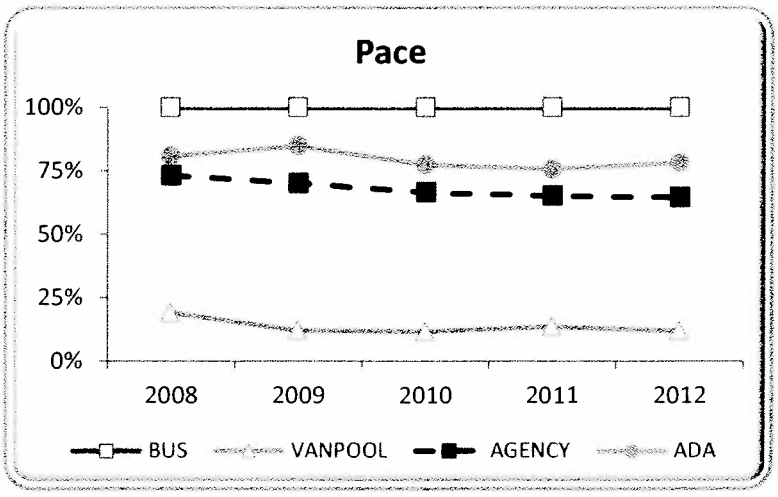
ADA accessibility refers to the ability to accommodate passengers with disabilities, either by removing barriers to transit use or by providing specially-equipped vehicles to allow equal access to transit. ADA accessibility standards for transit are established in Title 49, parts 27 and 38, of the Americans with Disabilities Act of 1990.

Recent Data and Interpretation

In 2012, three-fourths of the vehicles in the RTA system were ADA-accessible. 100% of CTA and Pace buses and dial-a-ride vehicles are ADA-accessible, as are 100% of CTA and Metra train sets. In regards to individual rail cars, 93% of CTA's 'L' fleet and 47% of Metra's commuter rail fleet are ADA-accessible. CTA provides at least two accessible cars on all trains, with four accessible cars on all eight-car trains (two in the front of the train and two in the back). All Metra train sets include at least one ADA-accessible car. About 12% of vanpool vehicles are ADA-accessible, while 78% of ADA paratransit vehicles are accessible. Overall, 64% of Pace vehicles are ADA-accessible.







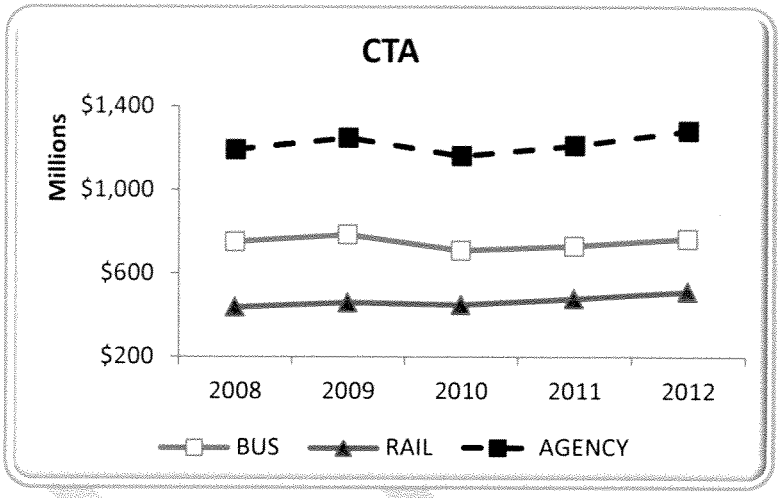
SERVICE EFFICIENCY AND EFFECTIVENESS
Service Efficiency

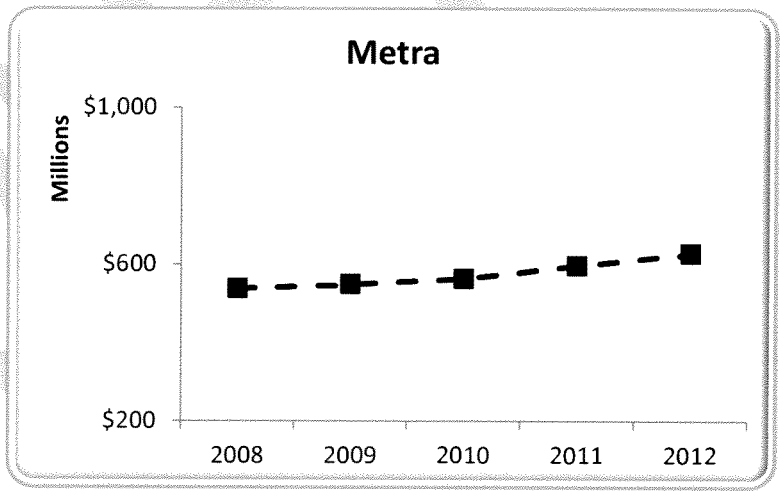
Operating Cost

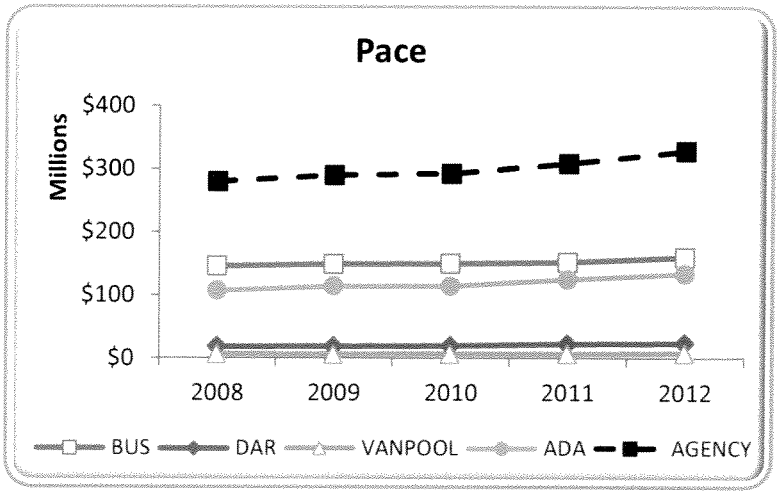
Total expenses associated with the operation of the transit agency.

Recent Data and Interpretation

Regional operating costs in 2012 were 5.8% above the 2011 level and 11.5% higher than 2008, compared to a one-year inflation rate of 1.5% and a five-year inflation rate of 4.5%. Cost-cutting and service reduction measures implemented at CTA bus resulted in operating cost increases of 2.1% over the five-year period; however, bus operating costs were up 4.9% for 2012 as operator salaries, fringe benefits, and fuel expenditures each increased about 9%. CTA rail operating costs increased 7.1% in 2012 and were 17.1% higher than 2008. Metra's costs grew 5.3% in 2012, and 16.7% since 2008, affected by rising diesel fuel prices, higher health insurance premiums, and the high maintenance cost of keeping its older fleet and infrastructure operational. Pace posted an overall 6.4% one-year increase in operating expenses, led by increases of 18.4% and 7.3% for vanpool and ADA services, respectively. Fixed-route bus operations increased 5.2% while dial-a-ride increased 5.8% for the year. Five-year increases in operating costs for each Pace mode exceeded the inflation rate, with dial-a-ride and ADA services each experiencing increases exceeding 24%, largely the result of higher labor costs driven by increases in service.







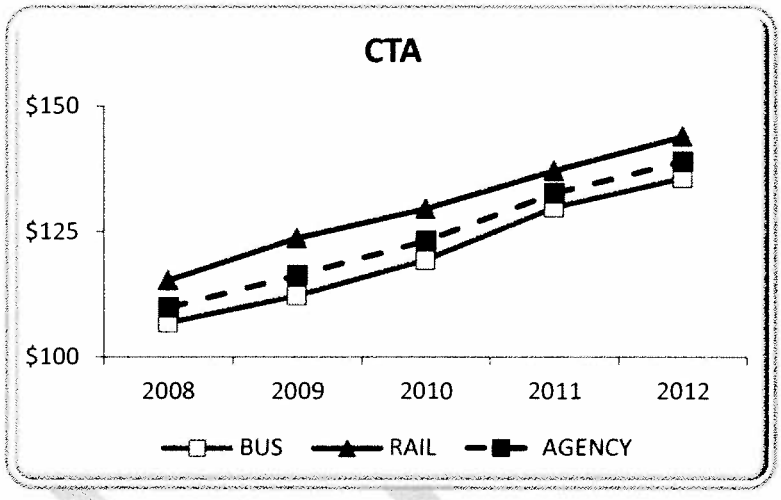
SERVICE EFFICIENCY AND EFFECTIVENESS
Service Efficiency

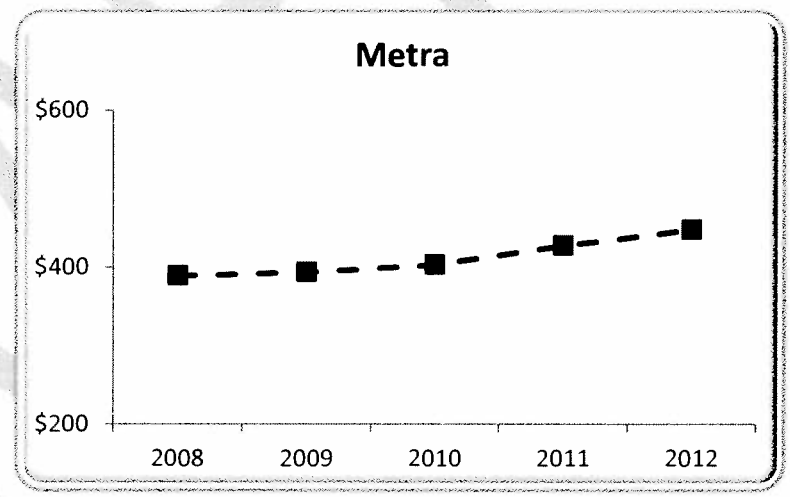
Operating Cost per Vehicle Revenue Hour

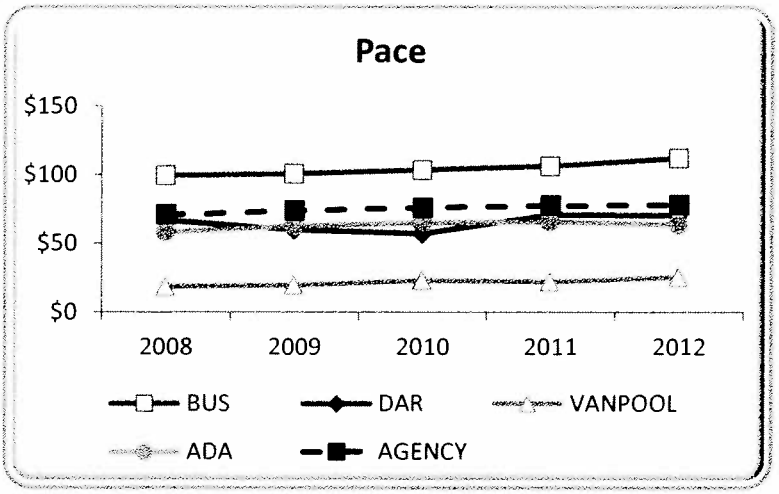
Operating expenses divided by the hours that vehicles travel while in revenue service. This measure demonstrates the actual dollar amounts that transit agencies must pay to operate each hour of service provided to the public.

Recent Data and Interpretation

Each Service Board and mode realized increased operating costs per vehicle revenue hour in 2012. CTA operating cost increases per hour rose 4.7% overall, with bus increasing 4.5% and rail rising 5.0%. Over the five-year period, bus costs per hour rose 27.0% and rail's rose 24.9%, as increased operating costs were exacerbated by reduced vehicle revenue hours. Metra's relatively higher cost per hour of service reflects the costs associated with maintaining a right-of-way throughout a large geographic area and is typical of commuter rail service. Metra's 4.7% increase for 2012 exceeded inflation, as did its five-year 15.1% increase; with little variance in vehicle revenue hours, increases for this measure are attributable to higher operating costs and the impact of rising labor and fuel costs. For 2012, Pace's 0.5% operating cost per hour increase stayed within the 1.5% inflation rate, but Pace's operating cost per vehicle hour ended the five-year period 10.2% higher. Pace's increase was also more heavily weighted by operating cost increases related to labor expenses.







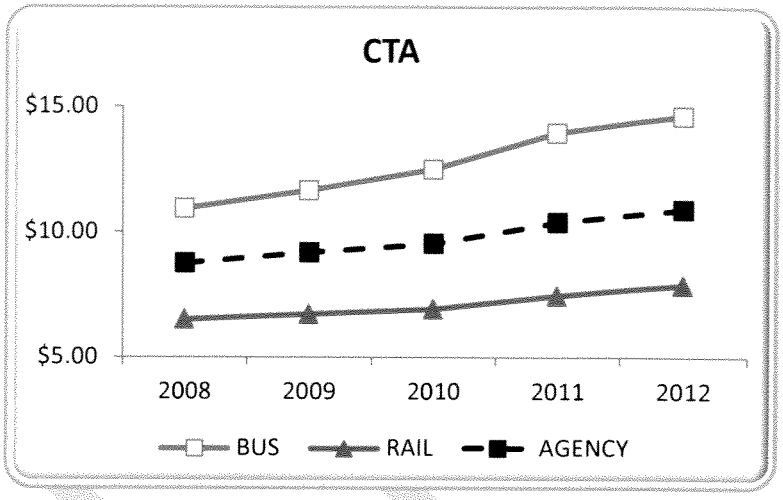
SERVICE EFFICIENCY AND EFFECTIVENESS
Service Efficiency

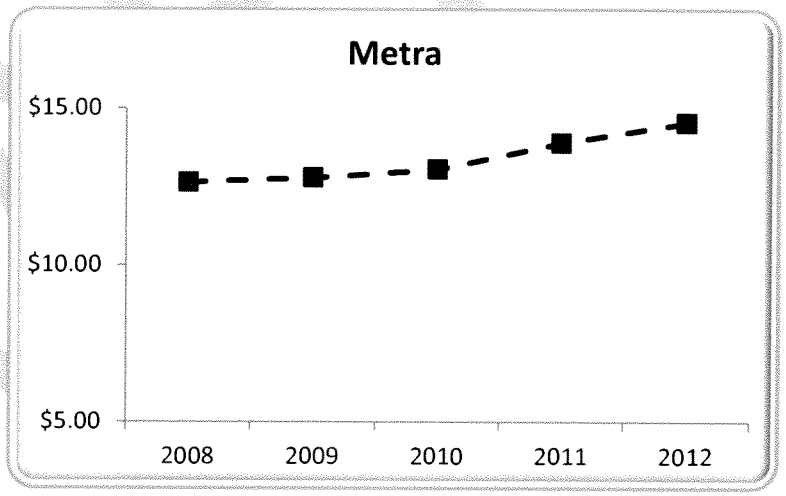
Operating Cost per Vehicle Revenue Mile

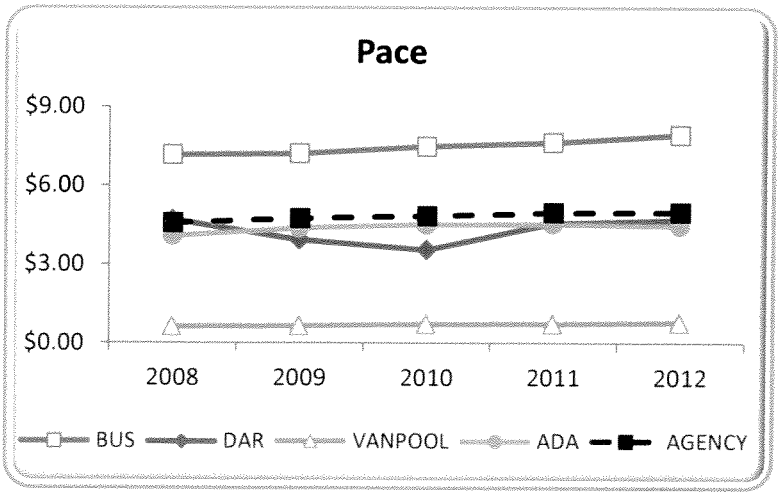
The expenses associated with the operation of the transit agency divided by the miles that vehicles travel while in revenue service. Operating costs show the level of resources spent on service delivery in relation to the service being provided and used.

Recent Data and Interpretation

Regionally, operating cost per vehicle revenue mile increased 3.5% in 2012, and 18.0% for the five-year period. Each Service Board and mode realized increases for this performance measure, ranging from 0.1% for dial-a-ride to 33.9% for CTA bus. Large reductions to vehicle revenue miles at CTA bus and rail (-23.7% and -3.3%, respectively), combined with significant cost increases for labor (+13.0%), insurance (+152%), and interest (+257.9%), resulted in a steady increase in operating cost per vehicle revenue mile over the past five years. Metra, with little change to vehicle revenue mileage (+1.3% over five years) saw steadily rising operating costs mostly due to labor (+9.9%) and casualty & liability costs (+235.2%). Pace experienced the largest increase in labor costs, up 23.6% compared to 2008, and had resulting increases in operating cost per vehicle revenue mile for each of the five years. ADA paratransit was the only mode to see a reduction in this measure in 2012, due to its 9.0% gain in vehicle revenue miles versus its 7.3% gain in operating costs.







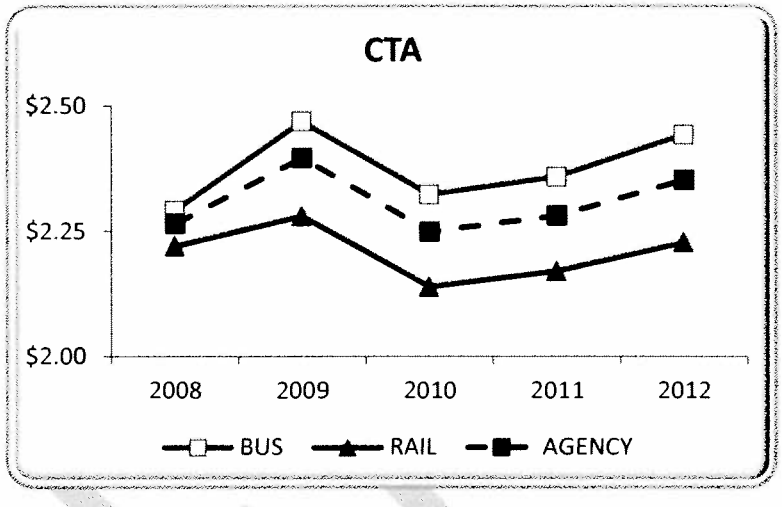
SERVICE EFFICIENCY AND EFFECTIVENESS
Cost Effectiveness

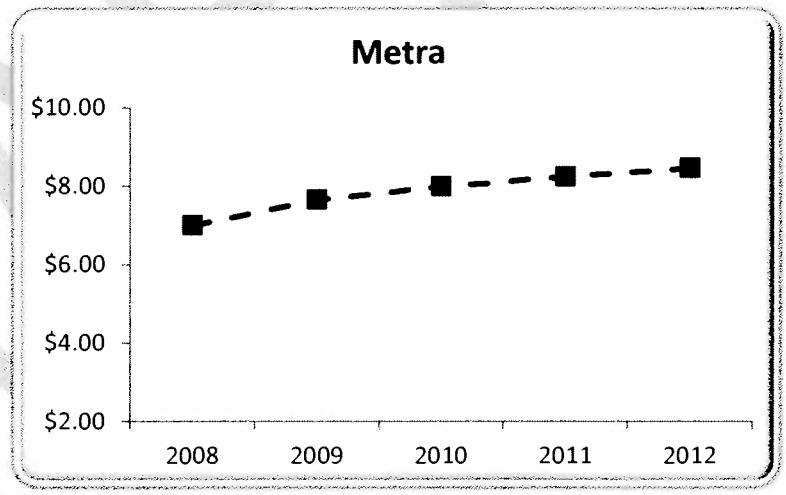
Operating Cost per Passenger Trip

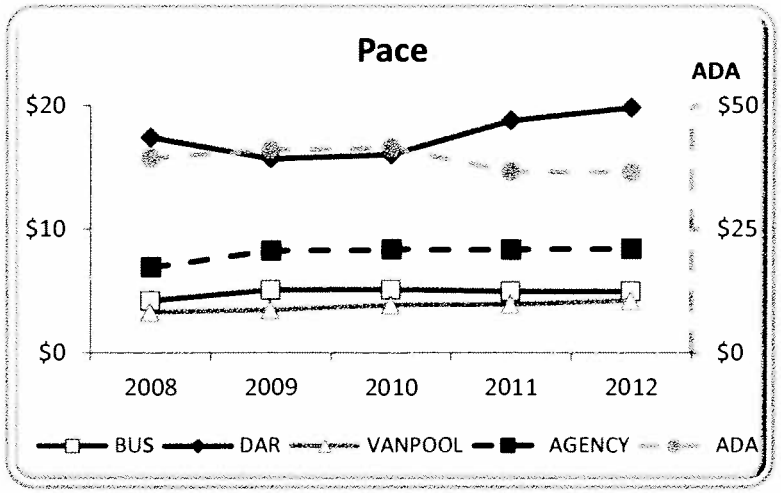
Operating cost divided by the total number of passenger trips. This measure illustrates the gap between the established fare and the cost of providing an individual trip.

Recent Data and Interpretation

Regionally, operating cost per passenger trip rose 3.0% in 2012, although cost increases were mitigated by gains in ridership for every mode. Over the five-year period, costs per trip increased 8.9%, offset by a 2.3% gain in ridership, and also aided by lower operating costs resulting from CTA service reductions. CTA bus and rail posted 3.6% and 2.7% increases in their operating cost per passenger trip for 2012, respectively; from 2008, bus and rail experienced increases of 6.6% and 0.4%, respectively. Metra experienced a 2.6% increase in cost per trip for 2012 and has cumulatively increased its cost per trip by 20.9% since 2008. Pace bus remained flat with a 0.1% increase in costs in 2012, while dial-a-ride and vanpool rose 5.6% and 7.3%, respectively, during the year. ADA was the only mode to have lower operating costs compared to 2011, down 0.4% as its increased ridership outpaced its operating cost increase, which also holds true for the five-year period.







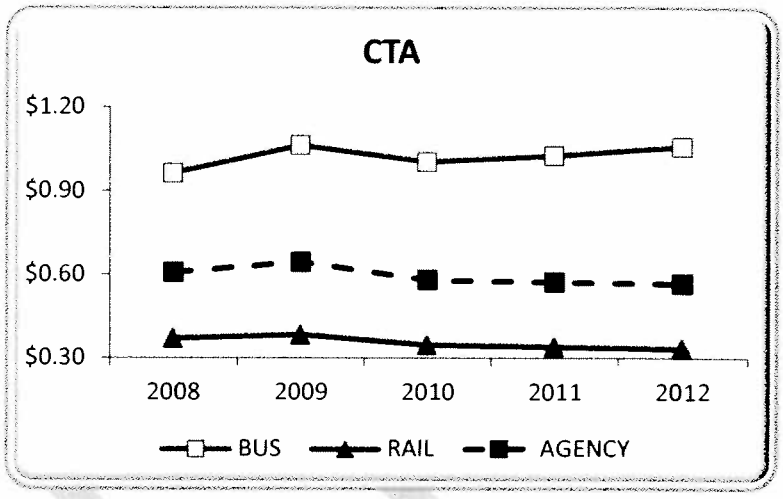
SERVICE EFFICIENCY AND EFFECTIVENESS
Cost Effectiveness

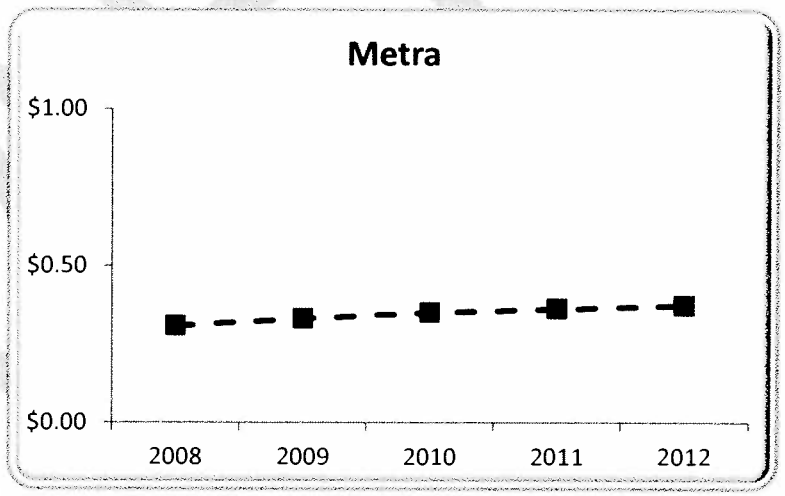
Operating Cost per Passenger Mile

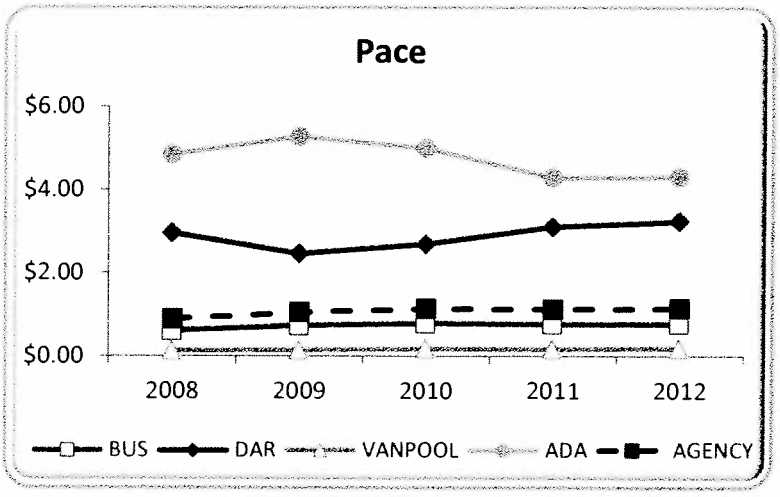
Operating costs divided by the cumulative sum of the distances ridden by all passengers.

Recent Data and Interpretation

Regionally, a 4.8% increase in passenger mileage in 2012 did not outpace the 5.8% increase in operating costs. CTA rail realized the only reduction in operating cost per passenger mile, down 2.1%, with the largest gain in passenger miles for the year at +9.4%. CTA rail ridership has increased in response to reductions in bus service, and ended the five-year period with a 30.2% gain in passenger miles and 10.1% reduction in operating cost per passenger mile; overall, CTA has increased its cost effectiveness, evidenced by a 6.7% improvement for this measure. Metra's operating cost increases of 5.3% were somewhat offset by a 2.2% gain in passenger miles, resulting in a 3.0% increase in this measure for 2012 and a 21.3% increase over 2008. Each Pace mode had operating cost growth that exceeded gains in passenger miles. The rise in operating cost per passenger mile for each mode was: bus +1.0%, dial-a-ride +4.4%, vanpool +11.8%, and ADA +0.3%. With 41% increased passenger miles traveled compared to 2008, Pace ADA paratransit was the only mode to show a decline in operating cost per passenger mile, down 11.1% over the five-year period.







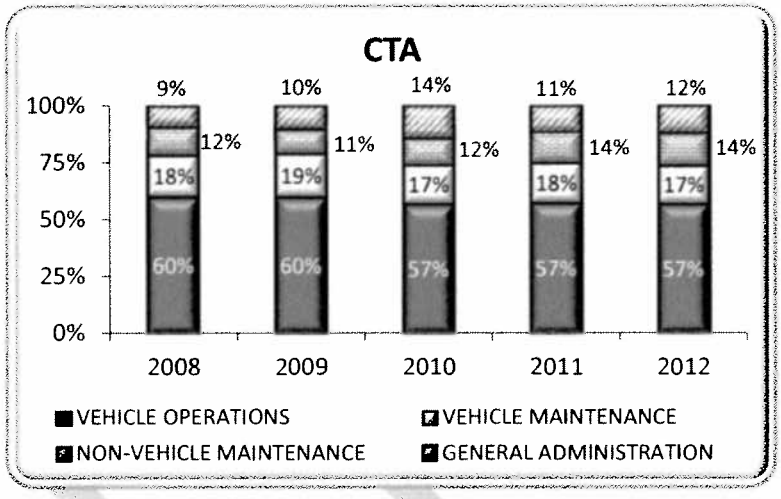
SERVICE EFFICIENCY AND EFFECTIVENESS
Cost Effectiveness

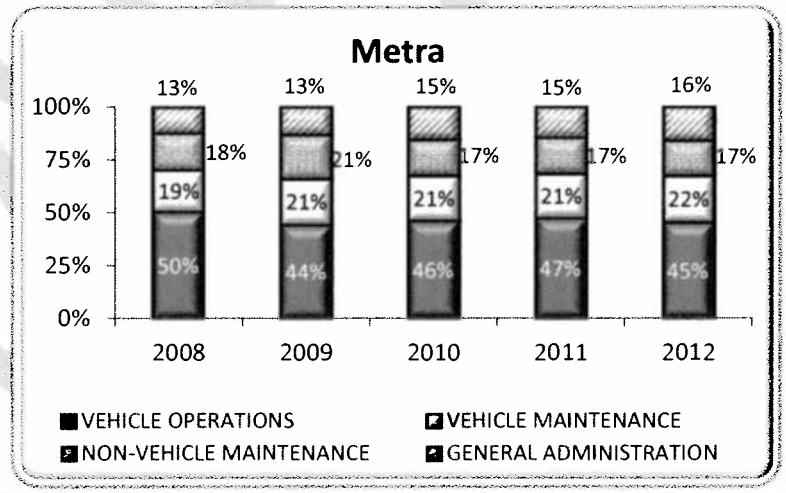
Operating Cost Components

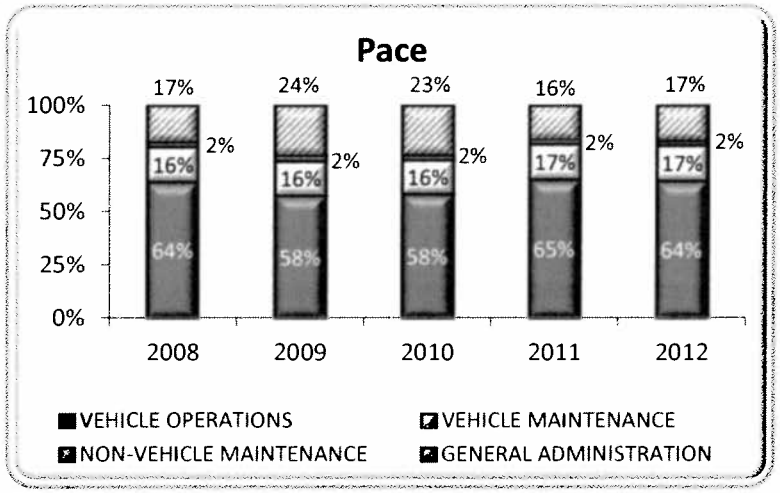
This measure refers to the allocation of costs among specific categories of expenses: general administration, vehicle maintenance, non-vehicle maintenance, and vehicle operations.

Recent Data and Interpretation

The proportion of costs allocated to maintenance (vehicle and non-vehicle) functions over the five years has remained relatively stable. There has been a 3% reduction in vehicle operations costs and corresponding gain in general administration expenditures. CTA rail and Pace vanpool had the lowest percentage of vehicle operation costs, reflecting the efficiencies inherent in train service where a single operator drives a multi-car train carrying many passengers and with using smaller vehicles driven by volunteers for vanpool. Higher vehicle operations costs on Pace and CTA bus reflect the more labor-intensive characteristic of bus operations, and in the case of Pace dial-a-ride and ADA, a mix of smaller vehicles that carry few passengers per driver. Metra and CTA rail have the highest proportion devoted to non-vehicle maintenance, which is related to the costs of maintaining an extensive right-of-way and passenger station network.







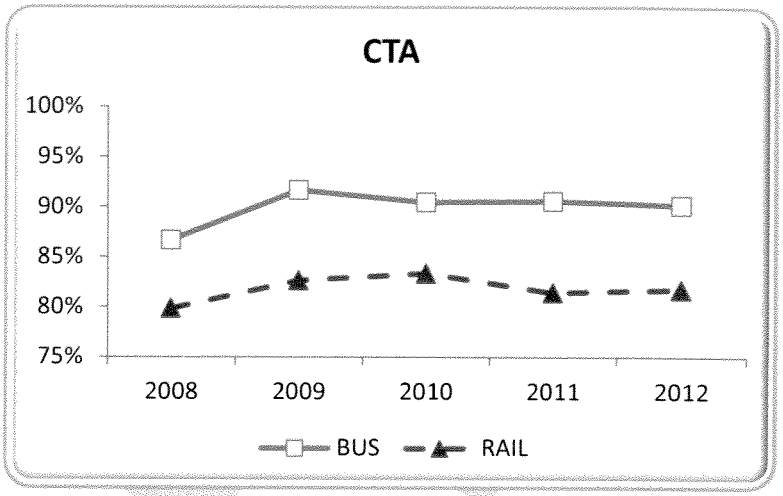
SERVICE DELIVERY
Customer Service

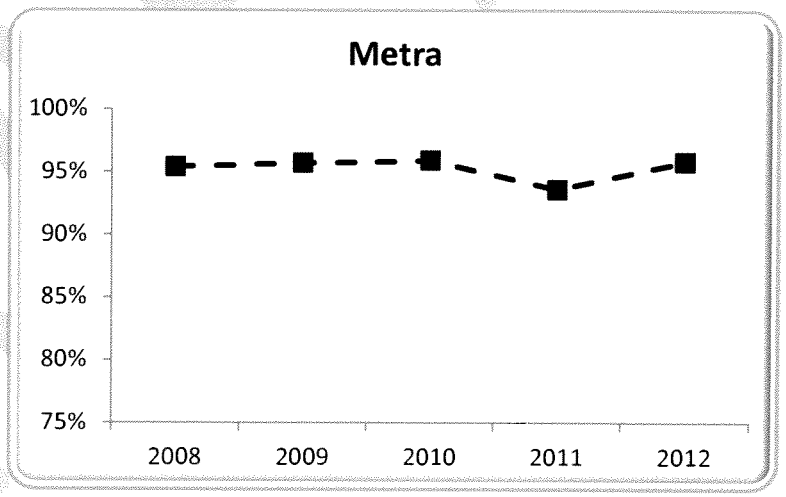
On-Time Performance

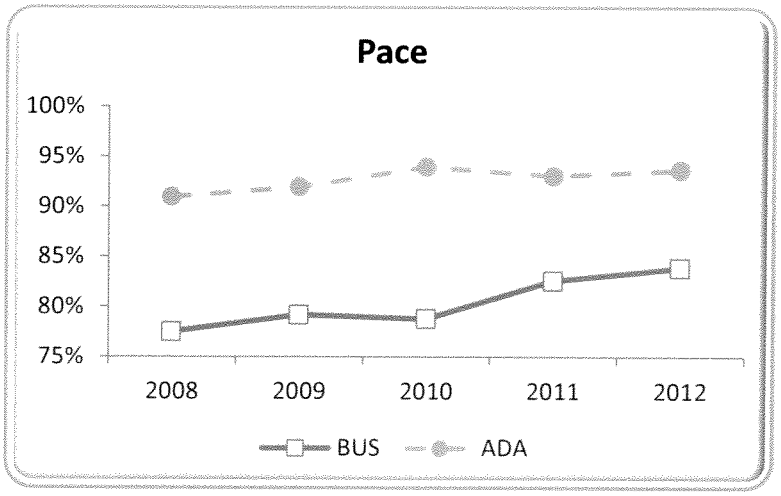
The percentage of the time a transit vehicle departs from and/or arrives at a location within a certain number of minutes after and/or before the scheduled time and/or interval maintenance for frequent service. The three Service Boards measure on-time performance differently from each other. CTA rail on-time performance is measured as arriving within one minute of the scheduled headway. CTA and Pace bus on-time performance is measured as leaving the terminal no more than one minute early and no more than five minutes later than scheduled. Metra follows the commuter rail industry standard by measuring on-time performance as arriving at the last station within six minutes of schedule. Pace paratransit on-time performance is defined as arriving within 20 minutes (city) or 15 minutes (suburban) of schedule.

Recent Data and Interpretation

CTA's 2012 on-time performance declined to 90.2% for bus and improved to 81.8% for rail, with both modes showing improvement compared to 2008. Metra's on-time performance has remained in the mid-90% range throughout the five-year period, with a 2.3 percentage point downtick for 2011 resulting from a methodology change (see note 4 on page 5). Pace bus improved from 77.5% in 2008 to 83.9% in 2012, aided by schedule adherence management programs and the implementation of more limited-stop bus routes. Pace ADA on-time performance has been generally improving and reached 93.7% in 2012.







SERVICE DELIVERY
Customer Service

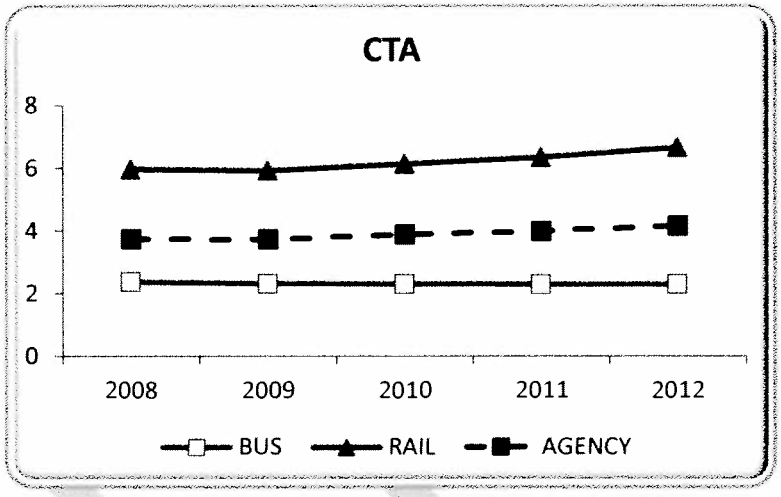
Average Passenger Trip Length

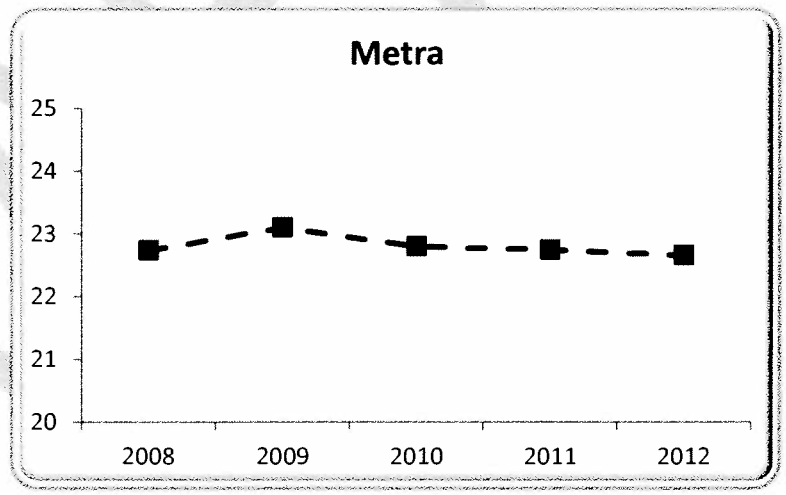
The average distance traveled for an unlinked passenger trip.

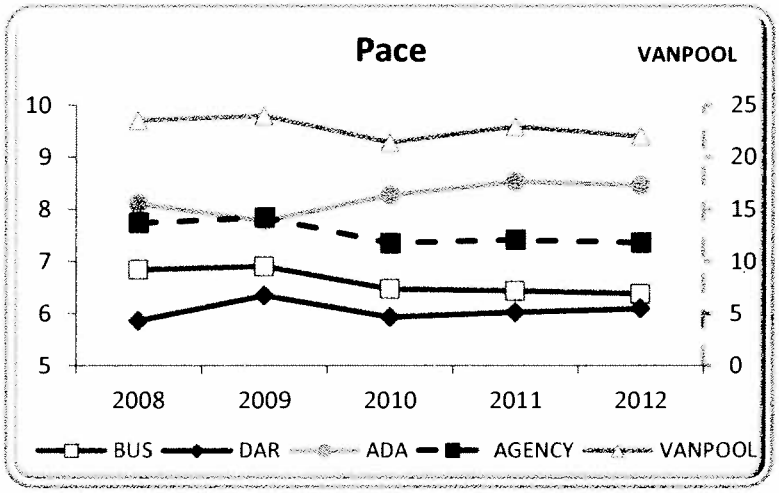
Recent Data and Interpretation

Average passenger trip lengths increased 2.0% in 2012 and are up 2.8% compared to 2008, with larger percentage gains for passenger miles compared to the increase in passenger trips. CTA rail experienced the largest percentage gain for this measure and was up 4.9% in 2012 and 11.6% compared to 2008, while CTA bus was up 0.4% for the year and down 3.0% compared to 2008. Metra remained virtually unchanged, posting a 0.4% decrease for 2012 and for the five-year net change from 2008. Over the five-year period, the Pace dial-a-ride and ADA paratransit services showed increases for this measure, up 4.0% and 4.4%, respectively. Pace bus had its third year of declining average passenger trip length and vanpool was down 4.0% for 2012 and 6.4% compared to 2008.

The shortest average trip length is 2.3 miles for CTA bus riders; the longest average trip length is for Metra customers at 22.7 miles, closely followed by Pace vanpool at 22.0 miles. In 2012, the system-wide average passenger trip length was 6.4 miles.







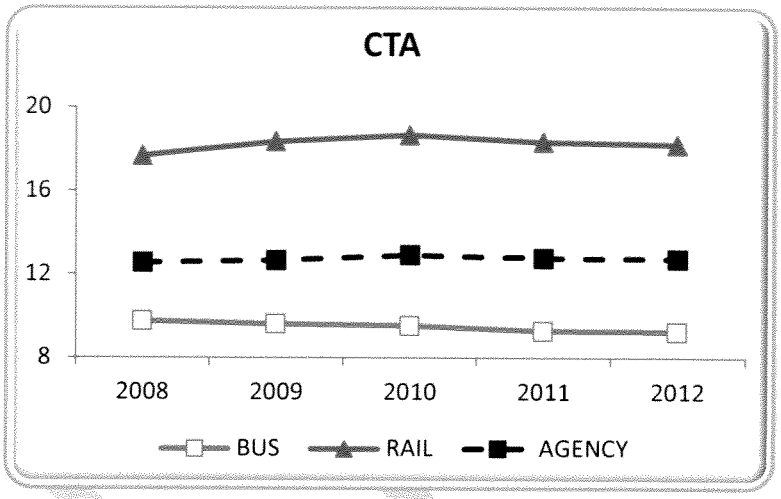
SERVICE DELIVERY
Customer Service

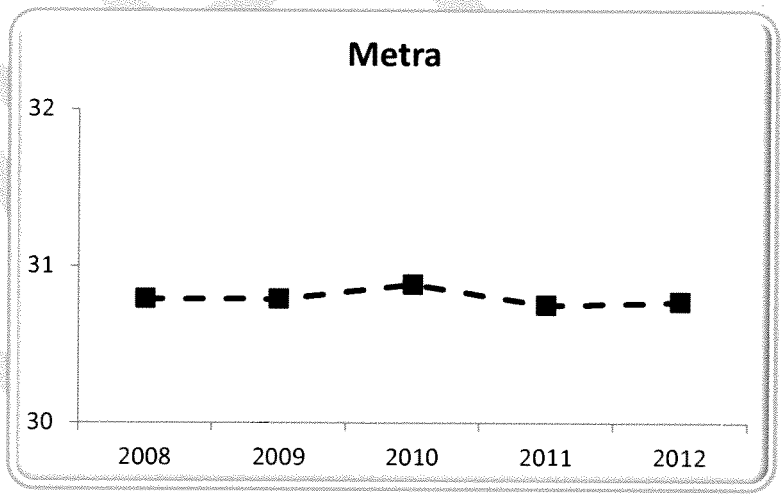
Average Speed

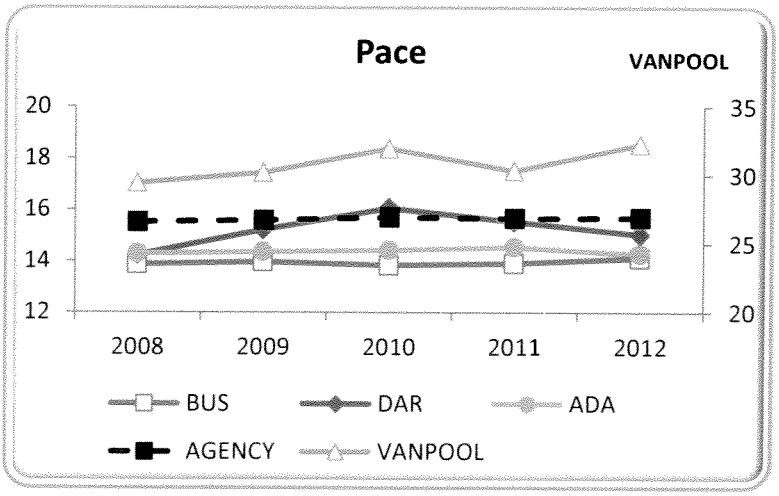
The miles that vehicles actually travel while in revenue service divided by the hours that vehicles are in revenue service, which include layover periods of time that occur between scheduled routes when the revenue vehicle is not in motion.

Recent Data and Interpretation

Average speeds were up 0.6% compared to 2011 and 3.7% compared to 2008. With an average speed of 9.3 miles per hour, CTA bus dropped 0.3% in 2012 and was 5.1% lower than 2008. In contrast, CTA rail dropped 0.6% in 2012 but was 3.1% faster than in 2008, with an average speed of 18.2 miles per hour. Metra's average speed of 30.8 miles per hour was largely consistent throughout the five-year period. At 14.1 miles per hour, Pace bus speed improved by 1.5% in 2012 and 1.7% compared to 2008. Dial-a-ride average speeds were down 3.2% for the year but have risen 5.6% since 2008. Vanpool experienced significant gains of 6.4% for 2012 and 9.6% over the five-year period; however, this was almost entirely due to a 9.1% reduction in vehicle revenue hours. Vanpool had the highest average speed of any service mode at 32.3 miles per hour. ADA paratransit speeds were 14.3 miles per hour, down 1.8% for the year and 0.1% for the five-year period.







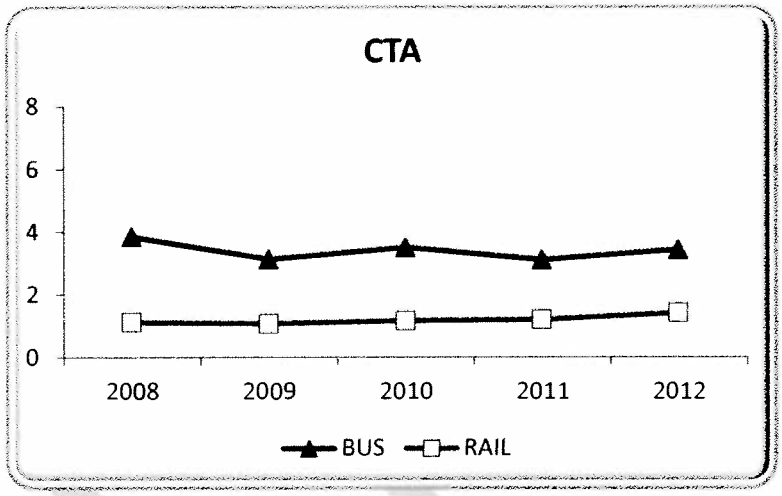
SERVICE DELIVERY
Customer Service

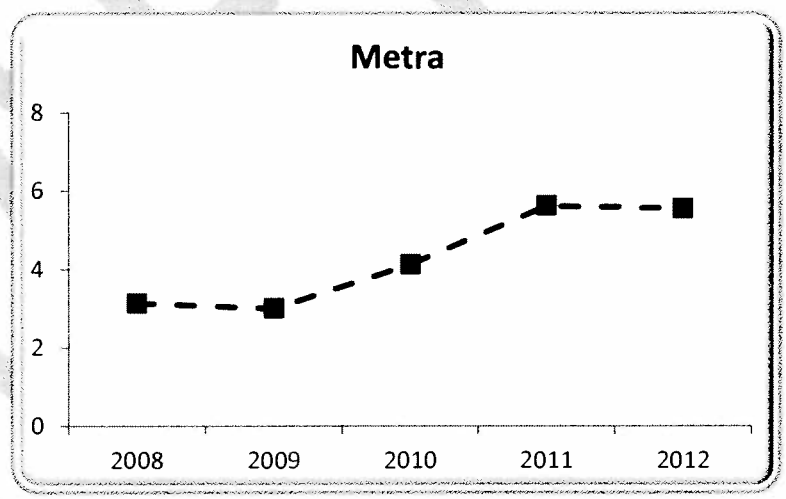
Complaints Reported per 100,000 Passenger Trips

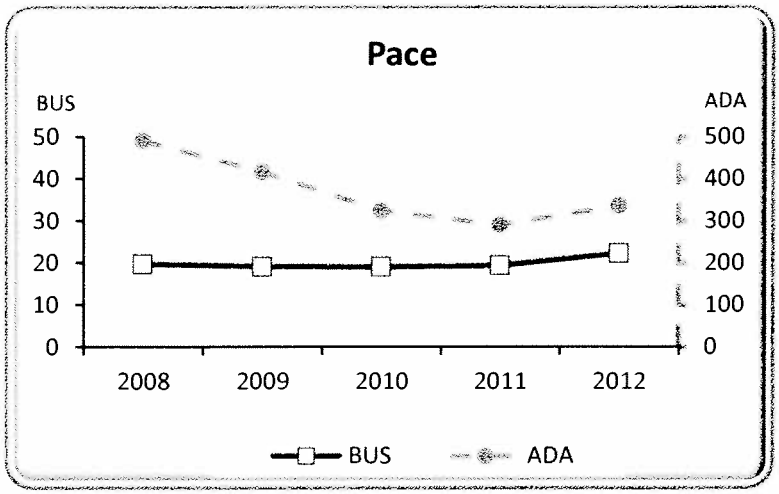
The percentage of service complaints reported as compared to total passenger trips. CTA and Metra data are not available prior to 2007; Pace paratransit data are available from March 2007.

Recent Data and Interpretation

In 2012, CTA saw an uptick in complaints reported for both bus and rail modes compared to 2011, but bus complaint rates decreased over 10% compared to 2008. Complaints to Metra declined from 2008-2009, increased in 2010 in response to proposed service restrictions from a construction project, and in 2011 in response to proposed fare increases. Metra had a 1.5% increase in the number of complaints; however, it actually experienced a decline in complaints when considered on a per-trip basis. The sheer volume of ridership on CTA and Metra serves to dilute the reported complaint rates. In 2012, complaints rates regarding Pace's fixed-route and ADA paratransit modes experienced increases of 15.0% and 15.8%, respectively, but over the five-year time frame Pace complaints per 100,000 passenger trips have risen by 6.3%.







SERVICE DELIVERY
Safety

Reportable Safety and Security Incidents per 100,000 Passenger Trips

The rate of reportable safety and security incidents per 100,000 unlinked passenger trips.

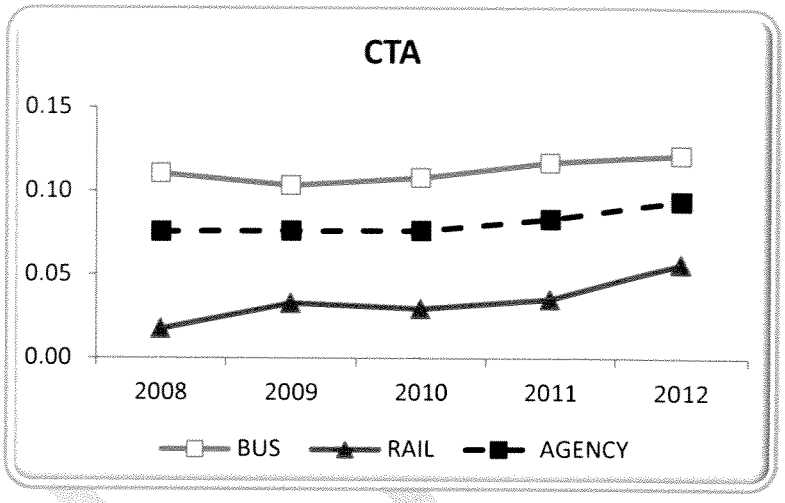
Recent Data and Interpretation

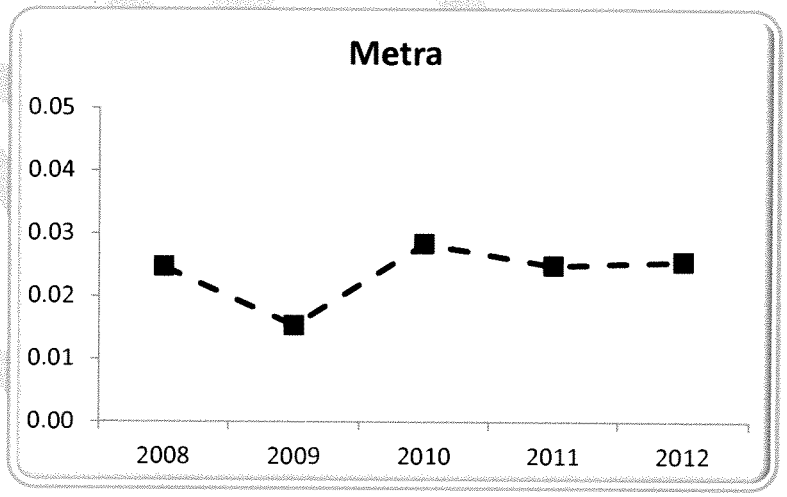
In 2012, the region had 50 more reportable incidents compared to 2011: CTA bus reported 19 more incidents, rail had 52 more incidents, Metra one more, and Pace bus 4 more incidents. Vanpool reported zero incidents in 2012, one fewer than in 2011, and ADA service had 25 fewer reportable incidents. Dial-a-ride did not report any incidents for either 2011 or 2012. Normalizing the incidents by stating them in terms of trips taken reveals a very low rate of 0.092 incidents per 100,000 system-wide trips, a 6.1% increase over 2011 and 11.1% increase since 2008.

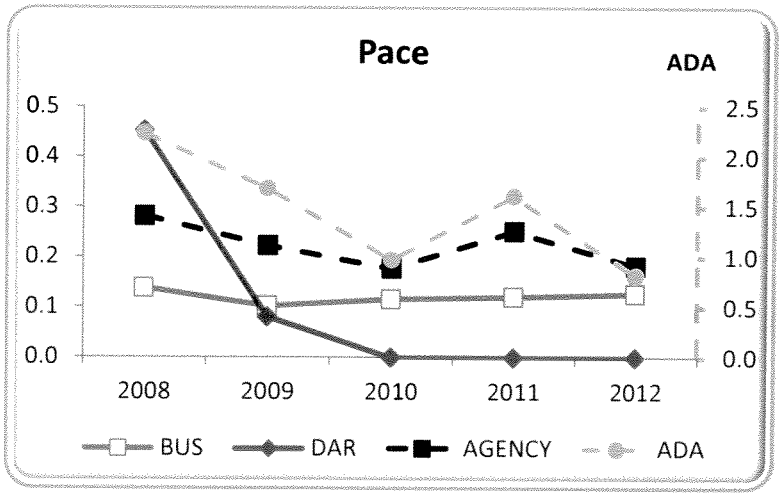
Percentage of ADA Paratransit Trips Denied

The percentage of requested trips for which service was denied.

No paratransit trips were denied for the period of time under study. (No chart provided.)





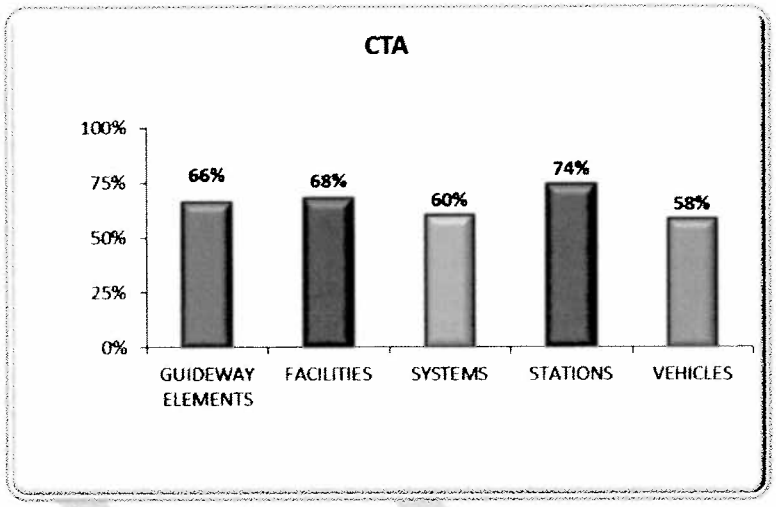


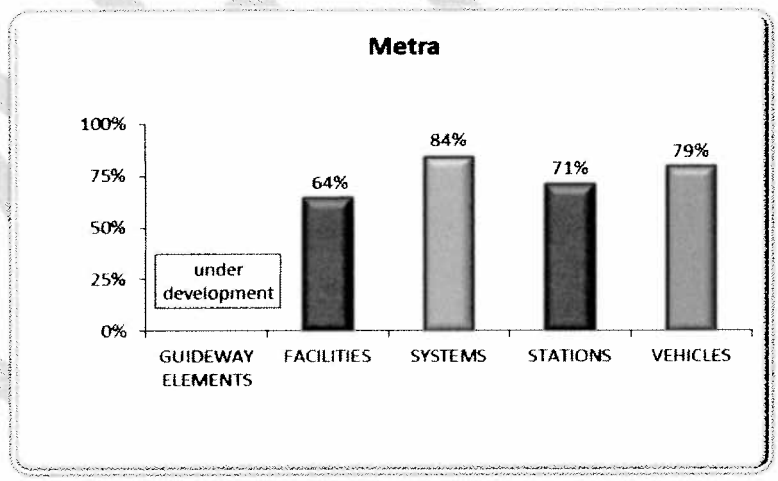
SERVICE MAINTENANCE AND CAPITAL INVESTMENT

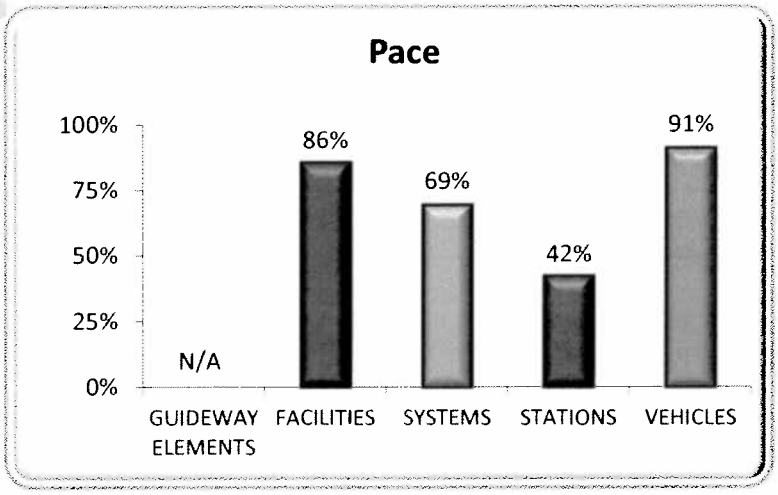
State of Good Repair

Percent of Assets in a State of Good Repair

The general physical condition of the region's capital assets, based on analysis of the current physical condition and age distribution of each Service Board's transit assets from inventory data reported as of December 2011. The condition rating levels are numbered 1 (worn) through 5 (excellent), consistent with the numbering system used by the Federal Transit Administration; assets rated 2.5 or better are considered in this report to be in a State of Good Repair. CTA tunnel structures have been omitted from calculations, as they are permanent, non-replaceable fixtures. Metra guideway data are under development and Pace does not have fixed guideway assets.







Recent Data and Interpretation

The multi-year Capital Asset Condition Assessment completed its first update of the baseline assessment published in 2010. The data is broken down into five asset categories: *Guideway elements* include track, rail, bridges, and ties. *Facilities* include maintenance garages and yards. *Stations* include passenger facilities and parking lots. *Systems* include signals, fare collection equipment, radios, phones, and interlockings. *Vehicles* include all transit vehicles. Each bar shows the proportion of assets of each category that were rated 2.5 or better and illustrates which asset groups have the lowest share of assets in a State of Good Repair.

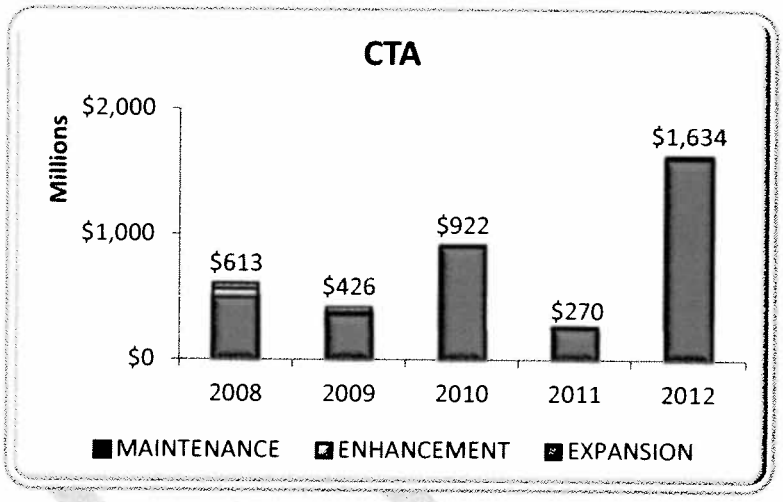
SERVICE MAINTENANCE AND CAPITAL INVESTMENT
State of Good Repair

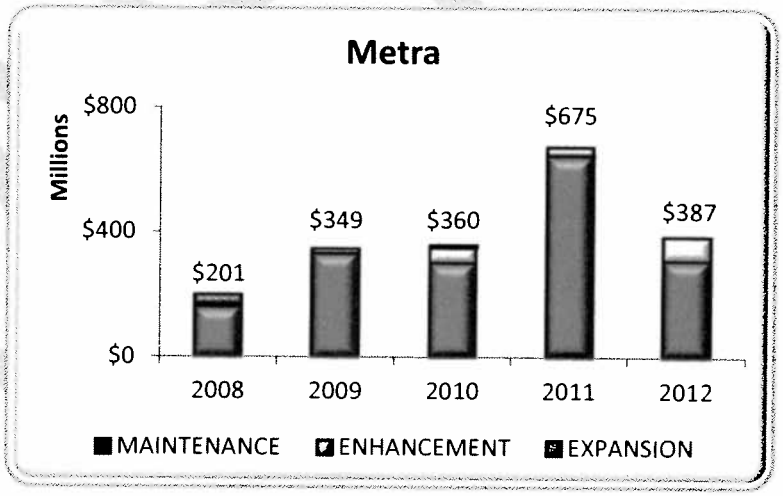
Capital Program

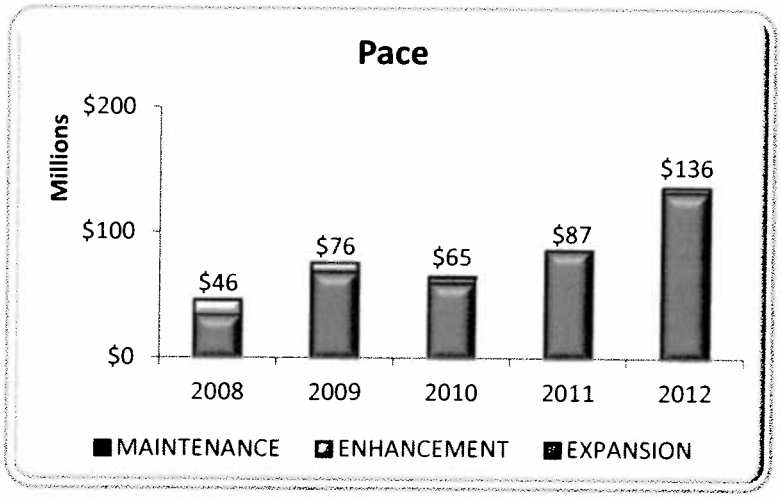
The allocation of projects budgeted within each category as a proportion of the capital program. These figures represent the total monies available for capital maintenance, expansion, and enhancement, and are the sums of new funding as well as de-obligated and re-programmed funding available for these purposes.

Recent Data and Interpretation

Regionally, there has been a significant shift in capital program dollars toward funding maintenance projects. Since 2008, when maintenance projects comprised 81% of the capital program, the share devoted to maintenance increased each year through 2011 to total 96%, then dropped one percentage point in 2012. Conversely, capital expansion projects peaked in 2008 at 9% of the capital program, decreased in 2009 and 2010, then dropped to 0% in 2011 and 2012. Enhancement projects peaked in 2008 at 10% of the capital program and comprised 5% of the program in 2012, an increase of one percentage point from 2011. The accompanying charts clearly show increasing maintenance shares for Metra and Pace's capital programs over the past five years, with CTA showing more variability from year to year, along with the gradual disappearance of expansion program dollars.







SERVICE MAINTENANCE AND CAPITAL INVESTMENT
State of Good Repair

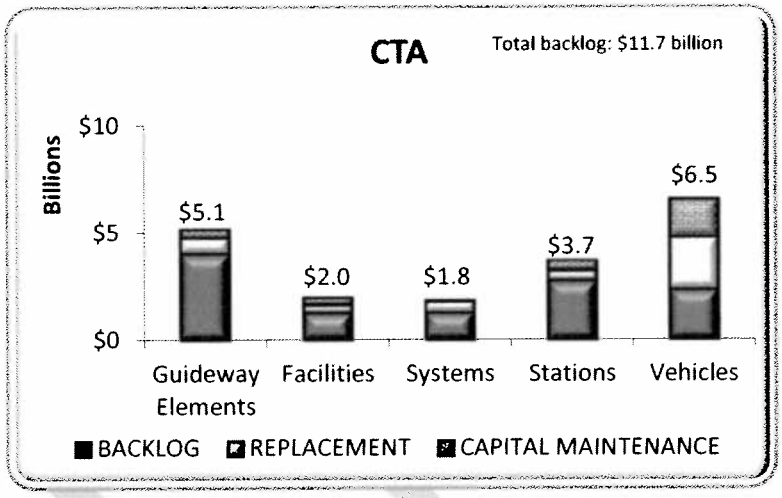
10-Year Capital Funding Needs

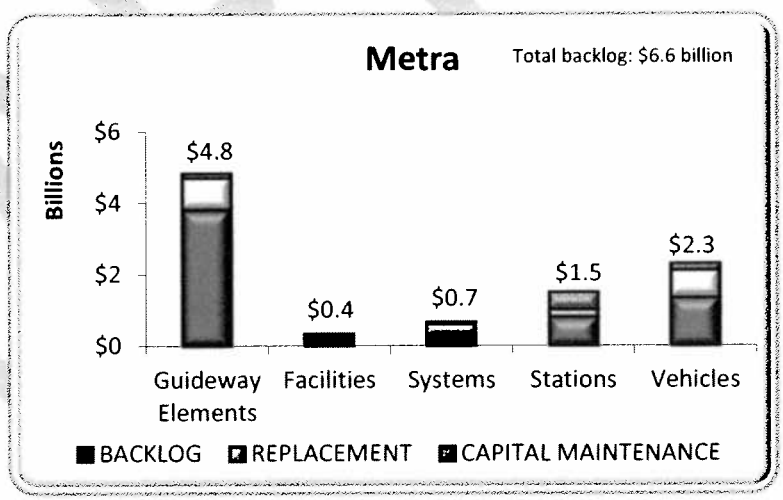
The capital funding that would be required to bring the condition of Service Board assets into a state of good repair, as projected for a ten-year time frame. The *backlog* value represents the replacement of assets that are already beyond their useful life. *Replacement* costs are the costs to replace assets that will reach the end of their useful life during the ten-year period. *Capital maintenance* refers to the costs of rehabilitation and other capital expenses associated with keeping an asset in a state of good repair.

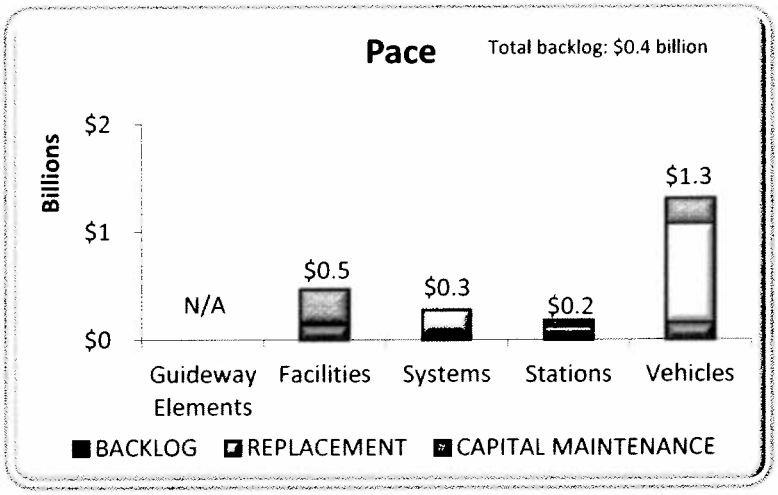
Recent Data and Interpretation

These charts represent 2011 data developed through a sampling of the region's assets. More extensive sampling will be conducted in upcoming years. *Guideway elements* include track, rail, bridges, and ties. *Facilities* include maintenance garages and yards. *Stations* include passenger facilities and parking lots. *Systems* include signals, fare collection equipment, radios, phones, and interlockings. *Vehicles* include all transit vehicles.

RTA system-wide capital needs over the next ten years are projected to exceed $31.1 billion, which includes approximately $18.7 billion in backlog projects.



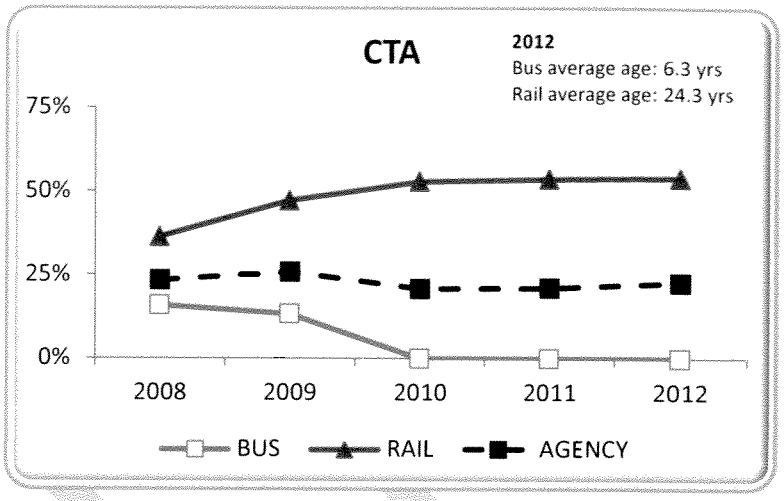


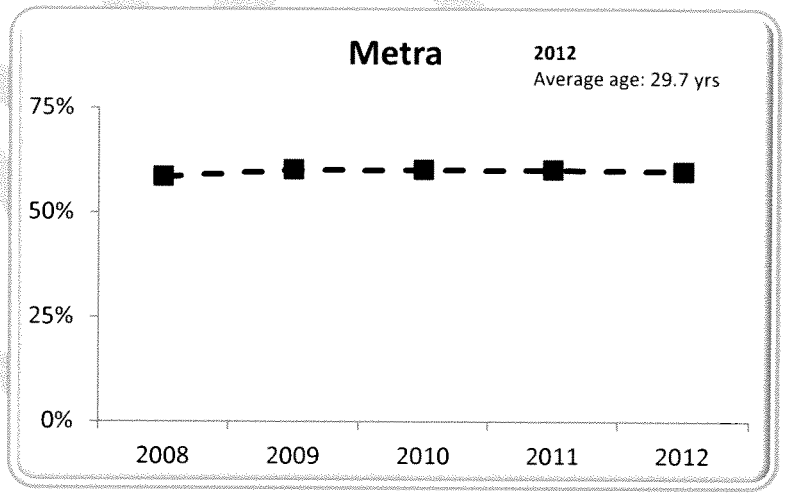


SERVICE MAINTENANCE AND CAPITAL INVESTMENT
State of Good Repair

Percent of Vehicles Beyond Useful Life

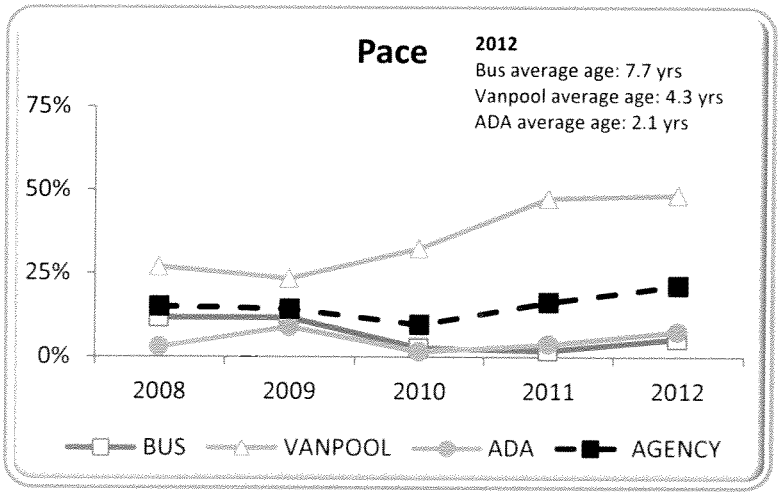
The percentage of revenue vehicles in the total active vehicle fleet beyond their minimum useful life as defined by the Federal Transit Administration. The FTA defines useful life as 4 years for automobiles or vans, 12 years for buses, and 25 years for rail cars. These data reflect the age of revenue service vehicles and do not consider life-extending rehabilitations, as this information is not reported by the NTD. The actual age at which vehicles are retired from service generally exceeds the minimum useful life due to limited capital funding.





Recent Data and Interpretation

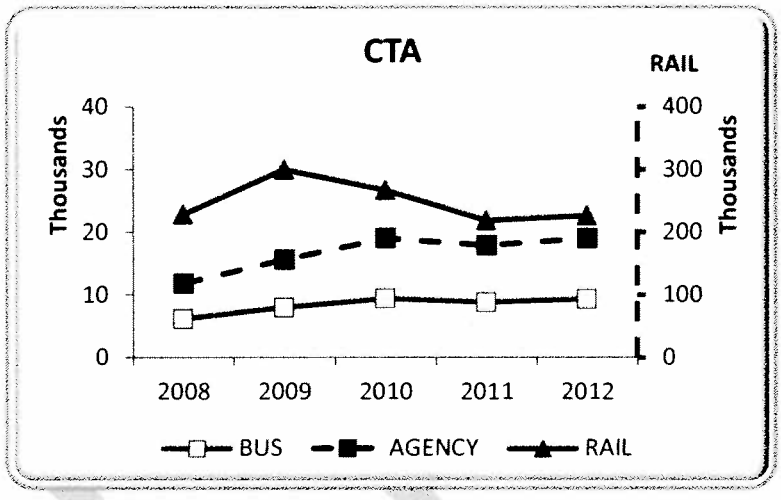
Regionally, there has been a 2.5 percentage point increase in the percentage of vehicles beyond their useful life, at 30.3% for 2012. While none of CTA's buses are beyond their useful life, 54.1% of its rail cars meet the criterion. The average age of Metra vehicles increased to 29.7 years, with 59.8% of its vehicles beyond their useful life. Both CTA rail and Metra have begun to replace older fleet cars, a process started in 2012 and continuing over the next few years. 21.3% of Pace's vehicles are beyond their useful life: 5.5% of buses, 48.5% of vanpool vehicles, and 7.7% of ADA vehicles. To keep their vehicles in service and operating safely longer than FTA guidelines, each Service Board undertakes extensive maintenance and rehabilitation programs.



SERVICE MAINTENANCE AND CAPITAL INVESTMENT
Reliability

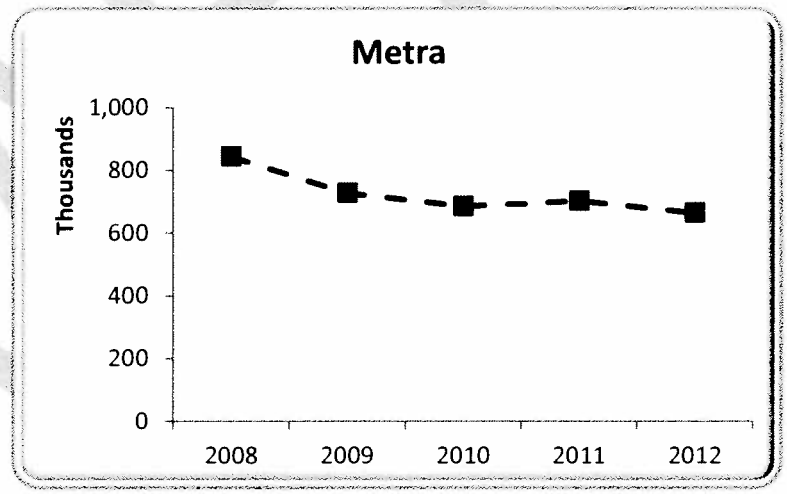
Miles between Major Mechanical Failures

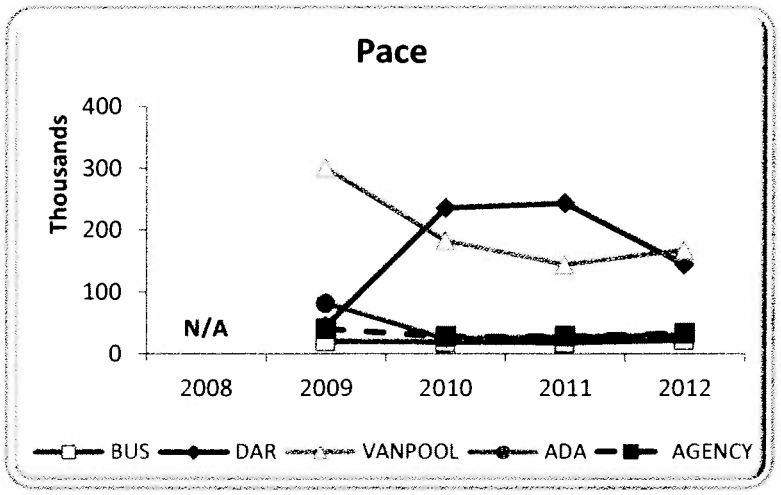
The average number of miles that vehicles travel while in service between failures of some mechanical element or a safety concern that prevents the vehicle from completing a scheduled trip or from starting the next scheduled trip. Prior to 2009, NTD did not require reporting of major mechanical failures for purchased transportation; therefore, only four years of data are shown for Pace so that all of the mechanical failures are represented for each mode and type of service.



Recent Data and Interpretation

CTA bus had a favorable 5.7% increase for this measure in 2012, and has improved 51.4% since 2008, as older buses were removed from its fleet. CTA rail's miles between major mechanical failures improved 3.6% in 2012 as newer vehicles were introduced into the fleet, reversing a two-year downward trend. Metra's average distance between major mechanical failures declined by 5.5% in 2012 and was 21.3% lower compared to 2008; during this time, Metra's average fleet age increased 15.1%. Pace bus had 18.6% fewer major mechanical failures in 2012, improving its performance for this metric by 25% for the year and 10.3% over the past five years. Overall, dial-a-ride and vanpool have very few mechanical failures spread over many vehicle miles, resulting in seemingly large variances for this measure. ADA has remained fairly stable for the past three years.





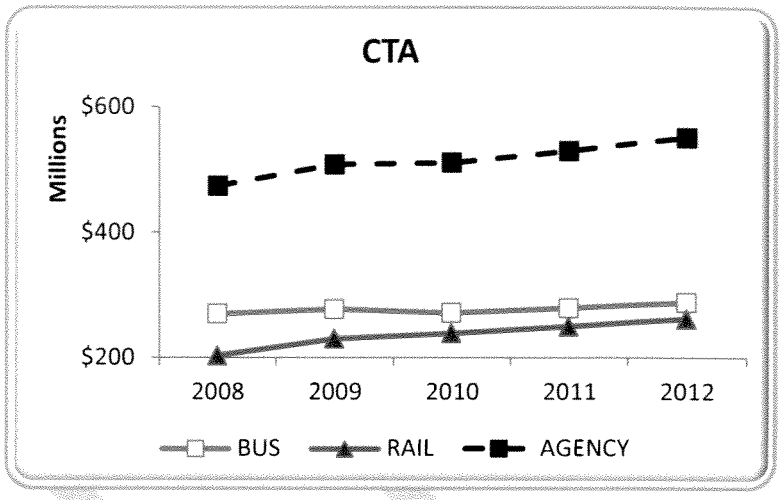
SERVICE LEVEL SOLVENCY
Operations

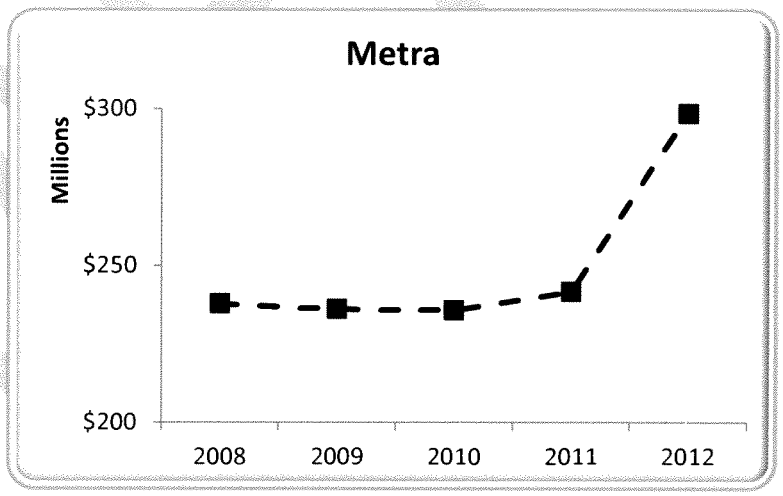
Fare Revenue

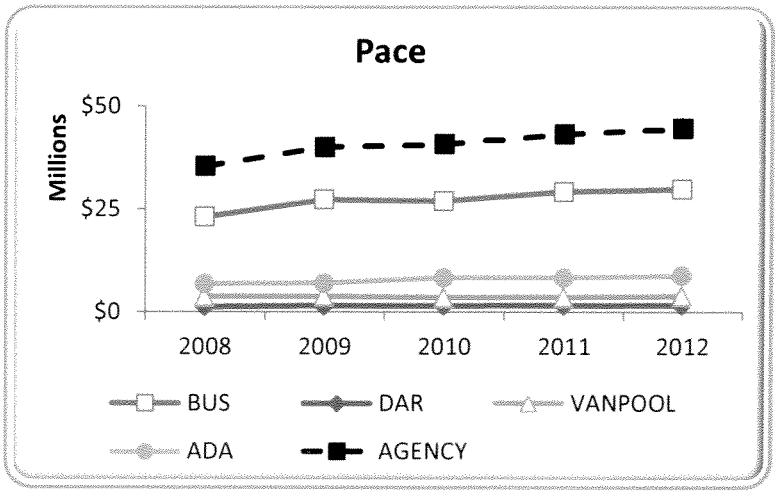
All revenue received directly from passengers, either paid in cash or through pre-paid tickets, passes, etc. including the reduced fares paid by passengers. Any gap between paid fares and the cost of operation must be covered by tax revenues, public transportation funds, and system-generated revenues other than fares.

Recent Data and Interpretation

Fare revenue for 2012 and for the five-year period improved for each Service Board and for each mode. System-wide fare revenue was up 9.7% for the year and 19.6% compared to 2008. CTA fare revenues have improved 16.3% since 2008, from a fare increase in 2009 and ridership growth. Rail fare revenue increased 28.8% and bus fare revenues were also favorable by 6.9%. Metra saw a 23.5% increase in fare revenues compared to 2011 and was 25.5% higher than in 2008 due to fare adjustments in 2010 and fare increases in 2008 and 2012. In 2012, Pace realized agency-wide fare revenue increases of 3.5%, and was up 26.1% compared to 2008, with its last fare increase in 2009. Over the five-year period, double-digit gains were realized for dial-a-ride (27.5%), ADA (28.4%), and bus (29.2%). Vanpool also realized an increase compared to 2008, and was up 3.1%.







SERVICE LEVEL SOLVENCY
Operations

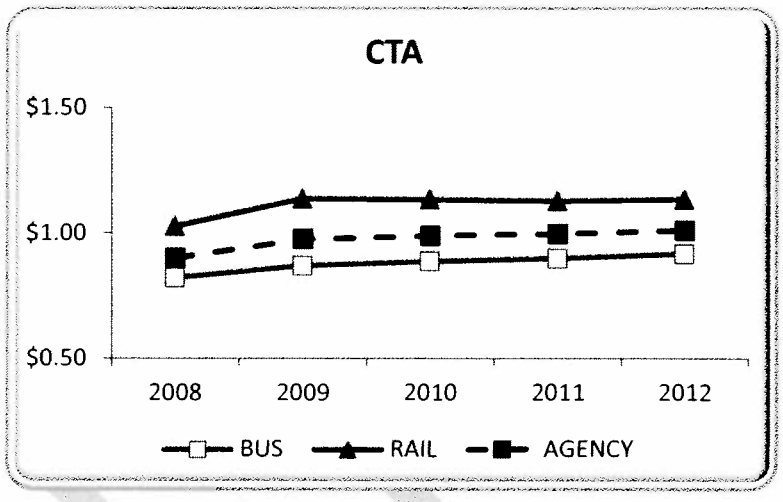
Fare Revenue per Passenger Trip (Average Fare)

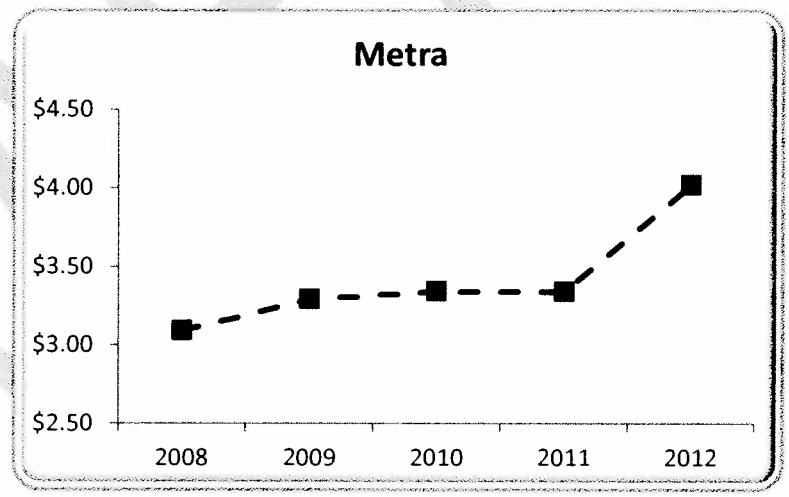
Total fare revenues divided by the total number of passenger trips.

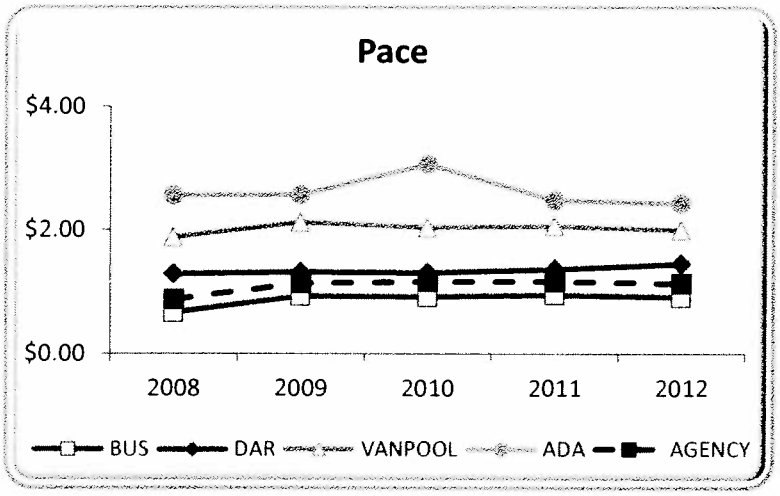
Recent Data and Interpretation

Although each Service Board realized gains in fare revenue and in passenger trips for 2012, the fare revenue per passenger trip (average fare) did not increase for each mode.

The average fare for CTA bus rose 2.0% and rail was up 0.5% for 2012, and rose 11.6% and 10.4%, respectively, compared to 2008. Metra, following a significant fare increase in 2012, had an average fare increase of 20.4% and was 30.0% higher than 2008. Pace dial-a-ride was its only mode to see an increase for the year, up 6.3% as its fare revenue increase far outpaced its increase in passenger trips. For bus, vanpool, and ADA paratransit, average fares were down for the year as each mode saw ridership increases that outweighed fare revenue increases. Fare revenue per ADA trip was down for the five-year period at -5.0%. The average fare for Pace bus service rose 39.1% compared to 2008, dial-a-ride rose 12.7%, and vanpool increased 6.2%, as fare revenue increases exceeded ridership gains. Regionally, Chicago-area transit recovers $1.36 from passenger fares per passenger trip, ranging from $0.92 from CTA bus riders to $4.02 for Metra riders.







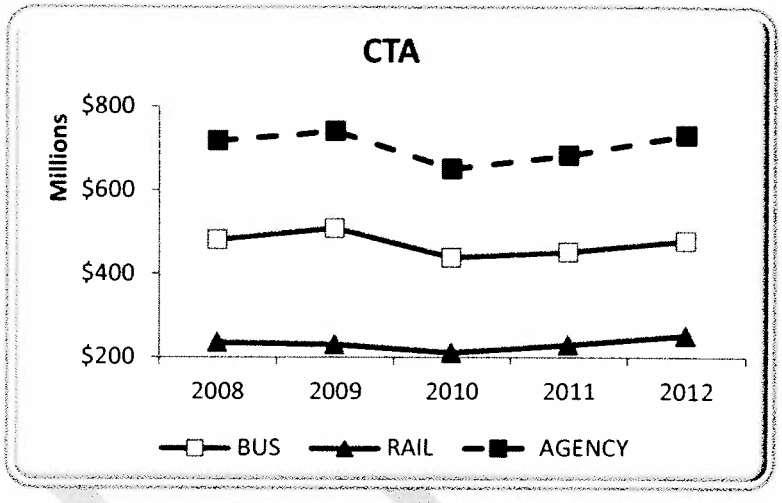
SERVICE LEVEL SOLVENCY
Operations

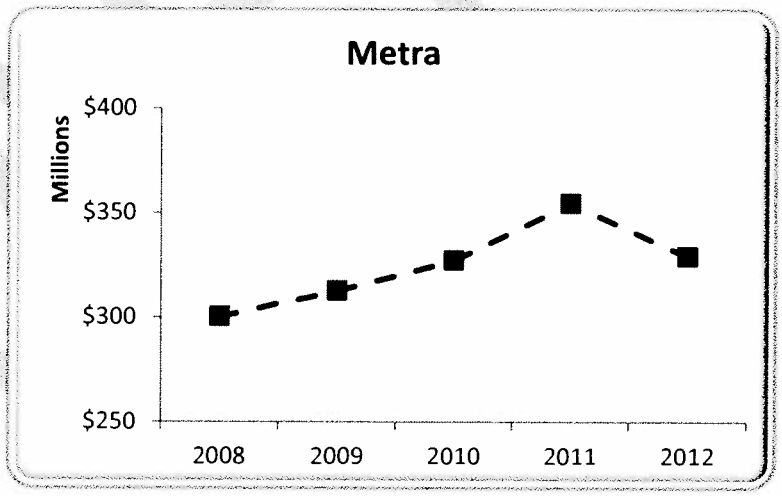
Non-Fare Revenue (Farebox Recovery Shortfall)

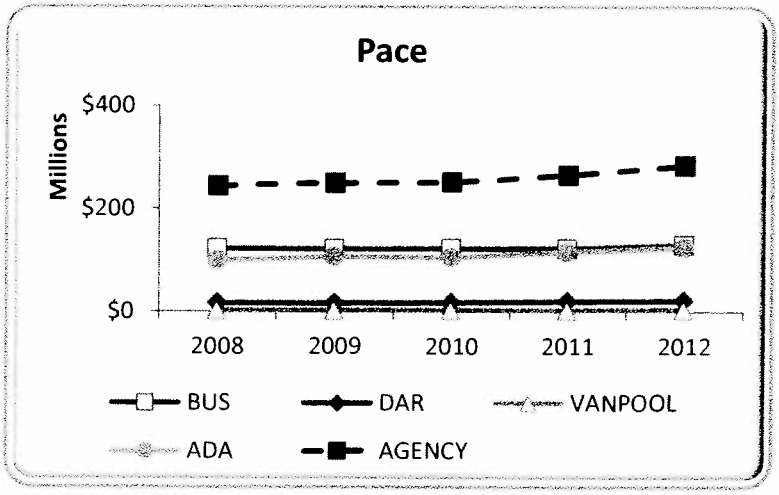
The amount of revenue from all sources, other than fare revenue, that is required to cover the total cost of operations. Non-fare revenue can be system-generated, e.g., concessions, advertising, etc., or can come from state, local and/or federal funds.

Recent Data and Interpretation

Operating cost increases outweighed rising fare revenues for each service mode except Metra's commuter rail service. Overall, there was a 3.4% increase in non-fare revenue for 2012, and a 6.8% increase from 2008. CTA bus and rail increased by 5.9% and 9.5%, respectively. With its significant 23.5% increase in fare revenues, Metra's non-fare revenue was reduced by 7.1% in 2012, indicating a lower reliance on public funds to cover operating costs. Each Pace mode saw unfavorable increases for this indicator in 2012, from 5.7% for dial-a-ride to 31.2% for vanpool, which had operating cost increases that almost tripled its rate of fare revenue increases for the year. Five-year increases in non-fare revenue ranging from 6.2% (bus) to 53.8% (vanpool) resulted in a net non-fare revenue increase of 16.2% for Pace, an unfavorable result that signals an increased dependence on public subsidy to cover the cost of operations.







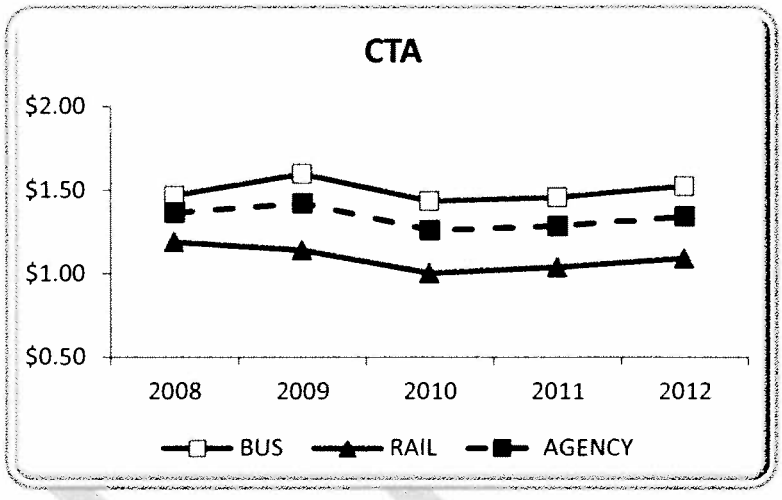
SERVICE LEVEL SOLVENCY
Operations

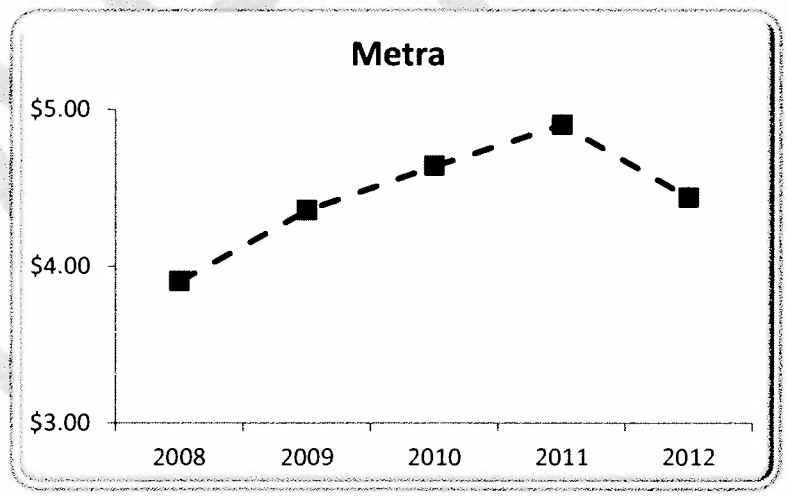
Non-Fare Revenue (Farebox Recovery Shortfall) per Passenger Trip

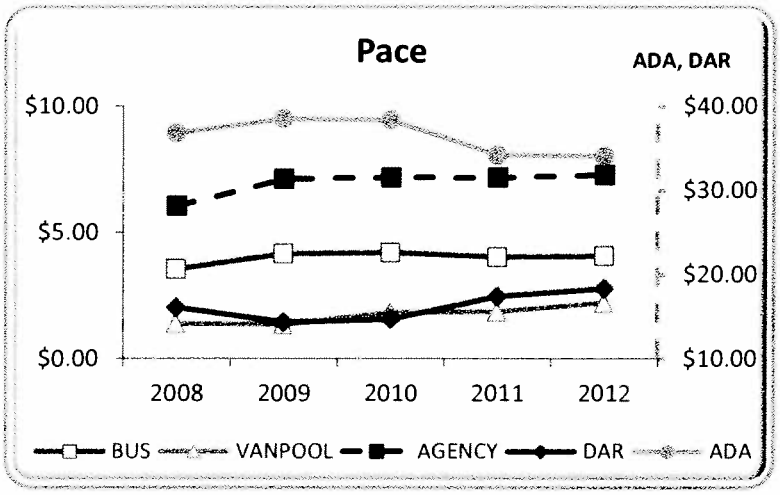
Total non-fare revenue divided by the total number of passenger trips taken. Non-fare revenue per trip is the amount of revenue from all sources, other than fares, required to cover the average cost of a passenger trip.

Recent Data and Interpretation

Examining farebox recovery shortfalls on a per-trip basis gives context to the Service Boards' reliance on public subsidy to meet operating costs. CTA's 2012 7.1% increase in farebox recovery shortfall was not offset by ridership gains, resulting in an unfavorable 4.4% increase for non-fare revenue per passenger trip (4.6% for bus and 4.9% for rail, respectively). Over the past five years, however, CTA has realized a net 1.7% decrease in farebox recovery shortfall per trip, indicating a reduced reliance on public subsidy per trip. Following its 2012 fare increase, Metra's shortfall per trip decreased 9.5%, yet remained 13.6% above the 2008 level. Pace bus, dial-a-ride, and vanpool rose 0.8%, 5.5%, and 19.0%, respectively, in 2012. Pace ADA paratransit service declined slightly (-0.3%) in 2012 and was 7.4% lower than 2008. Regionally, the farebox recovery shortfall per passenger trip ranges from $1.09 for CTA rail to $34.12 for ADA service, reflecting the cost savings inherent in large capacity rail service versus more individualized service such as ADA paratransit.







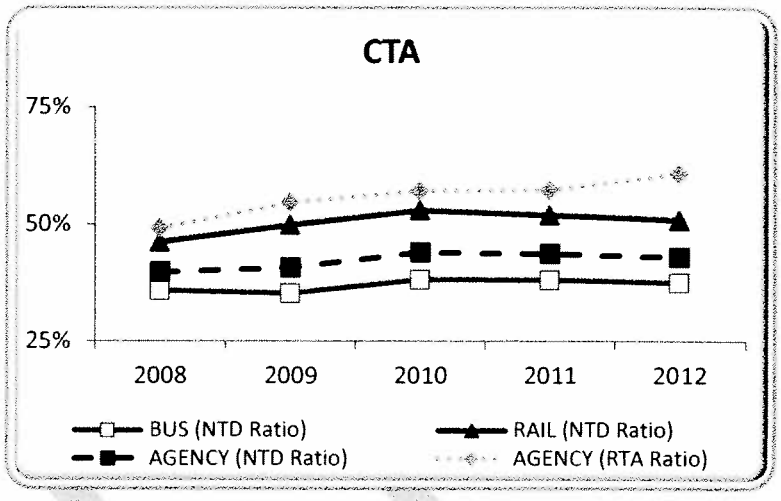
SERVICE LEVEL SOLVENCY
Operations

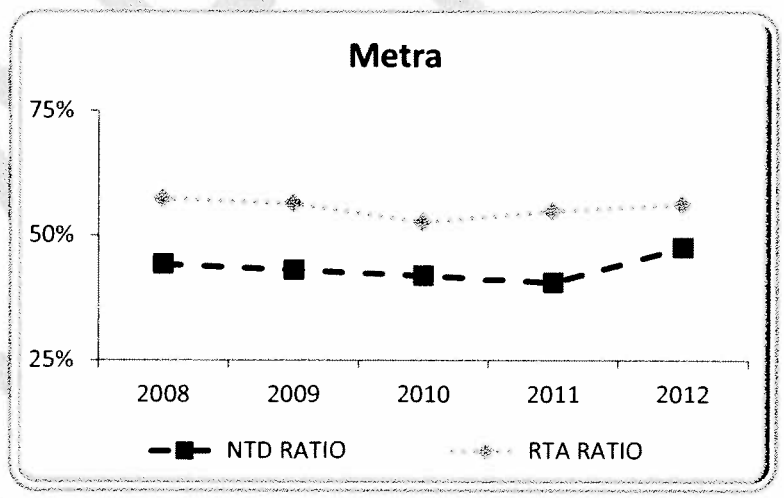
Fare Recovery Ratio

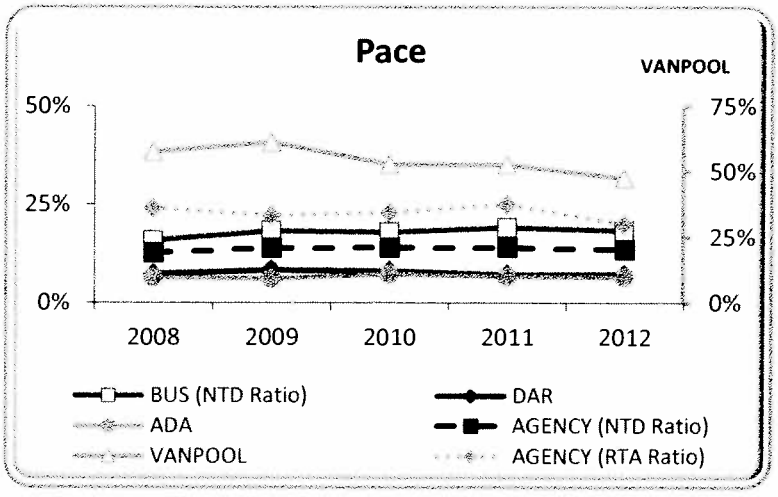
The National Transit Database (NTD) fare recovery ratio is the percentage of actual operating cost of service delivery that is covered by passenger fares, which differs somewhat from the RTA recovery ratio. The RTA recovery ratio also takes into account certain adjustments as enumerated in the RTA Act, which requires that the sum of all system-generated revenues (excluding ADA paratransit) equals at least 50% of the total cost of providing public transit. Costs and revenues for ADA paratransit must meet a 10% recovery ratio.

Recent Data and Interpretation

System-wide, the NTD recovery ratio improved in 2012, from 37.9% to 39.3%, 2.7 percentage points higher than 2008. CTA bus saw improvement from 35.9% in 2008 to 37.6% in 2012. CTA rail also improved, from 46.3% in 2008 to 51.0% in 2012, indicating that fare increases and reductions in operating costs have been successful to narrow the gap between farebox revenue and operating costs. After three years of declining fare recovery ratios, Metra improved from 44.2% in 2008 to 47.5% in 2012 after implementing a fare increase to reverse this trend. Pace has kept its agency fare recovery ratio around 14% for each of the five years under analysis, although the fare recovery ratio for bus has fluctuated from 15.8% in 2008 to 18.6% in 2012, and vanpool has steadily declined from a high of 61.2% in 2009 to a five-year low of 47.5% in 2012.







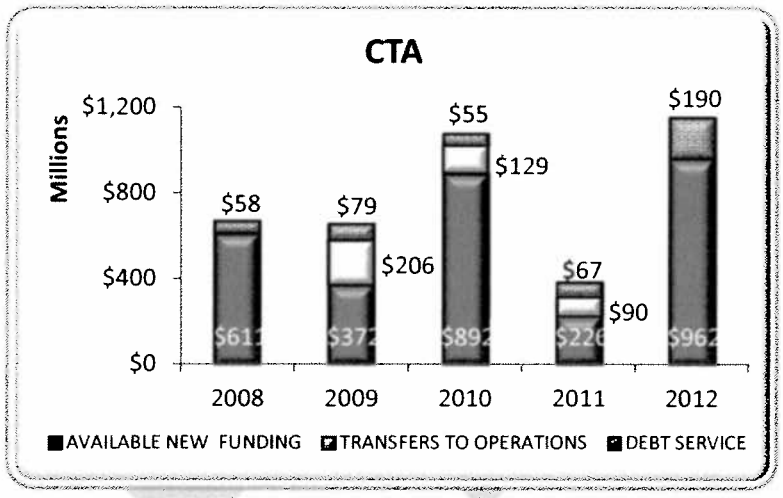
SERVICE LEVEL SOLVENCY
Capital

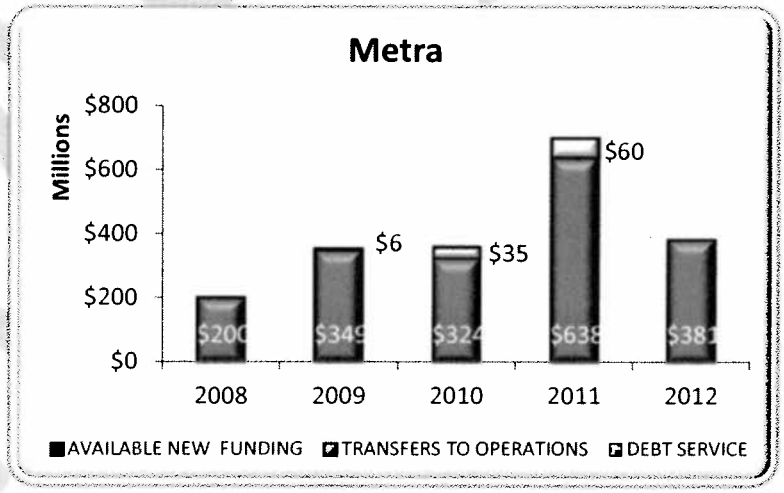
Capital Program Funding

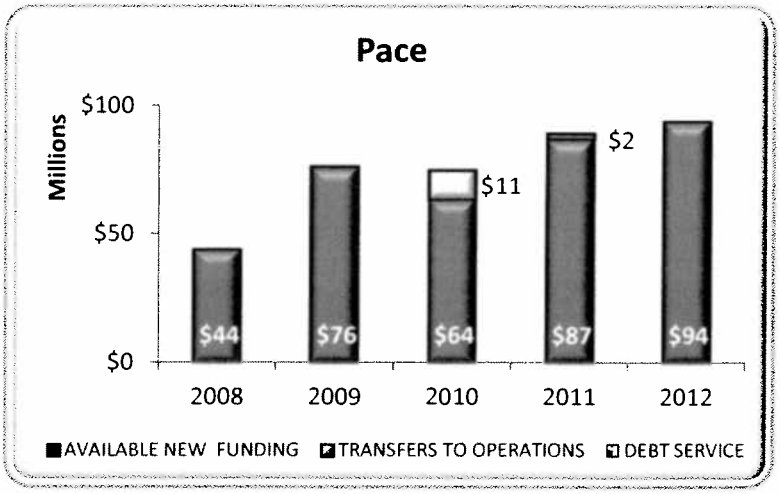
This indicator demonstrates the amount of capital funds available to finance the maintenance, enhancement, and expansion of the transit system infrastructure. These figures represent the year-end total capital program for each Service Board.

Recent Data and Interpretation

The region as a whole has seen a 73.5% increase in available new capital program funding compared to 2008. Much of that increase is dedicated to the 2012 CTA Red Line reconstruction project. Metra saw a decrease of 40.3% from 2011, which was an unusually high year and allowed the agency to make payments to replace about 10% of its rail fleet. Pace has seen steady, consistent increases to its capital program funding, with a 7.8% increase in 2012 and a five-year gain of 112.8%. Overall, the region's new available capital program funding totaled $1.483 billion in 2012, which nearly matches the amount needed to meet normal annual replacement and capital maintenance expenditures. However, this amount does not contribute to lessening the ever-growing backlog of capital funding needs, estimated to total $18.7 billion in 2012 and expected to grow as more complete data on the region's assets become available. To increase available capital funding, each agency made a commitment in 2011 to discontinue the practice of transferring capital funds to cover operating costs from 2012 and going forward, which is reflected in these charts.







APPENDICES

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APPENDIX A
CTA Bus Modal Characteristics

data source: National Transit Database	2008	2009	2010	2011	2012
Vehicles Operated in Maximum Service	1,843	1,737	1,707	1,781	1,578
Vehicle Revenue Hours	7,038,300	7,008,308	5,955,896	5,638,171	5,658,426
Vehicle Revenue Miles	68,740,300	67,442,222	56,821,006	52,405,033	52,427,711
Passenger Trips	328,199,214	318,672,798	306,023,976	310,381,447	314,423,578
Passenger Miles	779,847,400	739,267,903	707,314,873	712,866,883	725,064,380
Operating Cost	$752,000,163	$786,905,237	$710,902,330	$732,131,718	$768,077,305
Average Passenger Trip Length (miles)	2.38	2.32	2.31	2.30	2.31
Average Speed (mph)	9.77	9.62	9.54	9.29	9.27
Miles Between Major Mechanical Failures	6,162	8,021	9,425	8,828	9,328
Fare Revenue	$270,011,586	$277,525,084	$271,642,600	$279,457,944	$288,620,266
Non-Fare Revenue	$481,988,577	$509,380,153	$439,259,730	$452,673,774	$479,457,039

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APPENDIX B
CTA Rail Modal Characteristics

data source: National Transit Database	2008	2009	2010	2011	2012
Vehicles Operated in Maximum Service	1,016	1,002	980	1,200	1,070
Vehicle Revenue Hours	3,813,000	3,732,593	3,479,766	3,504,281	3,575,439
Vehicle Revenue Miles	67,450,000	68,592,225	65,033,869	64,340,151	65,222,890
Passenger Trips	198,137,245	202,569,039	210,849,074	221,587,192	231,154,339
Passenger Miles	1,183,980,800	1,201,135,716	1,296,492,619	1,408,768,355	1,541,186,268
Operating Cost	$439,880,792	$462,014,895	$451,039,566	$480,953,575	$515,014,905
Average Passenger Trip Length (miles)	5.98	5.93	6.15	6.36	6.67
Average Speed (mph)	17.69	18.38	18.69	18.36	18.24
Miles Between Major Mechanical Failures	228,869	300,330	267,440	219,133	226,928
Fare Revenue	$203,809,557	$230,587,978	$239,349,891	$250,304,754	$262,542,243
Non-Fare Revenue	$236,071,235	$231,426,917	$211,689,675	$230,648,821	$252,472,662

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APPENDIX C
Metra Modal Characteristics

data source: National Transit Database	2008	2009	2010	2011	2012
Vehicles Operated in Maximum Service	1,056	1,056	1,057	1,052	1,048
Vehicle Revenue Hours	1,383,300	1,394,322	1,397,021	1,394,927	1,402,260
Vehicle Revenue Miles	42,591,500	42,930,292	43,143,575	42,895,967	43,152,489
Passenger Trips	76,937,575	71,767,204	70,534,886	72,349,785	74,246,584
Passenger Miles	1,749,113,800	1,657,430,332	1,608,049,284	1,645,354,028	1,681,876,092
Operating Cost	$538,006,078	$548,648,030	$562,779,173	$596,040,975	$627,591,444
Average Passenger Trip Length (miles)	22.73	23.09	22.80	22.74	22.65
Average Speed (mph)	30.79	30.79	30.88	30.75	30.77
Miles Between Major Mechanical Failures	843,494	727,072	684,997	702,060	663,707
Fare Revenue	$237,769,628	$236,067,676	$235,643,554	$241,577,676	$298,394,322
Non-Fare Revenue	$300,236,450	$312,580,354	$327,135,619	$354,463,299	$329,197,122

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APPENDIX D
Pace Bus Modal Characteristics

data source: National Transit Database	2008	2009	2010	2011	2012
Vehicles Operated in Maximum Service	607	629	579	596	584
Vehicle Revenue Hours	1,467,000	1,479,917	1,447,614	1,433,342	1,429,762
Vehicle Revenue Miles	20,375,200	20,685,145	20,038,582	19,952,828	20,200,197
Passenger Trips	34,655,169	29,296,943	29,292,008	30,630,554	32,191,038
Passenger Miles	237,200,700	202,437,813	189,683,635	197,257,695	205,573,095
Operating Cost	$146,161,626	$149,331,611	$150,136,535	$152,568,250	$160,555,855
Average Passenger Trip Length (miles)	6.84	6.91	6.48	6.44	6.39
Average Speed (mph)	13.89	13.98	13.84	13.92	14.13
Miles Between Major Mechanical Failures	0	20,298	18,913	17,909	22,386
Fare Revenue	$23,160,069	$27,350,008	$27,015,467	$29,262,270	$29,460,258
Non-Fare Revenue	$123,001,557	$121,981,603	$123,121,068	$123,305,980	$131,095,597

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APPENDIX E
Pace Dial-a-Ride Modal Characteristics

data source: National Transit Database	2008	2009	2010	2011	2012
Vehicles Operated in Maximum Service	260	326	301	317	309
Vehicle Revenue Hours	286,100	322,207	353,736	328,458	338,332
Vehicle Revenue Miles	4,079,600	4,908,675	5,686,897	5,106,633	5,244,023
Passenger Trips	1,102,680	1,234,527	1,265,118	1,244,368	1,124,415
Passenger Miles	6,470,500	7,845,377	7,517,744	7,510,823	7,612,131
Operating Cost	$19,238,974	$19,404,323	$20,326,193	$23,406,371	$24,201,961
Average Passenger Trip Length (miles)	5.87	6.35	5.94	6.04	6.77
Average Speed (mph)	14.26	15.23	16.08	15.55	15.5
Miles Between Major Mechanical Failures	0	45,032	236,281	243,815	144,771
Fare Revenue	$1,430,405	$1,638,065	$1,667,170	$1,712,833	$1,823,731
Non-Fare Revenue	$17,808,569	$17,766,258	$18,659,023	$21,693,538	$22,378,230

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APPENDIX F
Pace Vanpool Modal Characteristics

data source: National Transit Database	2008	2009	2010	2011	2012
Vehicles Operated in Maximum Service	725	643	605	641	675
Vehicle Revenue Hours	355,000	318,517	291,431	313,324	322,582
Vehicle Revenue Miles	10,455,600	9,615,683	9,314,829	9,505,472	10,411,711
Passenger Trips	2,021,235	1,809,752	1,751,388	1,778,633	1,961,719
Passenger Miles	47,581,200	43,375,569	37,507,196	40,830,511	43,211,497
Operating Cost	$6,629,230	$6,287,346	$6,782,420	$6,980,968	$8,263,453
Average Passenger Trip Length (miles)	23.54	23.97	21.42	22.96	21.98
Average Speed (mph)	29.45	30.19	31.96	30.34	32.28
Miles Between Major Mechanical Failures	0	300,490	182,644	144,022	167,931
Fare Revenue	$3,809,750	$3,845,001	$3,578,691	$3,675,781	$3,926,622
Non-Fare Revenue	$2,819,480	$2,442,345	$3,203,729	$3,305,187	$4,336,831

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APPENDIX G
Pace ADA Paratransit Modal Characteristics

data source: National Transit Database	2008	2009	2010	2011	2012
Vehicles Operated in Maximum Service	863	754	785	785	767
Vehicle Revenue Hours	1,837,000	1,811,670	1,756,485	1,894,391	2,020,081
Vehicle Revenue Miles	26,284,800	26,036,382	25,365,727	27,580,943	30,053,972
Passenger Trips	2,725,799	2,785,569	2,769,464	3,416,326	3,682,432
Passenger Miles	22,122,000	21,685,948	22,935,897	29,169,187	31,202,343
Operating Cost	$107,435,566	$114,574,702	$114,861,027	$125,463,683	$134,639,964
Average Passenger Trip Length (miles)	8.12	7.79	8.28	8.54	8.47
Average Speed (mph)	14.31	14.37	14.44	14.56	14.88
Fare Revenue	$6,996,428	$7,177,555	$8,497,617	$8,497,511	$8,981,920
Non-Fare Revenue	$100,439,138	$107,397,147	$106,363,410	$116,966,172	$125,658,044

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Regional Transportation Authority

MOVING BEYOND CONGESTION

REGIONAL PERFORMANCE MEASURES

2007 PEER GROUP REPORT CARD

Overall regional performance is a function of five major areas:

- Service Coverage - monitors both how much service is available to people in the region (in terms of population and square miles) and how much of that service capacity is used.
- Service Efficiency and Effectiveness - evaluates the level of resources spent for delivering service in relation to the level of service provided and the extent to which passengers are using it.
- Service Delivery - reflects the quality of the service delivered.
- Service Maintenance and Capital Investment - indicates the allocation of capital funds and the replacement and maintenance of infrastructure components on a schedule consistent with their life expectancy.
- Service Level Solvency - assesses financial condition to ensure that there are sufficient resources to meet current and ongoing budgetary needs (both operating and capital).

EXECUTIVE SUMMARY

The Regional Performance Measures "2007 Peer Group Report Card" has been developed by the RTA as part of its oversight function and is to be used as a tool for managing the region's public transit system, with emphasis on both transparency and accountability. This report compares the performance of the RTA system, which includes CTA, Metra, and Pace, with peer regions. The ten most populous Urbanized Areas, as defined by the US Census, have been selected for analysis. In addition to Chicago, these regions are Atlanta, Boston, Dallas, Houston, Los Angeles, Miami, New York, Philadelphia, and Washington, DC with the Chicago region being the third most populated.

Overall, the report suggests that the performance of our regional transit system is relatively good compared to other selected regions, although specific opportunities remain. With thirteen performance measures being tracked, Chicago's position among peer regions remained average or better than peers in twelve out of thirteen measures and worse than average peer performance in one. Out of four areas evaluated, Chicago performed most favorable in service coverage.

Service Coverage: Chicago is in the middle range of the amount of transit trips available for each resident in the region and is second only to New York in the vehicle revenue miles traveled relative to the geographic extent of the service area. This reflects northeastern Illinois' historic investment in regional transit. Chicago's total number of passenger trips is commensurate with the region's size and is in the middle with regard to the number of rides taken per resident. Furthermore, only in the New York area does the cumulative number of passenger-miles traveled by all passengers exceed Chicago reflecting both the total number of trips and the long commuting distances.

Service Efficiency and Effectiveness: Chicago is in the mid-range for operating cost per unit of transit capacity, and in the upper-middle range of operating cost per passenger trip taken, both which include complex cost factors, but nevertheless provide opportunity for improvement. On a per passenger mile basis, however, Chicago is second from lowest, almost as low as New York, where transit providers are able to take advantage of economies of scale.

Service Delivery: No data is available in the National Transit Database to evaluate this area.

Service Maintenance and Capital Investment: Reflecting in part the recent absence of a state capital investment program, Chicago ranks second worse (even among cities with large rail systems) in the percent of transit vehicles beyond their useful service life. On the other hand, Chicago has an impressive ranking in the average distance between major mechanical failures, scoring third-highest. The two data indicators, taken together, suggest that despite the funding challenges, Chicago's transit providers have done a creditable job of keeping a disproportionately aging fleet in good mechanical condition.

Service Level Solvency: Both service level solvency indicators suggest that Chicago's transit system is performing well in financial terms relative to some of its peers. Only in Washington, DC do transit customers, on average, pay more per trip in passenger fares. Regardless, Chicago is only in the middle of the range of average amounts of each trip that is not covered by passenger fares, or the amount of subsidy required per passenger. This measure is affected by population densities and efficiency of service. .

Note: This report reflects performance measurement data for 2007 as this year represents the most complete data set currently available from the National Transit Database (NTD).
New Jersey Transit serves both the New York and Philadelphia regions, that agency and other New Jersey carriers have been excluded from the New York and Philadelphia data. This may have the effect of slightly skewing the data toward the more transit-intensive central cities in these regions.

SERVICE COVERAGE:

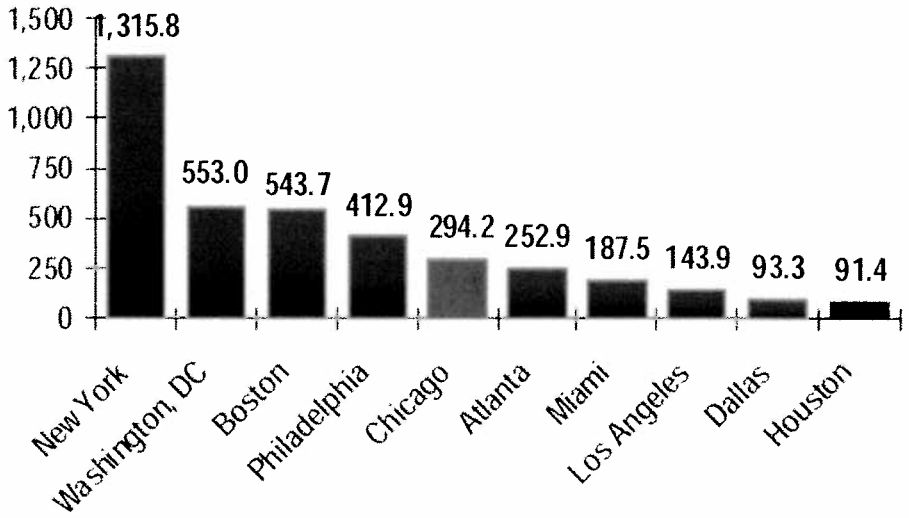
Service Supplied *and* Service Consumed

Transit Capacity (trips):

The amount of service provided as measured in trips available to be taken.

Per Area Resident

The number of trips available for each resident in the region to take annually.

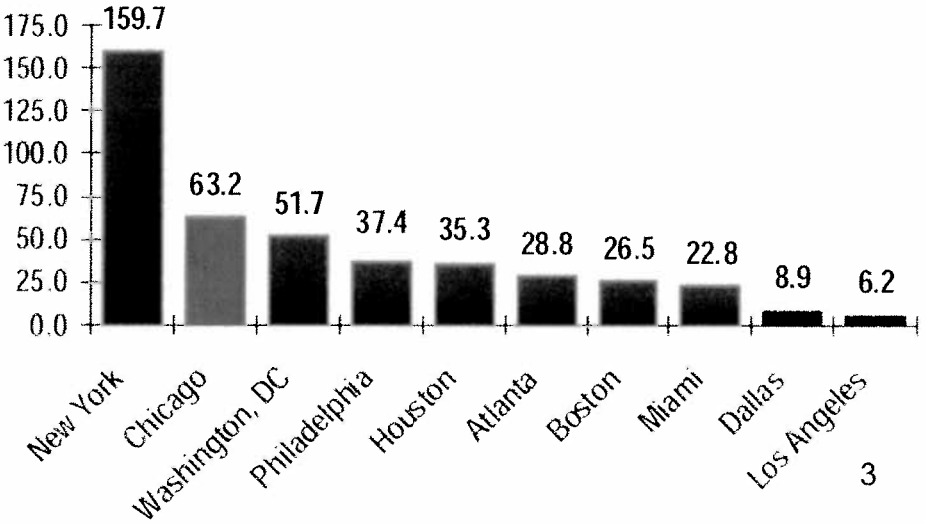


Vehicle Revenue Miles

The amount of service provided as measured in miles driven by vehicles while in service.

Per Service Area Square Mile (in thousands)

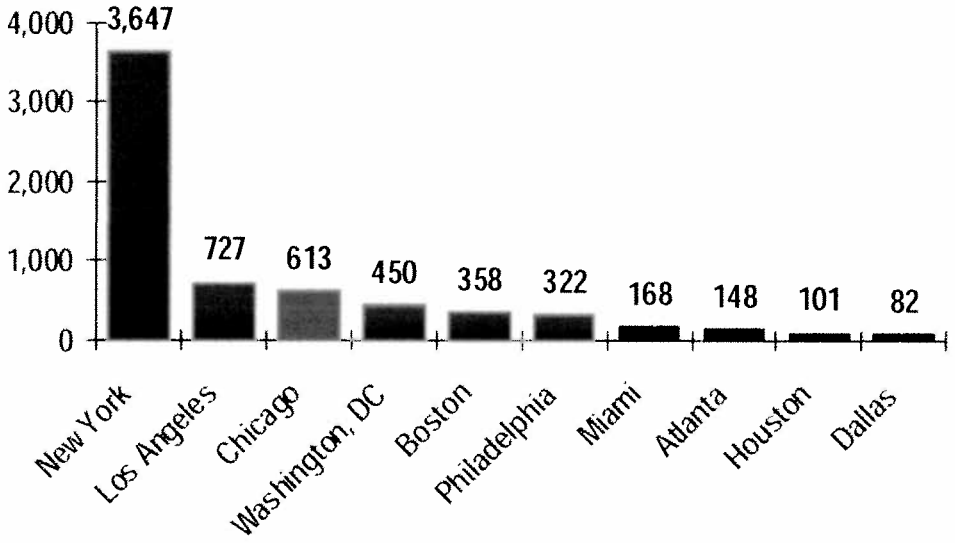
The number of miles of travel provided per square mile of the service area annually.



Passenger Trips (Ridership):

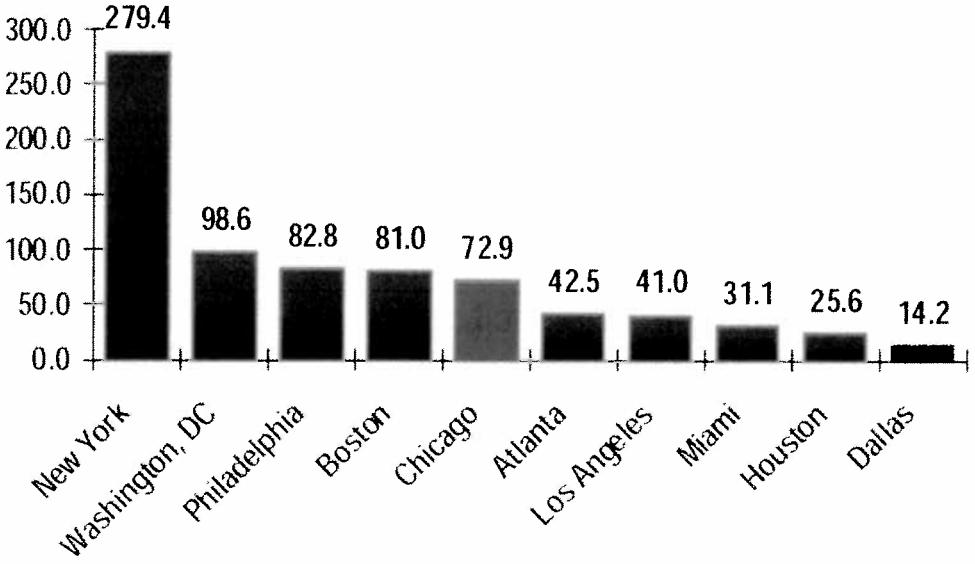
The number of times passengers board buses and trains, including transfers from one bus or train to another in order to complete their trips.

(in Millions)



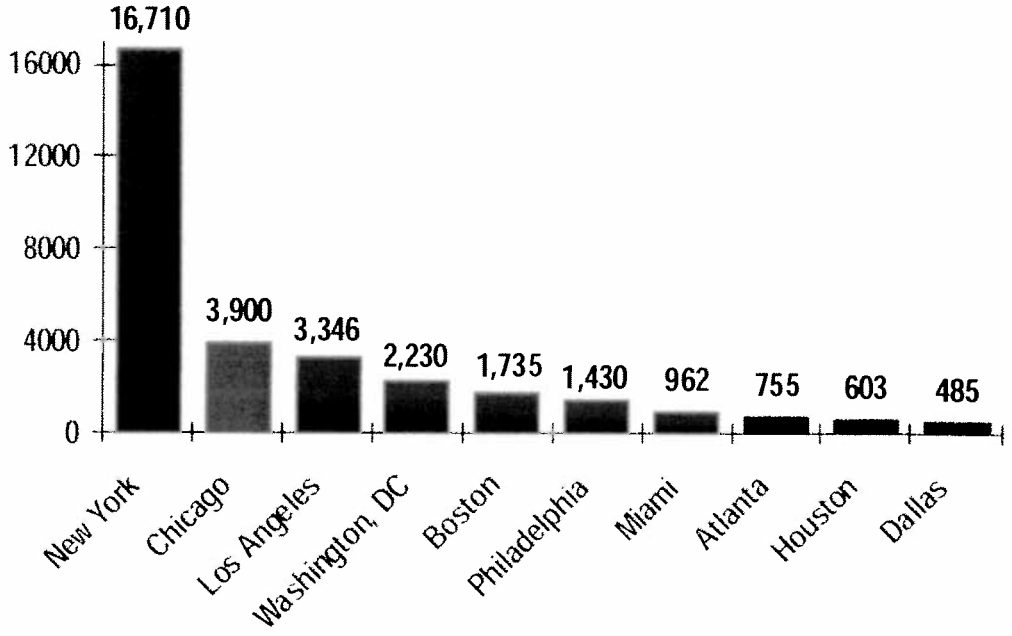
Per Area Resident

The average number of rides taken per resident annually.



Passenger Miles:
The cumulative sum of the distances ridden by all passengers.

(in Millions)

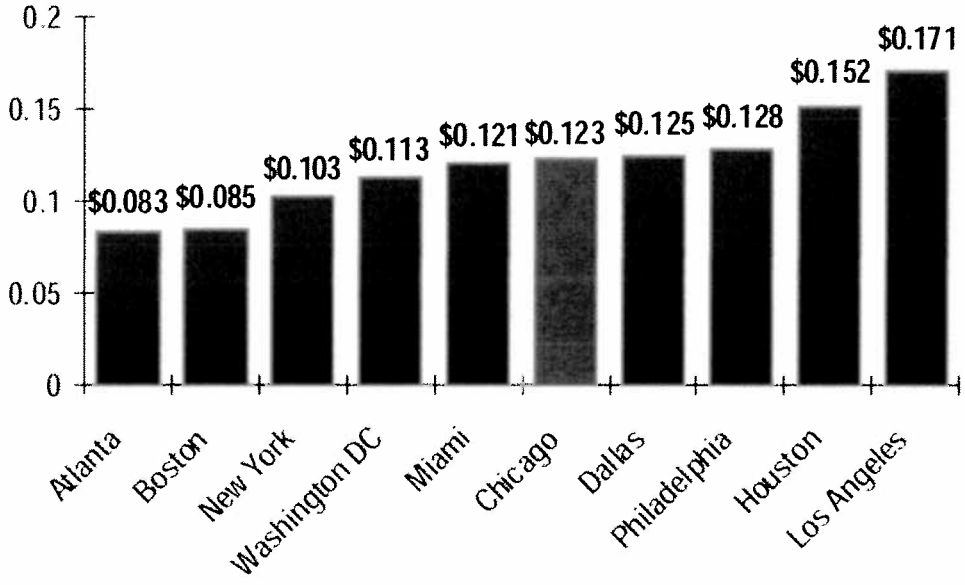


SERVICE EFFICIENCY AND EFFECTIVENESS:
Service Efficiency and Cost Effectiveness

Operating Cost
The expenses associated with the operation of the transit system.

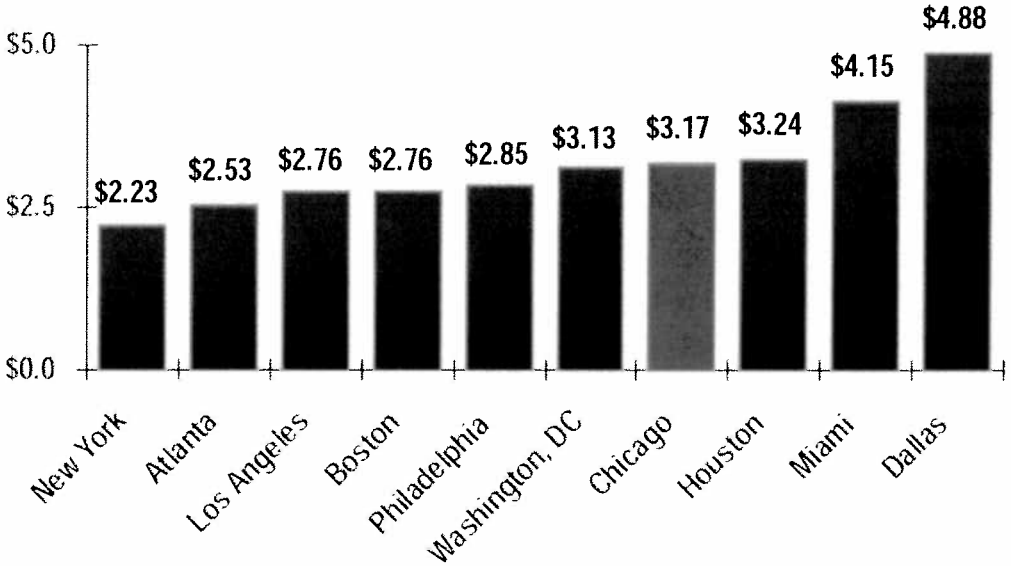
Per Unit of Transit Capacity

The average cost of providing a passenger seat or space for each mile of an individual trip, whether or not it is taken.



Per Passenger Trip

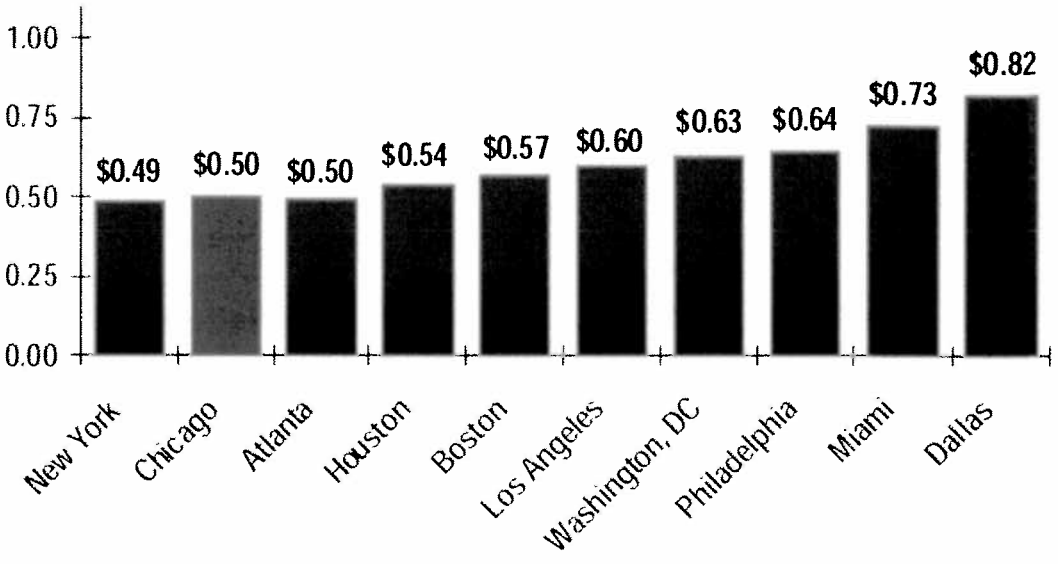
The average cost of an individual trip taken.



Operating Cost - continued

Per Passenger Mile

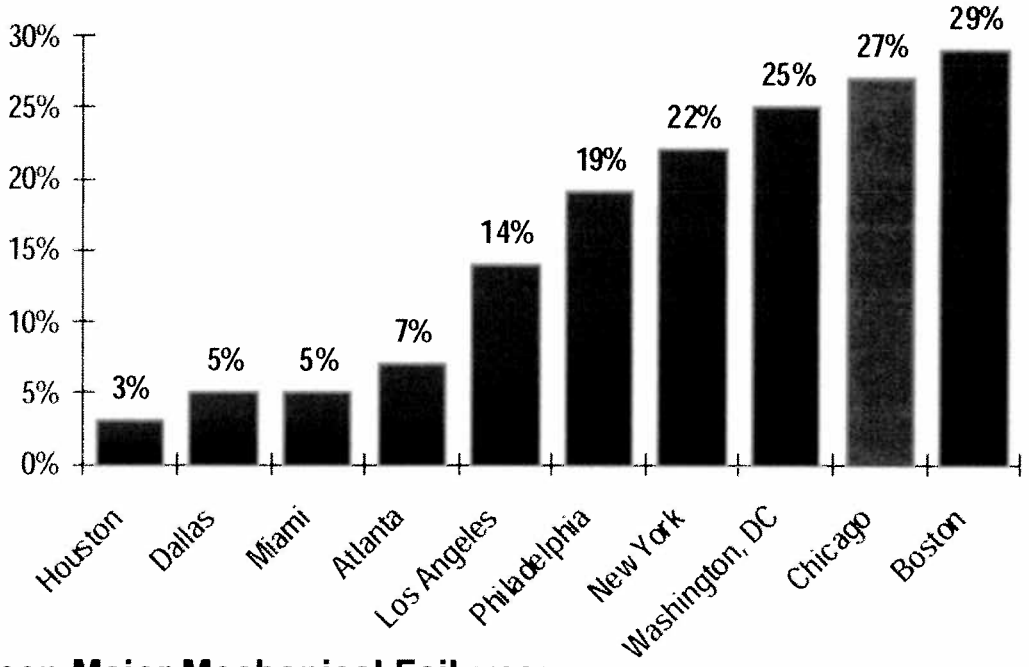
The average cost of providing each mile of an individual trip taken.



SERVICE MAINTENANCE AND CAPITAL INVESTMENT:
State of Good Repair *and* Reliability

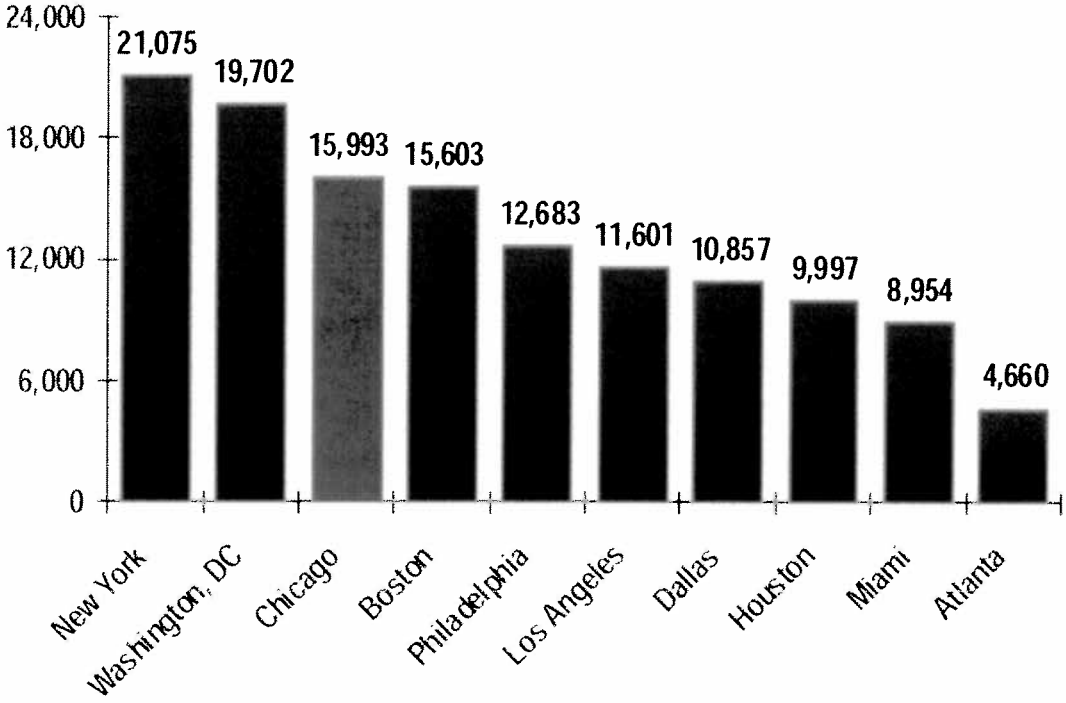
Percent of Vehicles Beyond Useful Life:

The actual number of vehicles for all modes combined that exceeds their individual useful lives as defined by the Federal Transit Administration (12 years for buses and 25 years for rail cars that are new; or longer for some vehicles if life-extending rehabilitations are performed).



Miles Between Major Mechanical Failures:

The average distance that vehicles of all modes travel in revenue service uninterrupted by mechanical failures that prevent them from completing a scheduled trip or from starting the next scheduled trip.

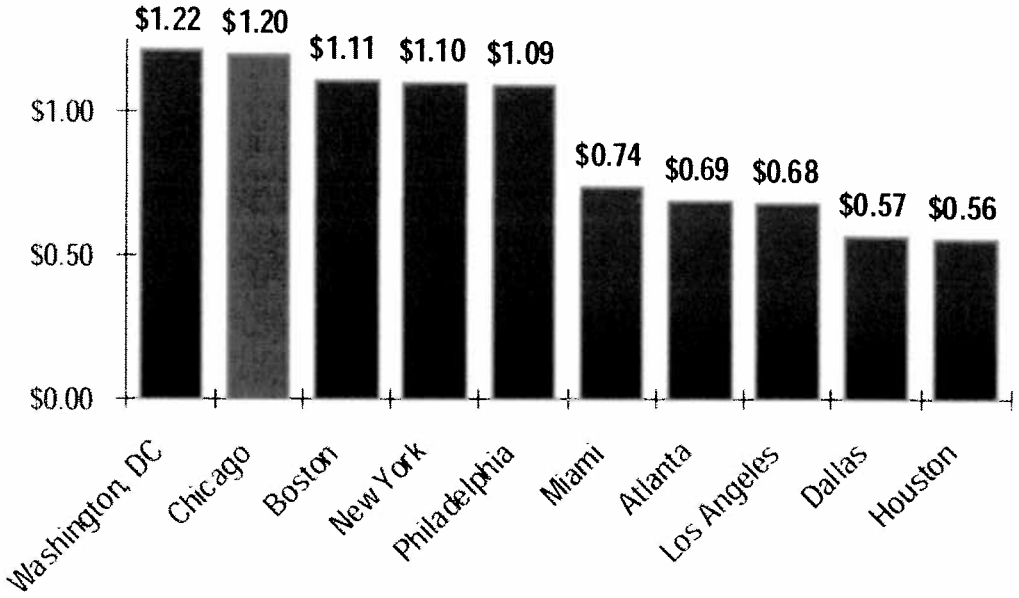


SERVICE LEVEL SOLVENCY:
Operations *and* Capital

Fare Revenue:
The total amount of money that passengers pay in fares.

Per Passenger Trip

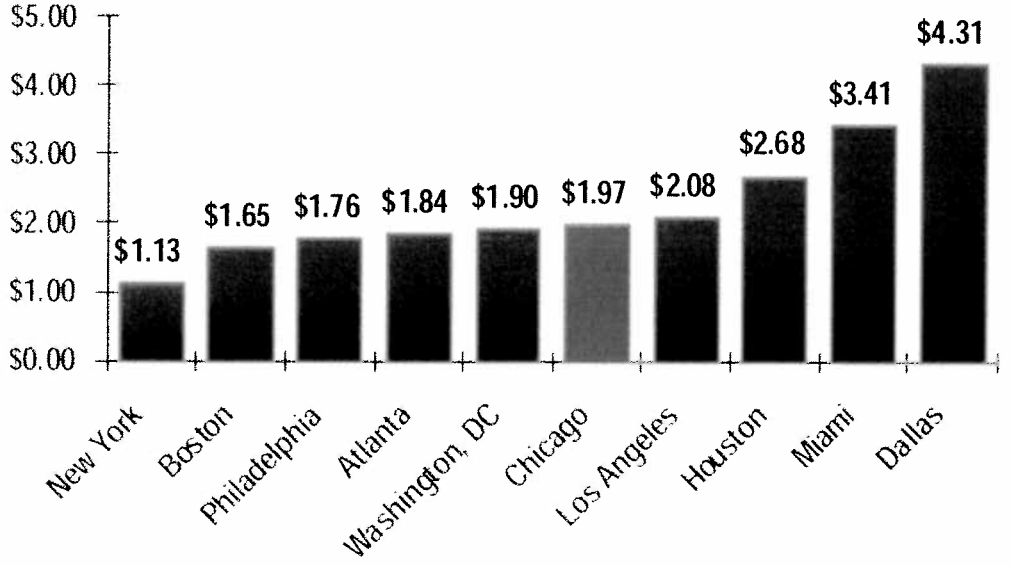
The average fare paid by a customer per trip.



Fare Subsidy:
The amount of the total cost of operation that is not covered by fare revenue.

Per Passenger Trip

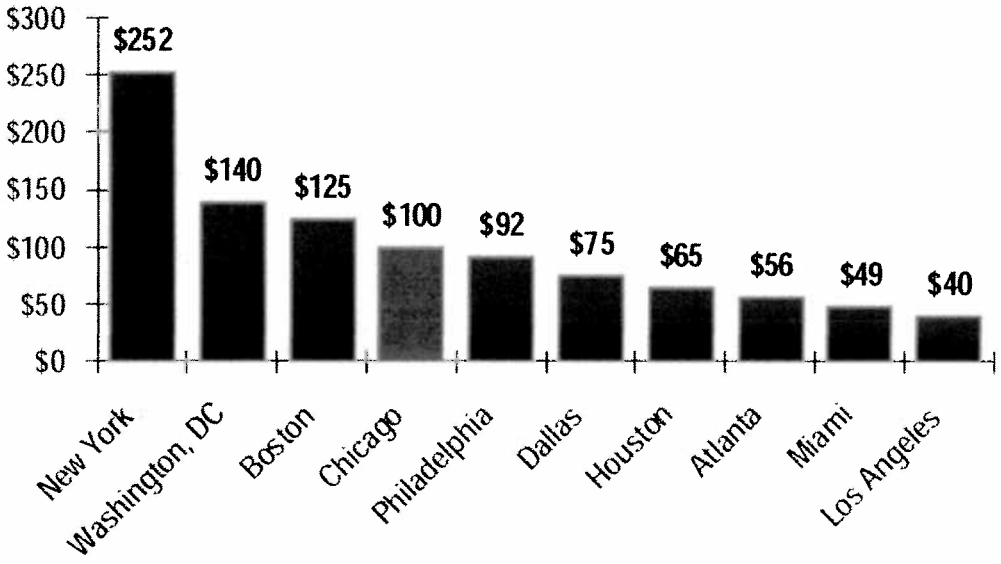
The average amount of each trip that is not covered by the fare paid by the customer.



Capital Program Expenditures:

The amount of capital funds expended to finance the maintenance, enhancement and expansion of the transit system infrastructure.

(Per Area Resident)



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Regional Transportation Authority

MOVING BEYOND CONGESTION

REGIONAL PERFORMANCE MEASURES

2008 PEER GROUP REPORT CARD

Overall regional performance is a function of five major areas:

- Service Coverage - monitors both how much service is available to people in the region (in terms of population and square miles) and how much of that service capacity is used.
- Service Efficiency and Effectiveness - evaluates the level of resources spent for delivering service in relation to the level of service provided and the extent to which passengers are using it.
- Service Delivery - reflects the quality of the service delivered.
- Service Maintenance and Capital Investment - indicates the allocation of capital funds and the replacement and maintenance of infrastructure components on a schedule consistent with their life expectancy.
- Service Level Solvency - assesses financial condition to ensure that there are sufficient resources to meet current and ongoing budgetary needs (both operating and capital).

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EXECUTIVE SUMMARY

The Regional Performance Measures "2008 Peer Group Report Card" has been developed by the RTA as part of its oversight function and is to be used as a tool for managing the region's public transit system, with emphasis on both transparency and accountability. This report compares the performance of the RTA system, which includes CTA, Metra, and Pace, with peer regions. The ten most populous Urbanized Areas, as defined by the US Census, have been selected for analysis. In addition to Chicago, these regions are Atlanta, Boston, Dallas, Houston, Los Angeles, Miami, New York, Philadelphia, and Washington, DC, with the Chicago region being the third most populated.

Overall, the report suggests that the performance of our regional transit system is relatively good compared to the other regions, although specific opportunities remain. With thirteen performance measures being tracked, Chicago's position among peer regions remained average or better than peers in twelve out of thirteen measures. Out of four areas evaluated, Chicago performed most favorable in service coverage.

Service Coverage: Chicago is in the middle range of the amount of transit trips available for each resident in the region and is second only to New York in the vehicle revenue miles traveled relative to the geographic extent of the service area. This reflects northeastern Illinois' historic investment in regional transit. Chicago's total number of passenger trips is commensurate with the region's size and is average with regard to the number of rides taken per resident. Furthermore, only in the New York area does the cumulative number of passenger-miles traveled by all passengers exceed Chicago, reflecting both the total number of trips and the long commuting distances.

Service Efficiency and Effectiveness: Chicago exhibited significant improvement in cost containment measures for 2008 and subsequently improved its ranking for operating cost per unit of transit capacity and per passenger trip taken. Chicago retained its position ranking with the second-lowest operating cost per passenger mile, remaining steady from 2007 levels.

Service Delivery: No data is available in the National Transit Database to evaluate this area.

Service Maintenance and Capital Investment: Despite steady and consistent improvements in this area over the past five years, Chicago still ranks second worst in the percent of transit vehicles beyond their useful service life. Subsequently, the average distance between major mechanical failures has improved from last year; however, Chicago's rank slipped to fourth-highest for this metric. The two data indicators, taken together, suggest that despite the funding challenges, Chicago's transit providers have done a creditable job of keeping a disproportionately aging fleet in good mechanical condition.

Service Level Solvency: Both service level solvency indicators suggest that Chicago's transit system is performing well in financial terms relative to its peers. Only in Washington, DC and Boston do transit customers, on average, pay more per trip in passenger fares. However, fare revenue per trip fell from 2007 levels. Chicago is in the average range for amount of each trip that is not covered by passenger fares, or the amount of subsidy required per passenger. Chicago saw improvements in capital program expenditures per capita, and is now second-ranked to New York.

Note: This report reflects performance measurement data for 2008 as this year represents the most complete data set currently available from the National Transit Database (NTD). New Jersey Transit serves both the New York and Philadelphia regions; that agency and other New Jersey carriers have been excluded from the New York and Philadelphia data. This may have the effect of slightly skewing the data toward the more transit-intensive central cities in these regions.

SERVICE COVERAGE:

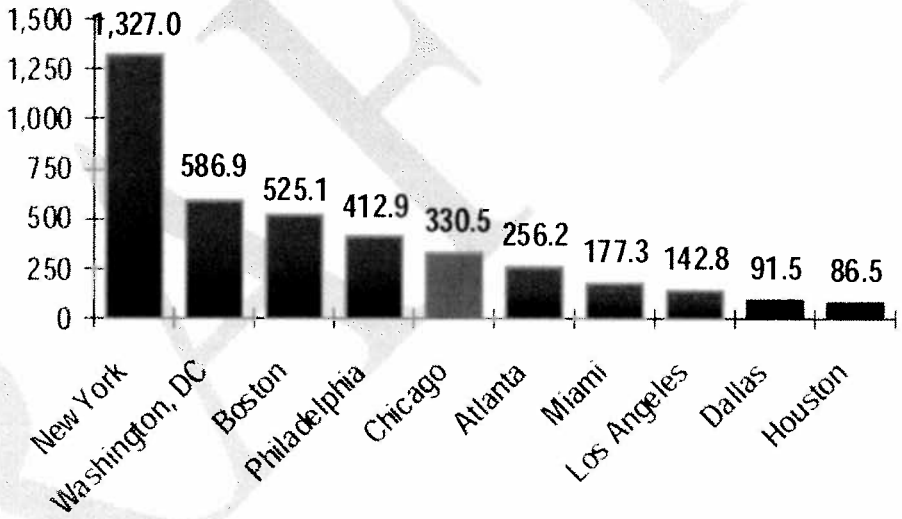
Service Supplied *and* Service Consumed

Transit Capacity (trips):

The amount of service provided as measured in trips available to be taken.

Per Area Resident

The number of trips available for each resident in the region to take annually.

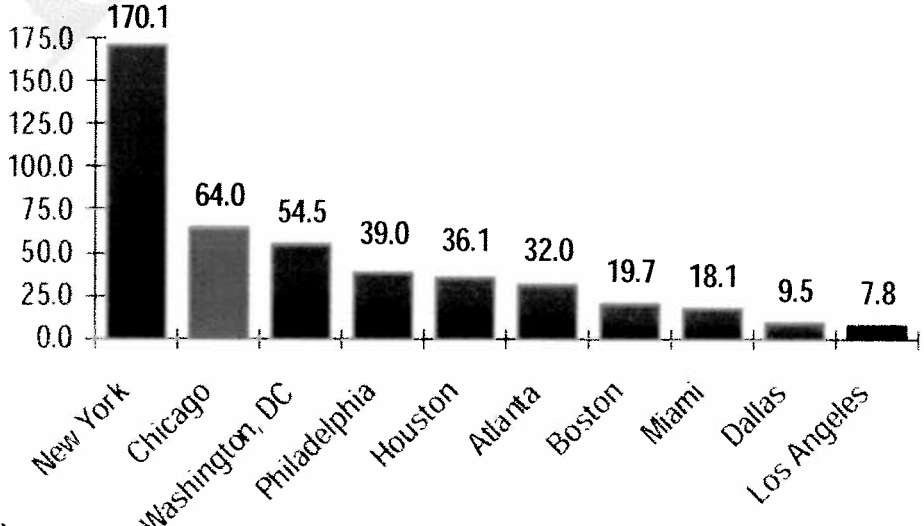


Vehicle Revenue Miles

The amount of service provided as measured in miles driven by vehicles while in service.

Per Service Area Square Mile (in thousands)

The number of miles of travel provided per square mile of the service area annually.



Passenger Trips (Ridership):

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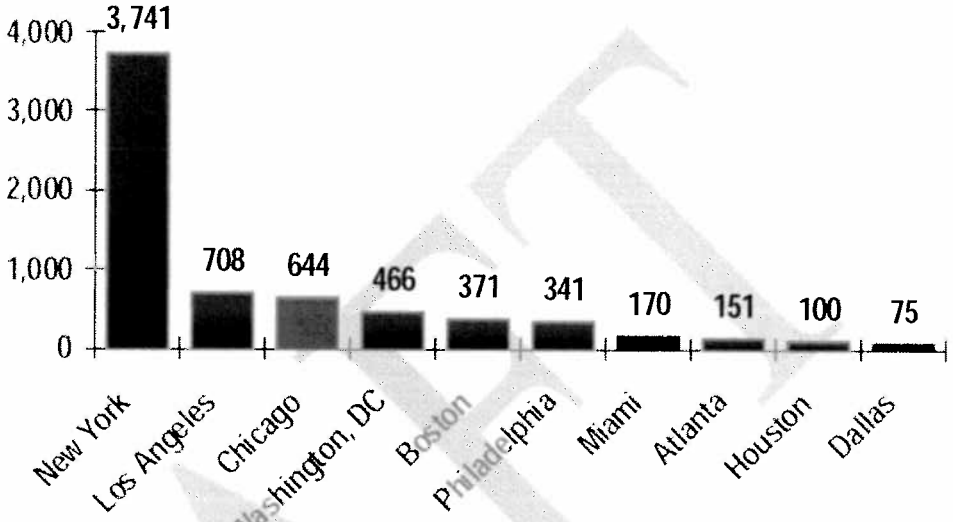
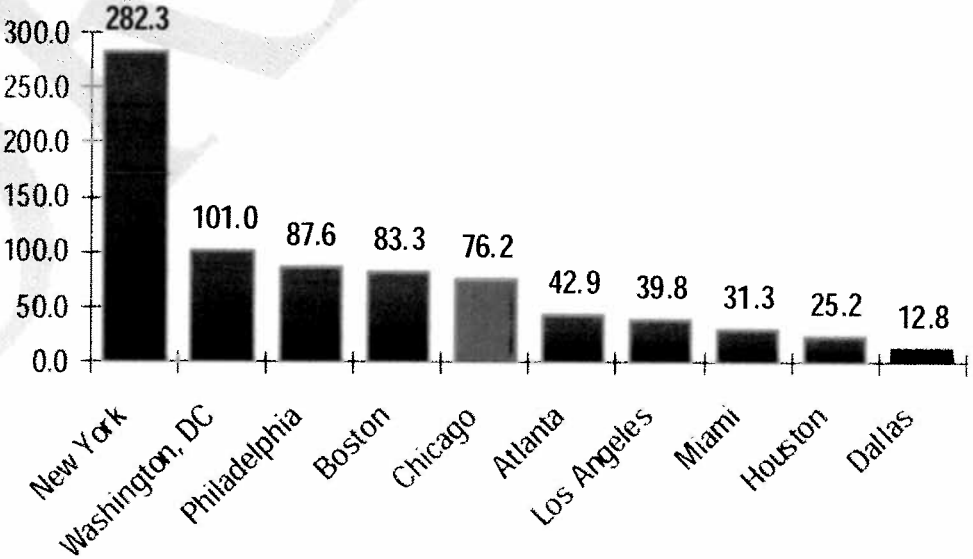
The number of times passengers board buses and trains, including transfers from one bus or train to another in order to complete their trips.

(in Millions)



Per Area Resident

The average number of rides taken per resident annually.



Passenger Miles:

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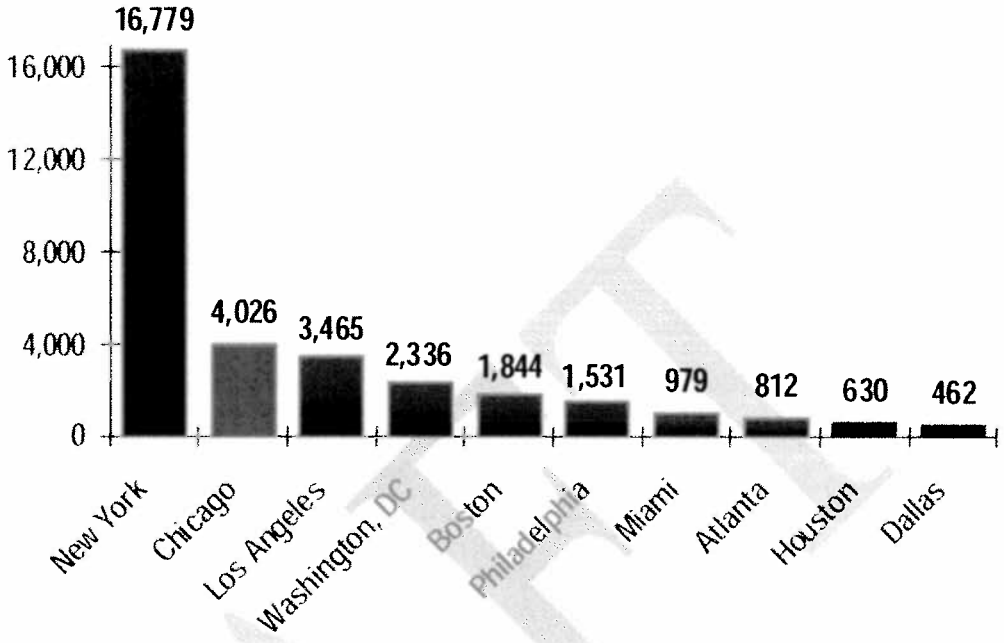
The cumulative sum of the distances ridden by all passengers.

(in Millions)



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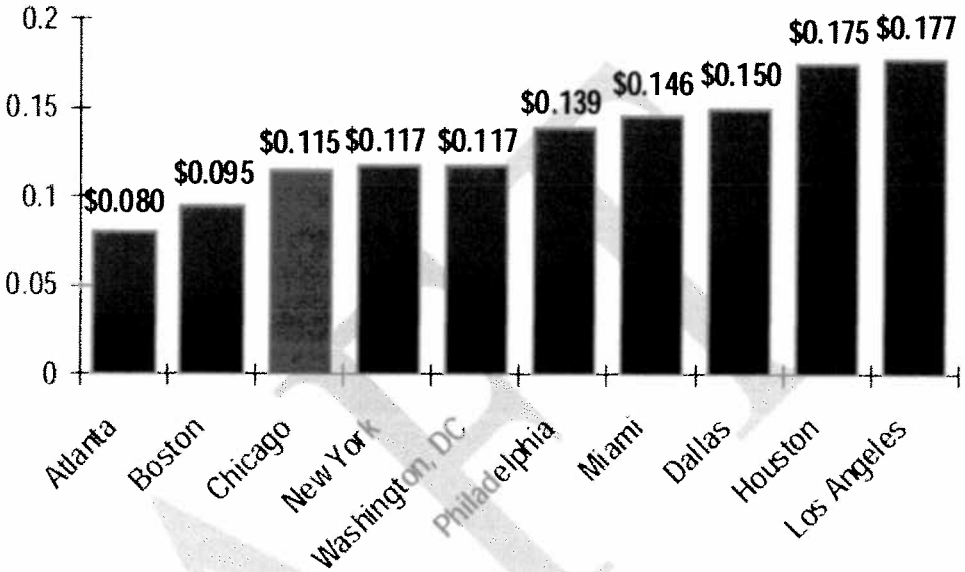
SERVICE EFFICIENCY AND EFFECTIVENESS:
Service Efficiency and Cost Effectiveness

Operating Cost
The expenses associated with the operation of the transit system.

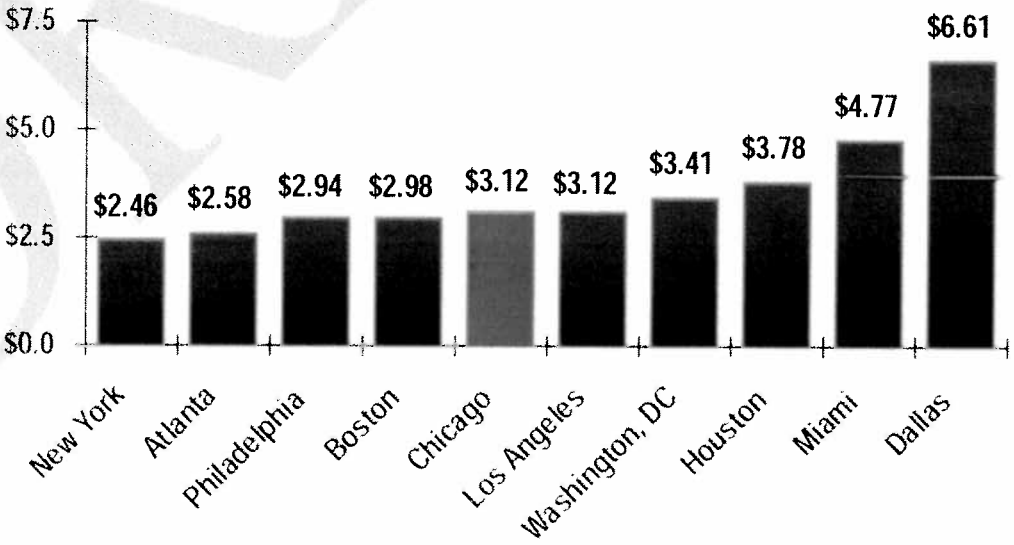
Per Unit of Transit Capacity

The average cost of providing a passenger seat or space for each mile of an individual trip, whether or not it is taken.



Per Passenger Trip

The average cost of an individual trip taken.



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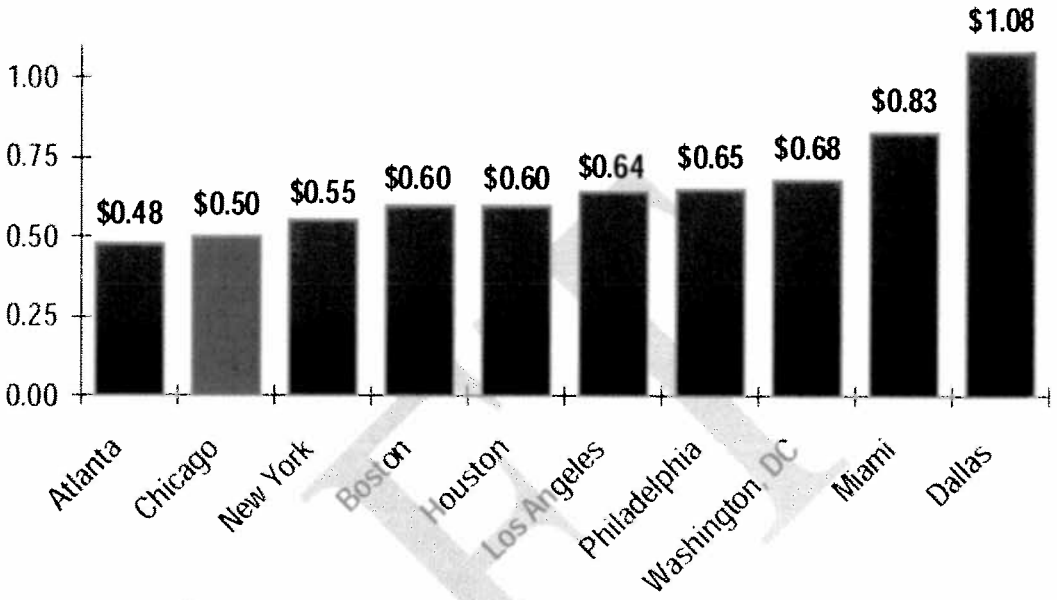
Operating Cost - continued

Per Passenger Mile

The average cost of providing each mile of an individual trip taken.



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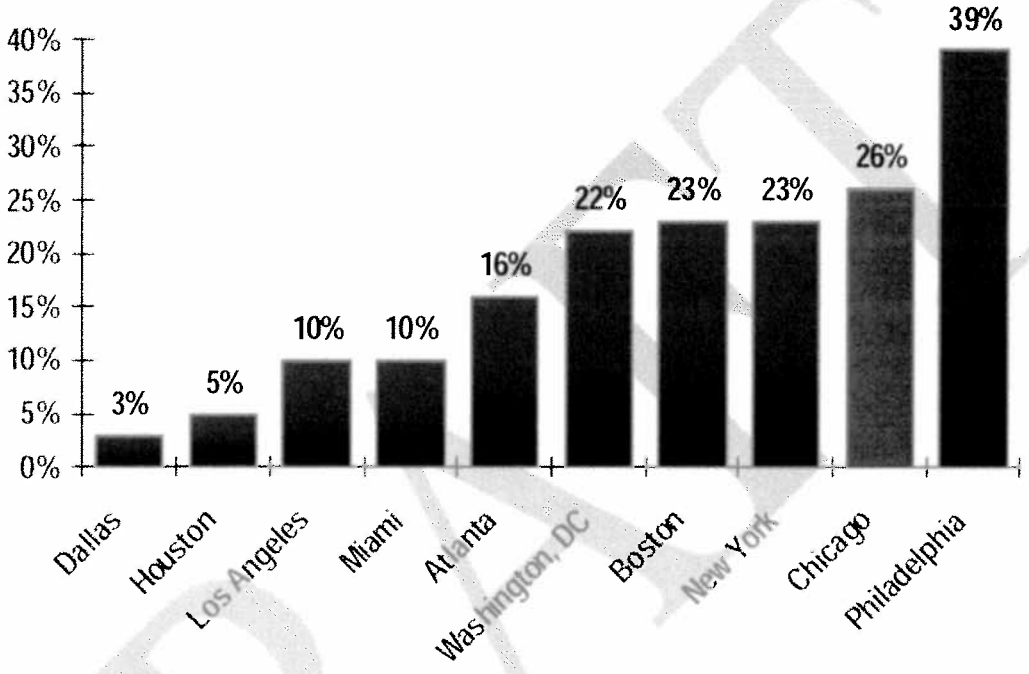
SERVICE MAINTENANCE AND CAPITAL INVESTMENT:
State of Good Repair *and* Reliability

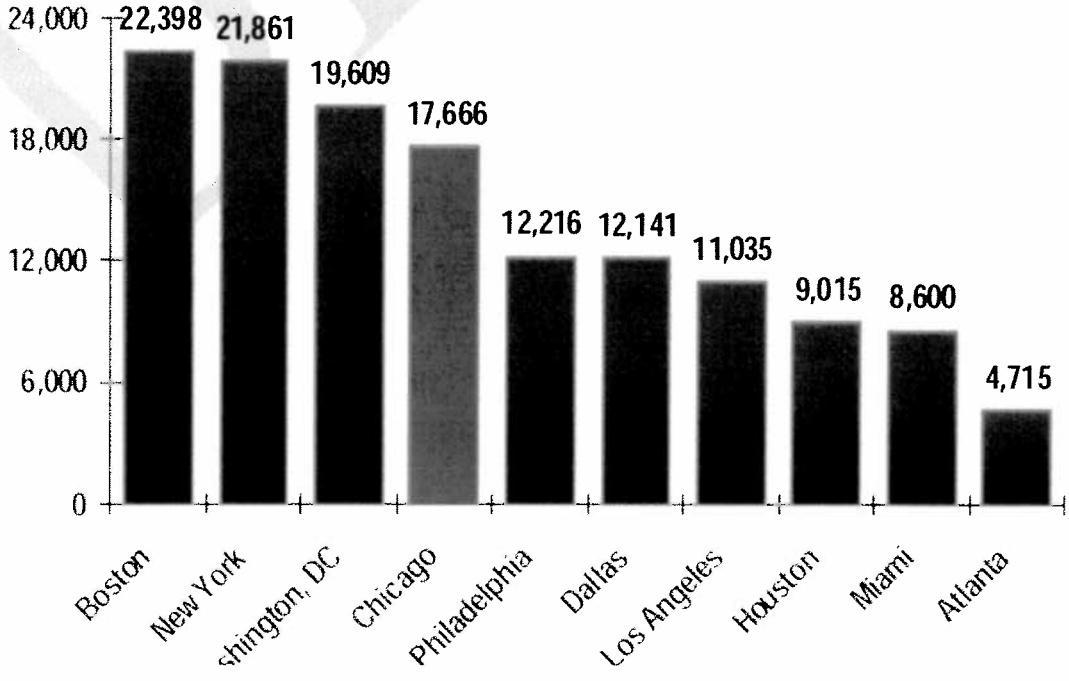
Percent of Vehicles Beyond Useful Life:

The actual number of vehicles for all modes combined that exceeds their individual useful lives as defined by the Federal Transit Administration (12 years for buses and 25 years for rail cars that are new; or longer for some vehicles if life-extending rehabilitations are performed).



Miles Between Major Mechanical Failures:

The average distance that vehicles of all modes travel in revenue service uninterrupted by mechanical failures that prevent them from completing a scheduled trip or from starting the next scheduled trip.

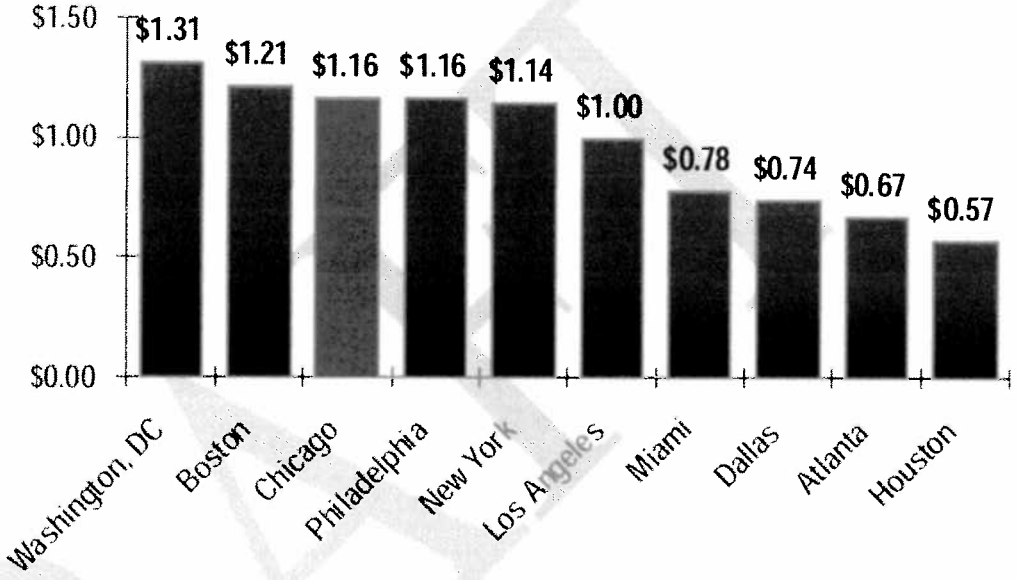


SERVICE LEVEL SOLVENCY:
Operations *and* Capital

Fare Revenue:
The total amount of money that passengers pay in fares.

Per Passenger Trip

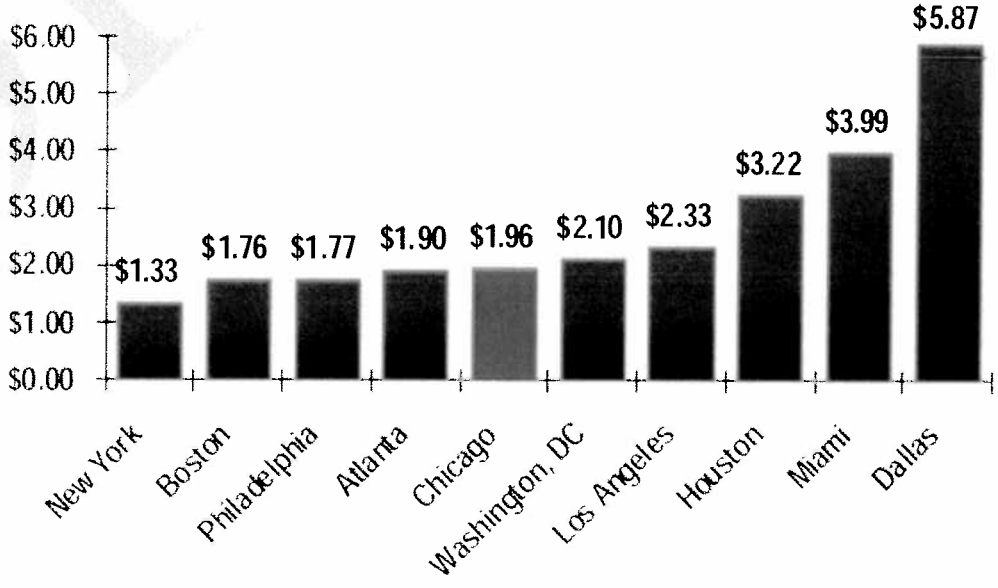
The average fare paid by a customer per trip.



Fare Subsidy:
The amount of the total cost of operation that is not covered by fare revenue.

Per Passenger Trip

The average amount of each trip that is not covered by the fare paid by the customer.



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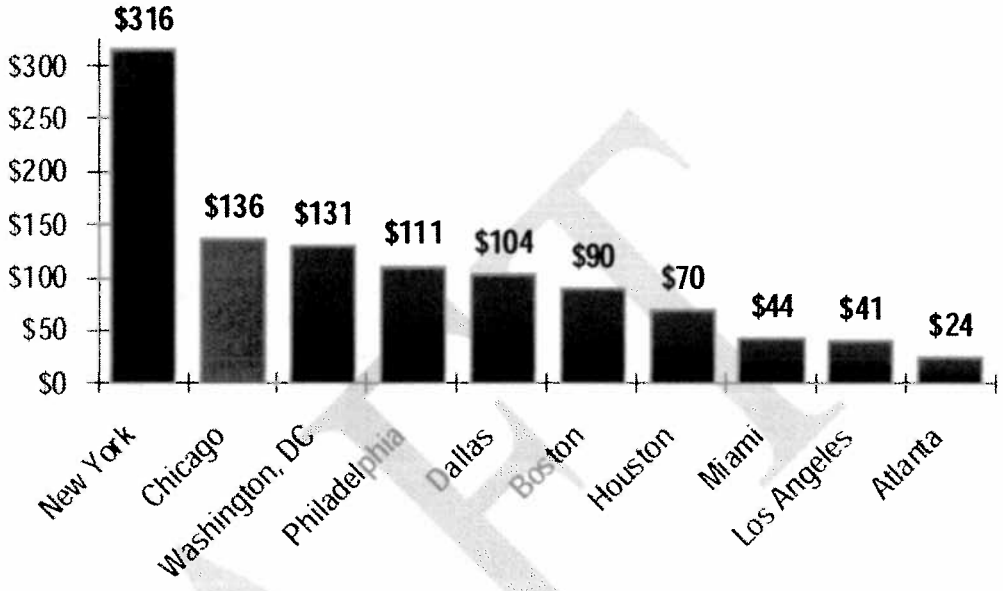
Capital Program Expenditures:

The amount of capital funds expended to finance the maintenance, enhancement and expansion of the transit system infrastructure.

(Per Area Resident)



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Regional Performance Measures

Atlanta

Boston

Chicago

Dallas

Houston

Los Angeles

Miami

New York

Philadelphia

Washington, DC

2009

Regional Peer Report Card

Regional Transportation Authority

The six-county public transportation system serving northeastern Illinois

Prepared by Department of Finance & Performance Management • April 2011

REGIONAL PERFORMANCE MEASURES
2009 Regional Peer Report Card

RTA staff has undertaken the development of a performance measurement and reporting program to evaluate the impact and effectiveness of public transit in Northeastern Illinois.

Overall regional performance is a function of five major areas:

- **Service Coverage** - monitors both how much service is available to people in the region (in terms of population and square miles) and how much of that service capacity is used.

- **Service Efficiency and Effectiveness** - evaluates the level of resources spent for delivering service in relation to the level of service provided and the extent to which passengers are using that service.

- **Service Delivery** - reflects the quality of the service delivered.

- **Service Maintenance and Capital Investment** - indicates the allocation of capital funds and the replacement and maintenance of infrastructure components on a schedule consistent with their life expectancy.

- **Service Level Solvency** - assesses the system's financial condition to ensure that there are sufficient resources to meet current and ongoing budgetary needs (both operating and capital).

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EXECUTIVE SUMMARY

The 2009 Regional Peer Report Card offers viewers a look at how the Chicago region's transit system collectively compares to peer regions around the country. As with the 2007 and 2008 reports, the Chicago RTA system (composed of CTA, Metra, and Pace) is ranked for various performance measures against nine other metropolitan regions: Atlanta, Boston, Dallas, Houston, Los Angeles, Miami, New York, Philadelphia, and Washington, DC. These regions comprise the ten most populous urbanized areas in the country with Chicago as the third-largest.

There are few ranking changes among the transit systems from 2008 to 2009, indicating a relatively stable environment in the investment in transit among the largest U.S. urban areas. The economic forces that cause significant changes within one system generally affect other systems as well. As in previous years, Chicago-area transit ranked in the middle of the peer group or higher in fourteen of the fifteen measures included in this report, with the strongest performance occurring in the service coverage measures.

Service Coverage: Chicago continues to exhibit strong service coverage, providing the second-highest level of service as measured by vehicle revenue miles per service area square mile. Chicago is also the third-highest in number of trips taken and the second-highest for total passenger miles traveled, although on a trips per resident basis, Chicago ranks fifth place. Chicago's rankings for each of the five service coverage measures remain unchanged from 2008; furthermore, there were no ranking changes for *any* of the peers for service coverage measures.

Service Efficiency and Effectiveness: Each region experienced higher operating cost per unit of transit capacity and per passenger trip for the provision of transit service in 2009. Increases in operating cost ranged from 1.6% (Philadelphia) to 14.5% (Miami); Chicago's gain of 2.8% was the second-lowest increase as compared to its peers. The combination of increased operating cost and fewer passenger trips resulted in a 6.6% increase for the Chicago region's operating cost per trip, and loss of one rank position in comparison to peer systems. Likewise, increased operating costs and fewer passenger miles resulted in the loss of one rank position for Chicago. Only one region, Los Angeles, showed a lower operating cost per passenger mile in 2009.

Service Delivery: Service delivery measures such as on-time performance and complaints received are not reported by the NTD. Additionally, safety and security data reported by transit operators to NTD are not publicly released and so are not available for the peer agencies.

Service Maintenance and Capital Investment: Chicago saw a slight increase in the number of vehicles beyond useful life (from 28 to 29%), and ranks 9th out of 10 for this measure, the one measure where Chicago performs in the bottom third of its peer group. Despite its older vehicles, Chicago's service reliability is high, as measured by miles between mechanical failures. The purchase of new buses for CTA and Pace has led to improvements in this measure. CTA rail and Metra rehabilitation and rebuild programs have also contributed to reliable performance, but require ongoing capital investments. In 2009, the highest amount of capital program dollars were appropriated to maintenance of the past five years for the Chicago agencies. Vehicle rehabilitation and rebuild programs, together with additional vehicle purchases, will require continuing capital investments to maintain the region's rolling stock to a

state of good repair. The urban areas with the oldest operating transit systems – New York, Chicago, Boston, and Philadelphia – have the oldest vehicles. They are also the systems that provide the greatest service capacity per area resident, underscoring the challenge of keeping up with the capital funding needs of these highly productive, aging systems.

Service Level Solvency: Each transit system saw increases in fare revenue per trip, except for Atlanta, which held steady at 2008 levels. Despite these increases, each system also saw increased levels of non-fare revenue, ranging from 1% (DC) to 22% (Houston), indicating that increased operating costs and reduced passenger trips took a toll on each transit system's ability to cover expenses with fare revenues. Regionally, fare increases implemented at CTA and Pace in January 2009 helped improve Chicago's ranking for fare revenue per passenger trip to the number two position from the third place position held in 2008, although the region's fare recovery ratio remained at 37%, maintaining Chicago's fifth place rank for this measure. Capital funding for many peer agencies was aided by passage of the American Recovery and Reinvestment Act in February 2009; however, the amount of new capital funds available to the Chicago region was nearly 7% lower in 2009 than in 2008 because of funds transferred to operations and used to pay debt service. As a result of debt service obligations, the actual capital funds expended were 27% lower in 2009 compared to 2008, causing Chicago to lose two rank positions for total capital program expenditures and three rank positions for capital expenditures per resident. Future federal capital grants will also be impacted by diversion of funds to pay debt service, which has serious implications for funding the region's extensive infrastructure needs.

SELECTION OF PEERS

The peer group selected for use in the Regional Peer Report Card consists of the top ten urbanized areas (UZAs), as defined by the US Bureau of the Census. These urbanized areas are Chicago, Atlanta, Boston, Dallas, Houston, Los Angeles, Miami, New York, Philadelphia, and Washington, DC. For consistency with the six-county RTA area, population data for all of the regions chosen were compiled on as close a basis as possible to the jurisdictions of the main transit properties.

Geographic Region	Transit Agencies Included
Chicago	Chicago Transit Authority, Metra, Pace
Atlanta	Metropolitan Atlanta Rapid Transit Authority
Boston	Massachusetts Bay Transportation Authority
Dallas-Fort Worth	Dallas Area Rapid Transit, Fort Worth Transportation Authority
Houston	Metropolitan Transportation Authority of Harris County
Los Angeles	Los Angeles County Metro, Access Services, Southern California Regional Rail Authority, Los Angeles Department of Transportation, Long Beach Transit, Foothill Transit, Antelope Valley Transit Authority, Omnitrans, Riverside Transit Agency, Orange County Transportation Authority, Santa Monica Municipal Bus Lines, Torrance Transit, Norwalk Transit System, Montebello Bus Lines, LA Metro Smaller Operators
Miami	Miami-Dade Transit, Broward County Transit, PalmTran, South Florida Regional Transportation Authority
New York	All MTA operating agencies (New York City Transit, Staten Island Railway, MTA Bus, Long Island Bus, Long Island Rail Road, Metro-North Railroad), New York City Department of Transportation, Westchester County Bee-Line, Suffolk County Transit
Philadelphia	Southeastern Pennsylvania Transportation Authority
Washington, DC	Washington Metropolitan Area Transit Authority), City of Alexandria DASH, Montgomery County Ride-On, Prince George's County TheBus, Virginia Railway Express

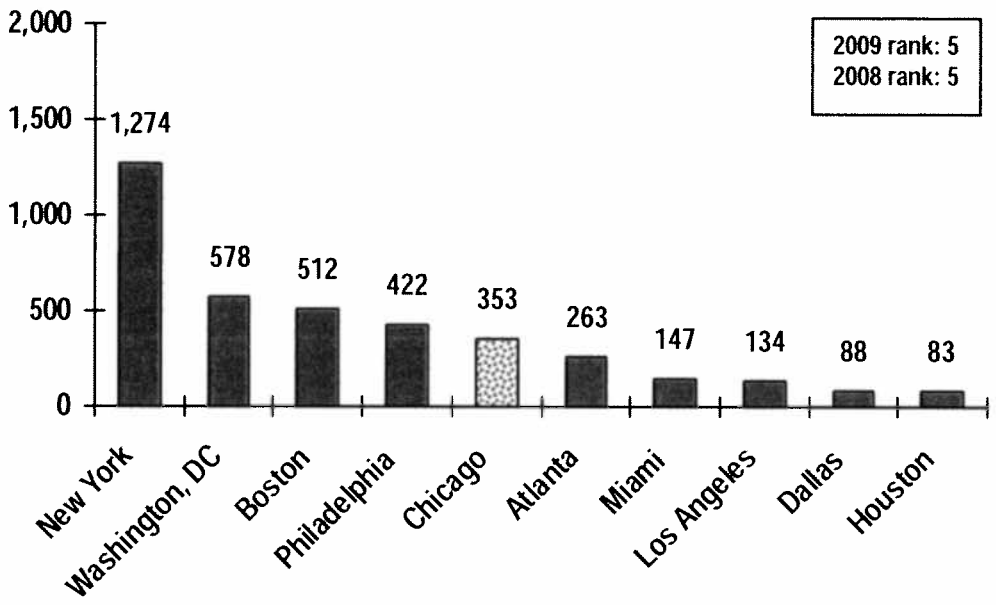
Note: Because New Jersey Transit serves both the New York and Philadelphia regions, that agency and other New Jersey carriers have been excluded from the New York and Philadelphia data, which may slightly skew that data toward the more transit-intensive central cities in those regions. The Washington, DC area transit system is slightly understated, as the Maryland Transit Administration, which primarily serves the Baltimore region and also serves the DC area, is not included in this report.

SERVICE COVERAGE
Service Supplied and Service Consumed

Transit Capacity (trips)
The amount of service provided as measured in trips available to be taken.

Transit Capacity per Area Resident

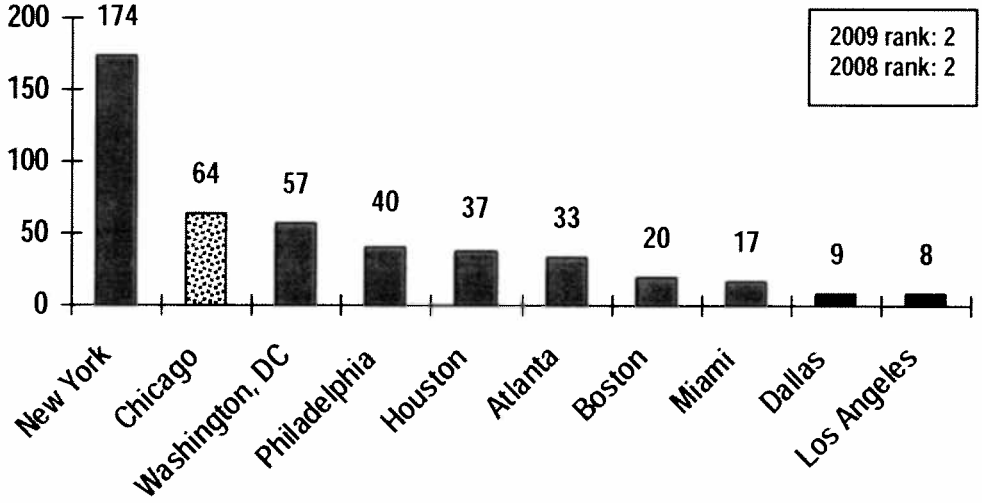
The number of trips available for each resident in the region to take annually.



Vehicle Revenue Miles
The amount of service provided as measured in miles traveled by vehicles while in service.

Vehicle Revenue Miles per Service Area Square Mile (in thousands)

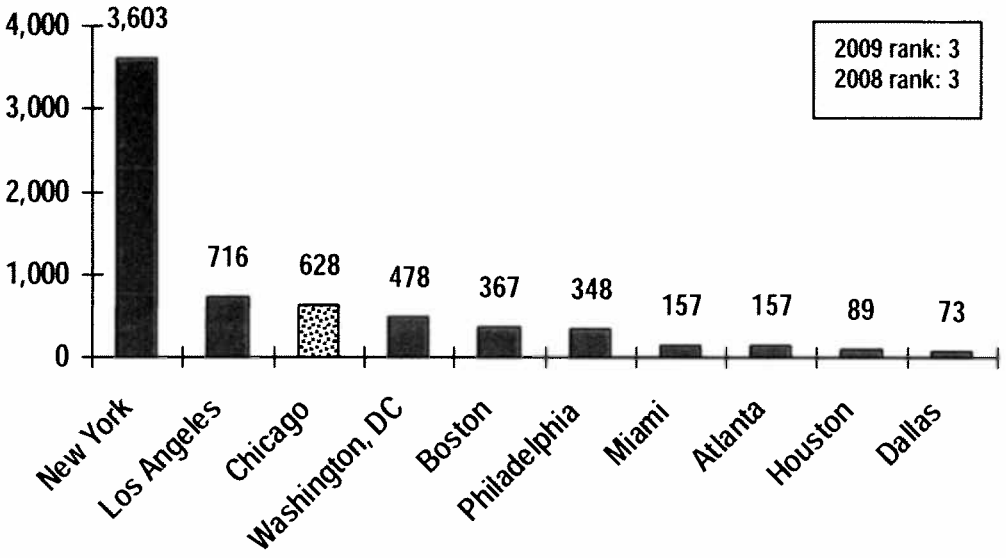
The number of miles of travel provided annually per square mile of the service area.



Passenger Trips (Ridership)

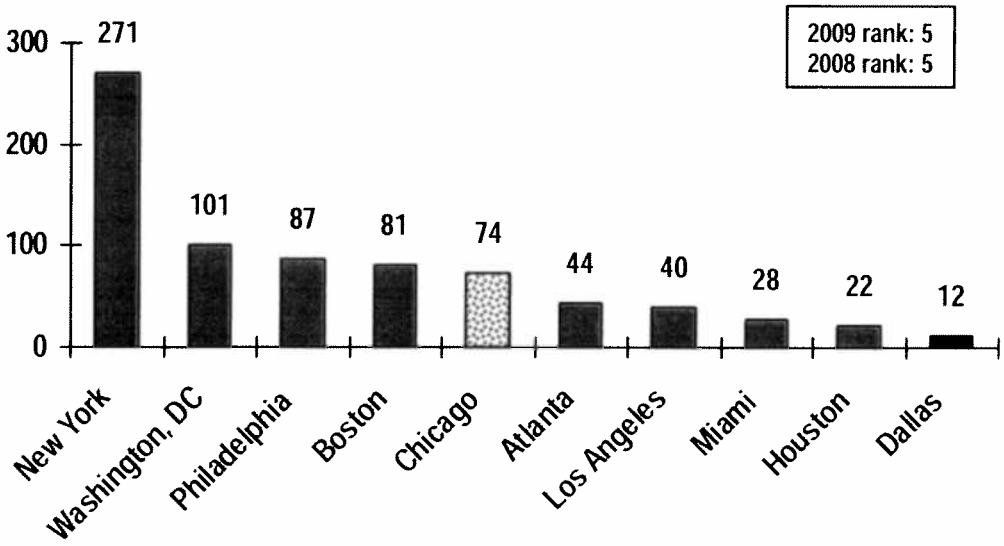
The number of times passengers board buses and trains, including transfers from one bus or train to another in order to complete their trips.

Passenger Trips (in Millions)



Passenger Trips per Area Resident

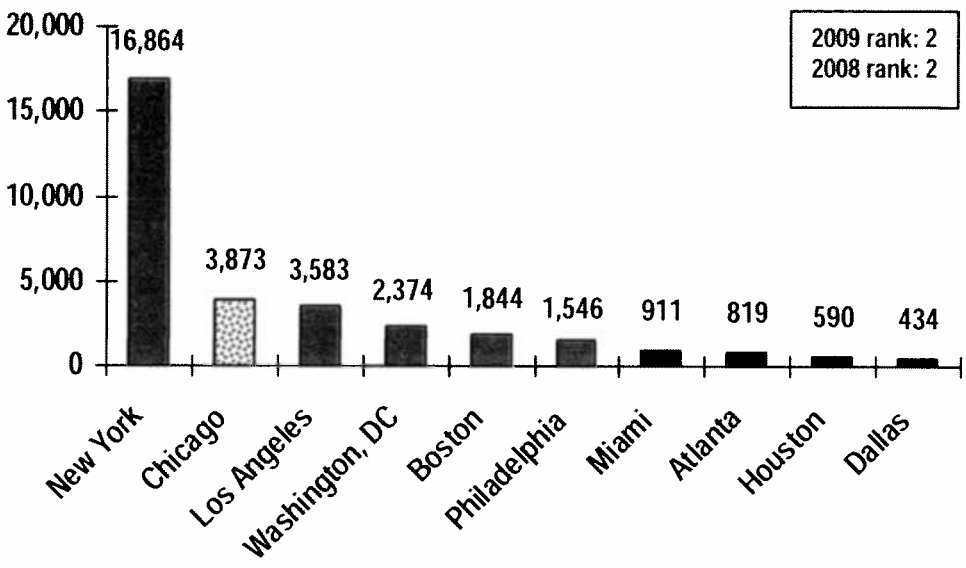
The average number of rides taken per resident annually.



Passenger Miles

The cumulative sum of the distances ridden by all passengers.

Passenger Miles (in Millions)

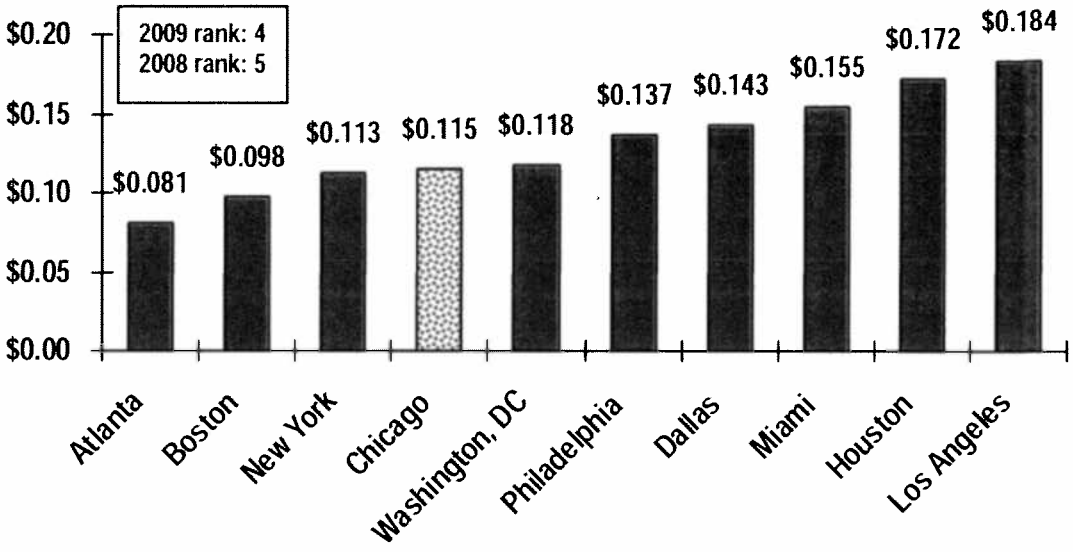


Operating Cost

The expenses of operating the transit system.

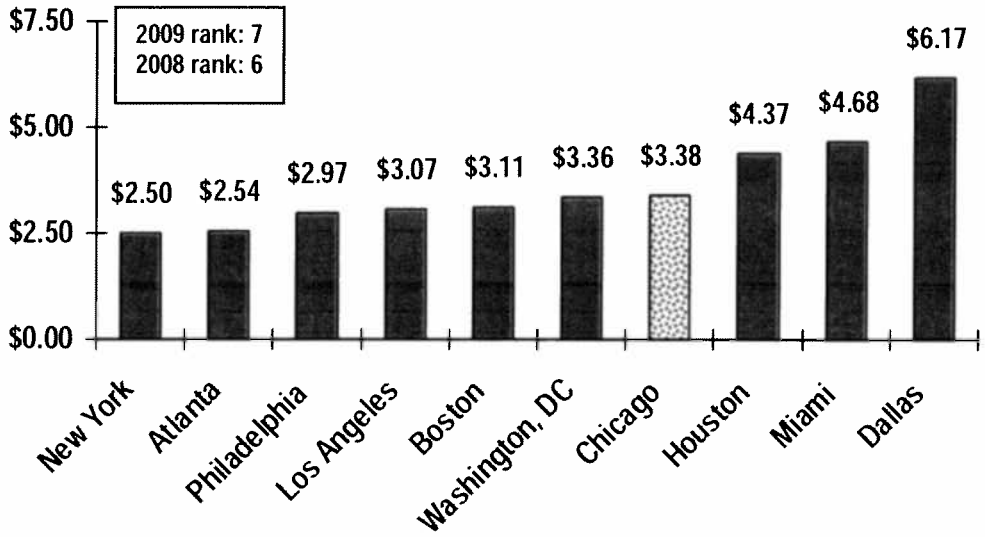
Operating Cost per Unit of Transit Capacity

The average cost of providing a passenger seat or space for each mile of an individual trip, whether or not it is taken.



Operating Cost per Passenger Trip

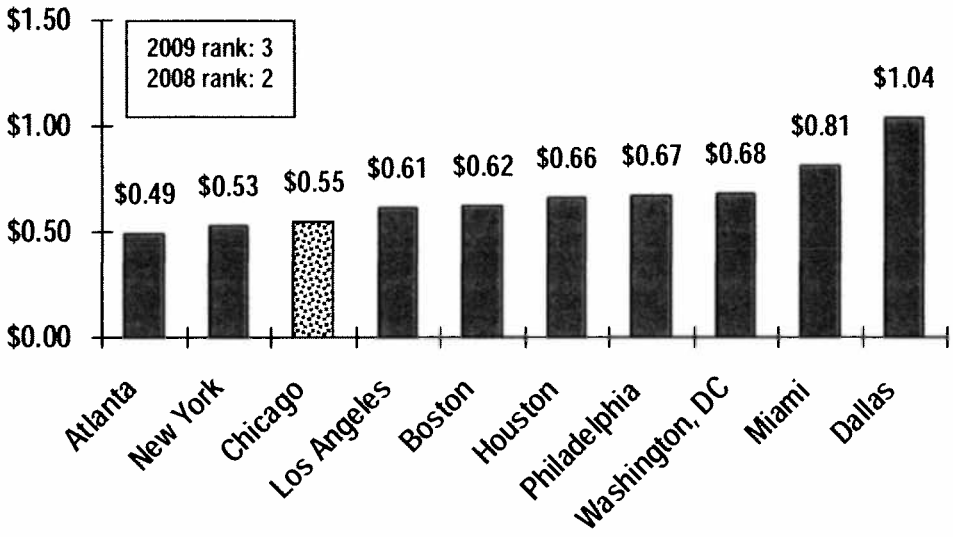
The average cost of an individual trip taken.



Operating Cost - continued

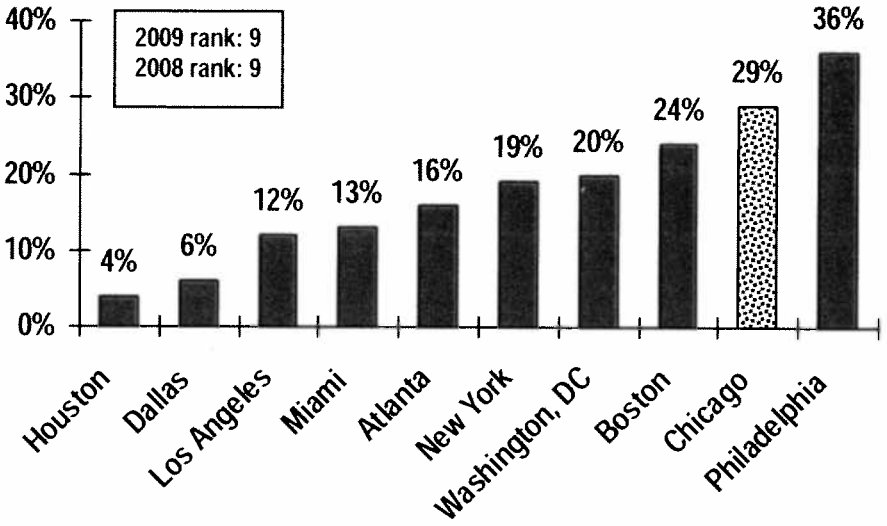
Operating Cost per Passenger Mile

The average cost of providing each mile of each individual trip taken.



Percent of Vehicles Beyond Useful Life

The percentage of vehicles in the total vehicle fleet that have reached the end of their minimum useful life as defined by the Federal Transit Administration (4 years for new automobiles or vans, 12 years for new buses, and 25 years for new rail cars). Rehabilitations that may be undertaken to keep vehicles in service beyond FTA guidelines are not included in these data.



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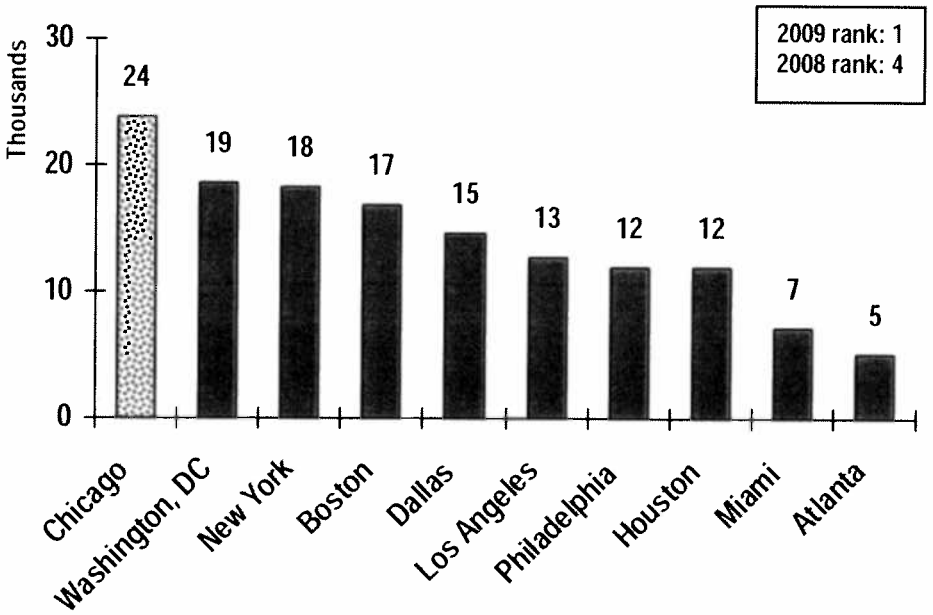
The average distance that vehicles of all modes travel in revenue service between mechanical failures that prevent them from completing a scheduled trip or from starting the next scheduled trip.

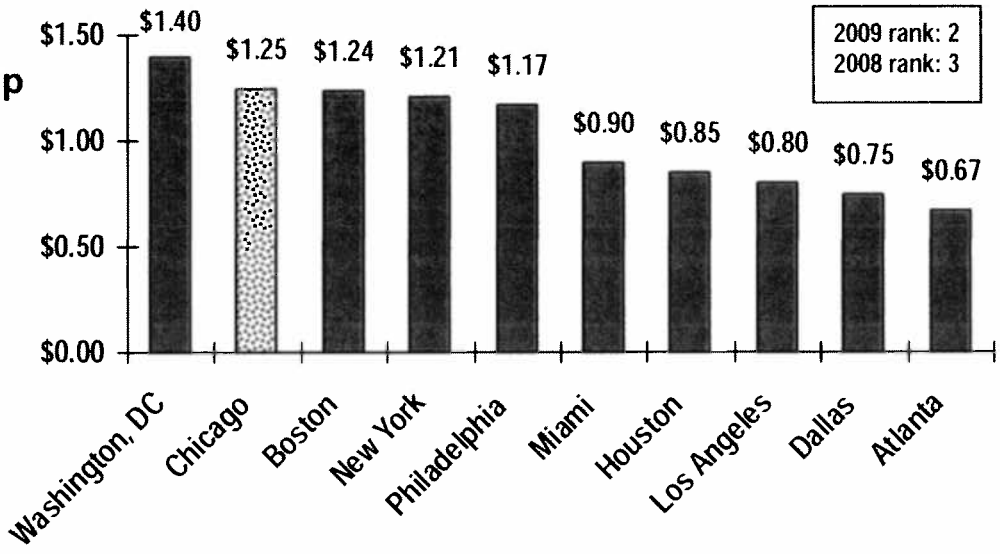


Fare Revenue

The total amount of money that passengers pay in fares.

Fare Revenue per Passenger Trip

The average fare paid by customers per trip.

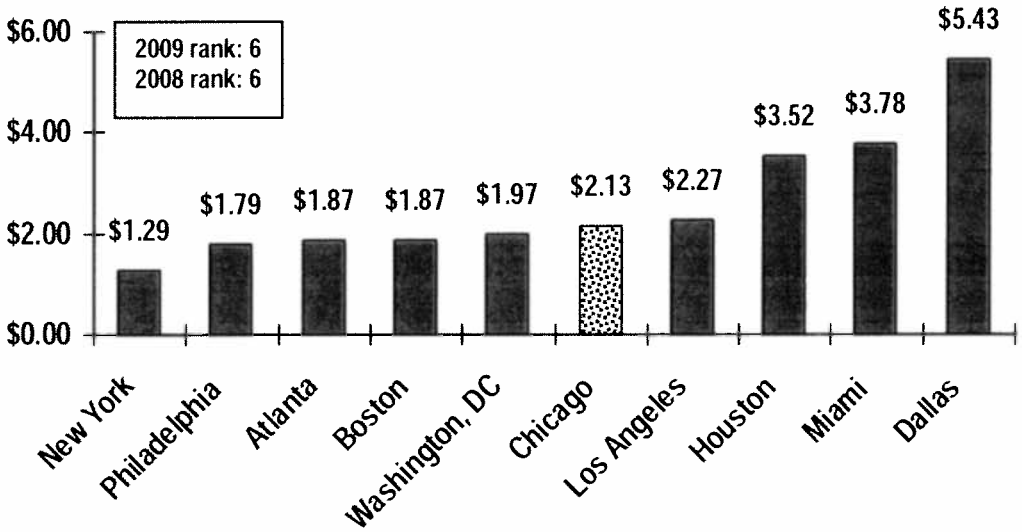


Non-Fare Revenue

The amount of revenue from all sources, other than fare revenue, that is required to cover the total cost of operations.

Non-Fare Revenue per Passenger Trip

The average cost of each trip that is not covered by the fare paid by customers. Operating costs are covered through the balance between fare revenue, other directly generated revenue (advertising, concessions, etc.) and all other revenue (State, Local, and Federal).



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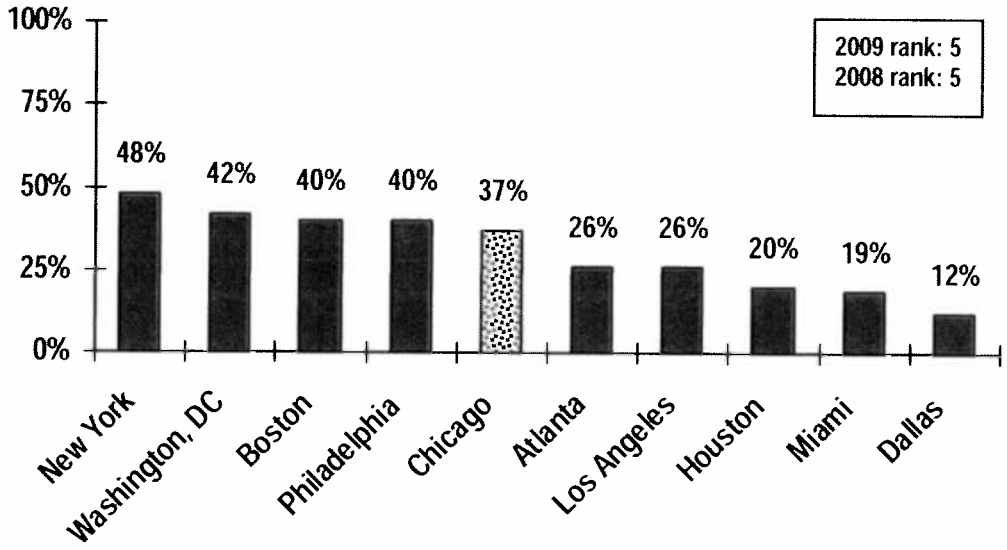
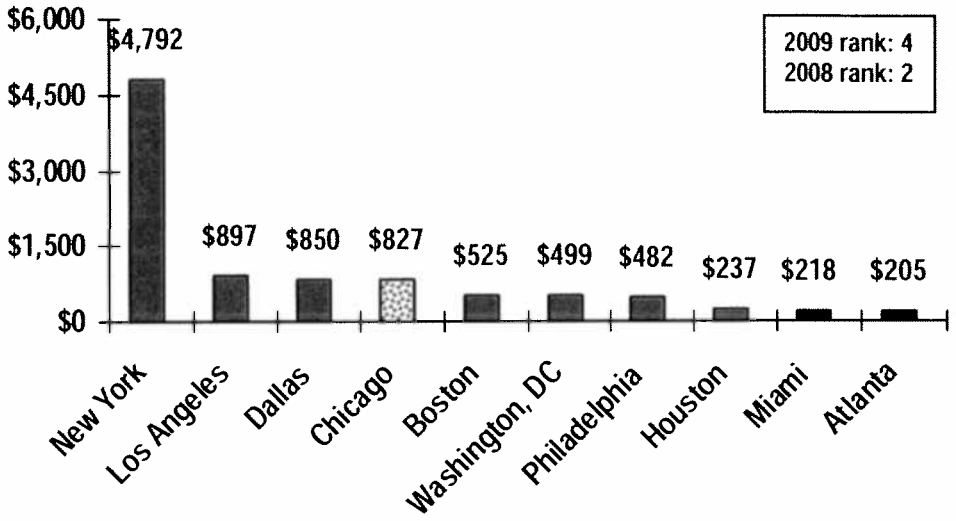


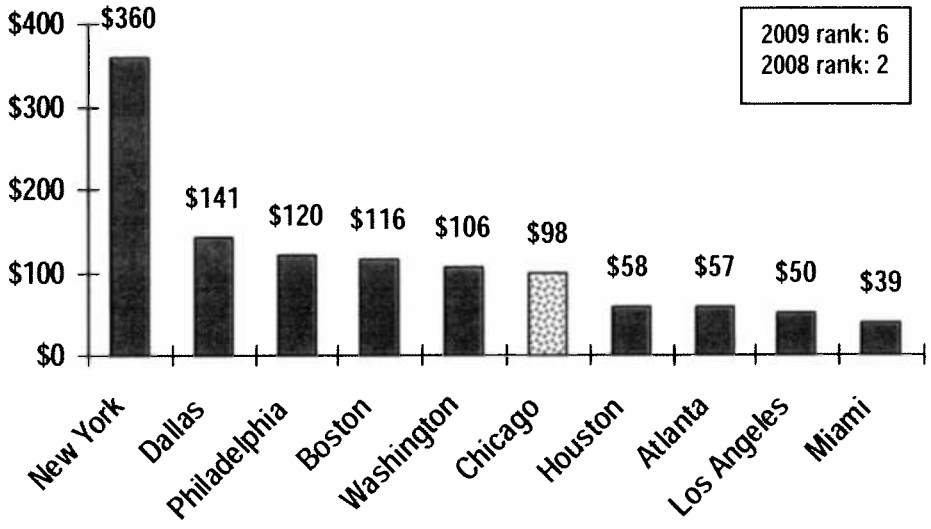
Capital Program Expenditures

The amount of capital funds expended to finance the maintenance, enhancement and expansion of the transit system's infrastructure. Please note that capital funds expended in one year may include funding from prior year budgets due to the longer-term nature of capital project implementation.

Capital Program Expenditures (in Millions)



Capital Program Expenditures per Area Resident



1084

Regional Performance Measures

Atlanta

Boston

Chicago

Dallas

Houston

Los Angeles

Miami

New York

Philadelphia

Washington, DC

2010

Regional Peer Report Card

Regional Transportation Authority

The six-county public transportation system serving northeastern Illinois

Prepared by Department of Finance & Performance Management • February 2012

REGIONAL PERFORMANCE MEASURES

2010 Regional Peer Report Card

RTA staff has undertaken the development of a performance measurement and reporting program to evaluate the impact and effectiveness of public transit in northeastern Illinois.

Overall regional performance is a function of five major areas:

- Service Coverage – monitors both how much service is available to people in the region (in terms of population and square miles) and how much of that service capacity is used.

- Service Efficiency and Effectiveness – evaluates the level of resources spent for delivery of service in relation to the level of service provided and the extent to which passengers are using that service.

- Service Delivery – reflects the quality of the service delivered.

- Service Maintenance and Capital Investment – indicates the allocation of capital funds and the replacement and maintenance of infrastructure components on a schedule consistent with their life expectancy.

- Service Level Solvency – assesses the system's financial condition to ensure that there are sufficient resources to meet current and ongoing budgetary needs (both operating and capital).

Prepared by the Department of Finance and Performance Management
Division of Budget, Performance & Business Analysis
February 2012

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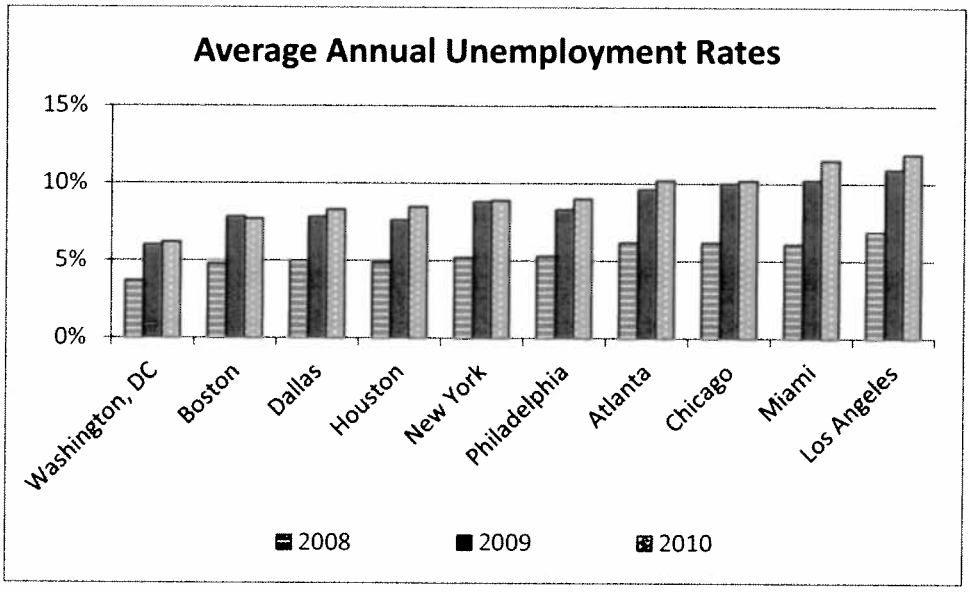
EXECUTIVE SUMMARY

The Regional Peer Report Card was developed to provide context to the performance of the Chicago region's transit service by relating it to comparable peer regions from across the country. To accomplish this goal, the Peer Report Card incorporates data reported to the National Transit Database (NTD) by all transit agencies that receive federal funding. Peer regions were selected based on population, so that the top ten US metropolitan areas are represented: Atlanta, Boston, Dallas, Houston, Los Angeles, Miami, New York, Philadelphia, and Washington, DC. Of the top ten most populous regions, Chicago is the third-largest. From those top ten regions, the main transit operators were determined so as to best represent each region's public transportation service. Those specific agencies are listed in the subsequent "Selection of Peers" section.

Of the fifteen measures included in this report, Chicago-area transit ranked as well as or better than its peers in fourteen measures. Additionally, the Chicago region experienced significant positive movement in four measures relating to improved efficiency: operating cost per passenger trip, operating cost per passenger mile, non-fare revenue per trip, and fare recovery ratio. There was negative movement in two of the measures, capital program expenditures and capital program expenditures per area resident; however, capital expenditure levels can have wide variability from year to year depending on the available funding. Also, the Chicago region actually experienced a significant increase in capital program funding for 2010, which will be reflected in next year's expenditures.



The economic recession that began in 2008 continued to have a significant impact on each region and the transit agencies operating within those regions. The preceding chart demonstrates the significant jump in unemployment in 2009 and 2010 experienced by all of the regions in this peer analysis. In the Chicago metropolitan area, the number of jobs grew by 0.8%

but Chicagoland's average annual unemployment rate rose from 10.0% in 2009 to 10.2% in 2010. The RTA system as a whole had ridership declines of 0.9%.

Service Coverage: Chicago maintained its strong, consistent performance in each of the five service coverage measures, with no ranking changes from the 2008 and 2009 reports. Chicago ranked second for vehicle revenue miles per service area square mile and passenger miles, indicating high levels of service and use. Chicago transit modes provided 622 million passenger trips per year, more than 2 million trips per average weekday -- the third-highest number of passenger trips per year behind New York and Los Angeles. Expressing passenger trips on a per-resident basis, however, lowers Chicago's rank to fifth. Likewise, Chicago has the second-largest transit capacity (as measured in trips available) but on a per-resident basis, ranks fifth for this measure. Compared to the top peers, Chicagoland residents do not use transit quite as much but travel longer average distances, suggesting a more widely-dispersed suburban population.

Service Efficiency and Effectiveness: Eight of the ten agencies reviewed realized increased operating cost per unit of transit capacity in 2010. With an increase of 3% for this measure, Chicago retained its fourth-place rank position. When operating cost is expressed on a per trip basis, however, Chicago saw significant improvement from $3.38 in 2009 to $3.30 in 2010. Extensive service cuts implemented by CTA in February 2010 led to an overall 3.4% reduction in operating costs with only a 0.9% loss of regional ridership. Operating cost per passenger mile decreased from $0.55 in 2009 to $0.53 in 2010, boosting Chicago's ranking from third place in 2009 to tying for first (with Atlanta) in 2010.

Service Delivery: Service delivery measures such as on-time performance and complaints received are not reported to the NTD so are not available for peer agencies. Additionally, NTD does not collect or report safety and security data for commuter rail operators, so these data are not included in this peer report.

Service Maintenance and Capital Investment: Chicago saw improvements in both measures for this category. The percent of vehicles in service beyond their useful life improved from 29% to 26% in 2010; however, Chicago retained its ninth place rank for this measure. As might be expected, the four systems with the highest percentage of rail vehicle revenue miles are also the four systems with the highest miles between major mechanical failures, including Chicago, with rail comprising 48% of the region's total vehicle revenue miles. Chicago transit showed increased reliability in 2010 by improving its miles between major mechanical failure performance from 24,000 to 26,000, allowing Chicago to maintain its first-place rank for this indicator. This ranking is particularly notable given that Chicago-area transit has the oldest average fleet vehicle age among its peers.

Service Level Solvency: The Chicago region saw a slight 0.4% improvement in fare revenue in 2010, which translates to a $0.01 gain in revenue per passenger trip, maintaining Chicago's second-place rank for this measure. There were no fare increases implemented in 2010. Base fares were last increased on CTA and Pace in 2009, and on Metra in 2008; fare adjustments were made to Metra one-way and weekend fares in 2009, and Pace ADA fares in November

2009 to establish a regional base fare. Non-fare revenue per passenger trip dropped $0.10 in 2010, indicating a decrease in the public funding required to cover operating expenses. Decreased operating expenses that accompanied service reductions and other cost-cutting measures implemented by all three Chicago-area Service Boards, while fares were constant, reduced the public funding requirement. Accordingly, Chicago improved its rank from sixth to third place for the non-fare revenue per passenger trip measure and its fare recovery ratio improved from fifth to third. The amount of capital funds expended to finance maintenance, enhancement, and expansion projects dropped 38% for Chicago in 2010, leading to a rank change from fourth to fifth. On a per-resident basis, Chicago's rank fell from sixth to seventh for this indicator. With pledges from area Service Boards to no longer allow the transfer of capital funds to operations, the Chicago region will likely see improvements for these indicators in 2012 and beyond.

SELECTION OF PEERS

Since the inception of the regional peer report card, the peer group selected for use in the Regional Peer Report Card consists of the top ten urbanized areas (UZAs) as defined by the US Bureau of the Census. These urbanized areas are Chicago, Atlanta, Boston, Dallas, Houston, Los Angeles, Miami, New York, Philadelphia, and Washington, DC. For consistency with the six-county RTA area, population data for all of the regions chosen were compiled on as close a basis as possible to the jurisdictions of the main transit properties.

Geographic Region	Transit Agencies Included
Chicago	Chicago Transit Authority, Metra, Pace
Atlanta	Metropolitan Atlanta Rapid Transit Authority
Boston	Massachusetts Bay Transportation Authority
Dallas-Ft Worth	Dallas Area Rapid Transit, Fort Worth Transportation Authority
Houston	Metropolitan Transportation Authority of Harris County
Los Angeles	Access Services Incorporated, Antelope Valley Transit Authority, Foothill Transit, Long Beach Transit, Los Angeles Country Metro, LA Metro Smaller Operators, Los Angeles Department of Transportation, Montebello Bus Lines, Norwalk Transit System, Omnitrans, Orange County Transportation Authority, Riverside Transit Agency, Santa Monica Municipal Bus Lines, Southern California Regional Rail Authority, Torrance Transit.
Miami	Broward County Transit, Miami-Dade Transit, PalmTran, South Florida Regional Transportation Authority
New York	All MTA operating agencies (Long Island Bus, Long Island Rail Road, Metro-North Railroad, MTA Bus, New York City Transit, Staten Island Railway), New York City Department of Transportation, Suffolk County Transit , Westchester County Bee-Line
Philadelphia	Southeastern Pennsylvania Transportation Authority
Washington, DC	City of Alexandria DASH, Montgomery County Ride-On, Prince George's County Transit, Virginia Railway Express, Washington Metropolitan Area Transit Authority

NOTE: Because New Jersey Transit serves both the New York and Philadelphia regions, that agency and other New Jersey carriers have been excluded from the New York and Philadelphia data, which may slightly skew that data toward the more transit-intensive central cities in those regions. The Washington, DC area transit system is slightly understated, as the Maryland Transit Administration, which primarily serves the Baltimore region and also serves the DC area, is not included in this report.

PEER CHARACTERISTICS

The chart below shows various characteristics that describe each metropolitan region represented in the report.

	Chicago	Atlanta	Boston	Dallas	Houston	Los Angeles	Miami	New York	Philadelphia	Washington, DC
Urbanized Area Population (thousands)	8,308	3,500	4,032	4,146	3,823	11,789	4,919	17,800	5,149	3,934
Service Area Population (thousands)	8,329	3,378	4,495	5,984	4,111	17,921	5,582	13,054	4,014	4,846
Service Area (square miles)	3,750	1,731	4,686	5,557	1,774	34,152	5,426	4,090	2,203	2,700
Service Area Population Density	2,221	1,951	959	1,077	2,318	525	1,029	3,192	1,822	1,795
Vehicle Revenue Miles (millions)	225	55	95	53	67	272	90	699	89	149
Passenger Trips (millions)	622	146	356	67	81	683	150	3,674	347	458
Passenger Miles (millions)	3,870	773	1,705	427	552	3,501	890	16,689	1,558	2,336
Operating Cost (millions)	$2,051	$409	$1,180	$486	$384	$2,236	$696	$9,124	$1,075	$1,636
Fare Revenue (millions)	$787	$109	$446	$63	$69	$553	$147	$4,577	$400	$651
Capital Funds Expended (millions)	$512	$137	$389	$700	$346	$916	$192	$4,015	$427	$519
Average Trip Length (miles)	6.22	5.28	4.79	6.38	6.8	5.13	5.94	4.54	4.49	5.10
Average Vehicle Passenger Capacity	76.47	90.57	121.40	60.36	33.82	40.63	55.92	110.30	84.77	81.07

SERVICE COVERAGE

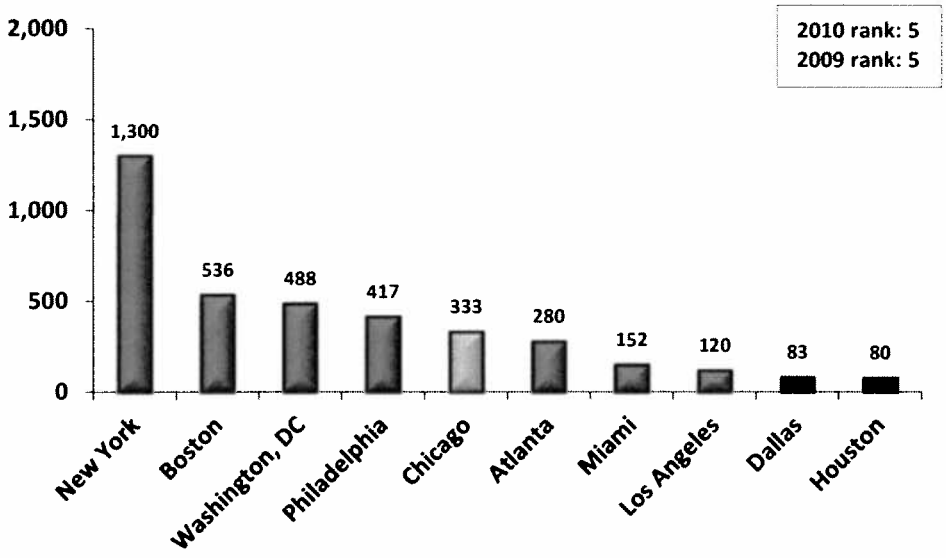
Service Supplied and Service Consumed

Transit Capacity (trips)

The amount of service provided as measured in trips available to be taken.

Transit Capacity per Area Resident

The number of trips available for each resident in the region to take annually.

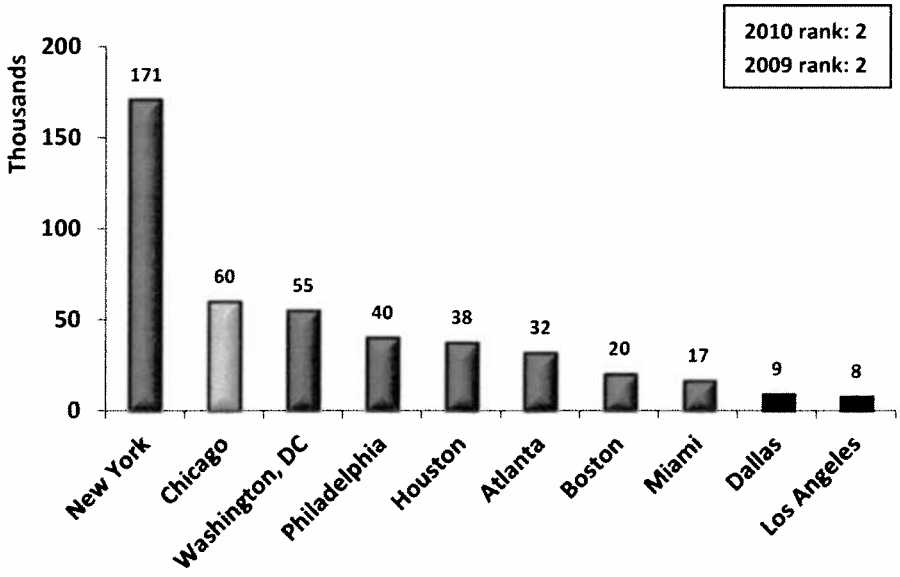


Vehicle Revenue Miles

The amount of service provided as measured in miles traveled by vehicles while in service.

Vehicle Revenue Miles per Service Area Square Mile

The number of miles of travel provided annually per square mile of the service area.



SERVICE COVERAGE

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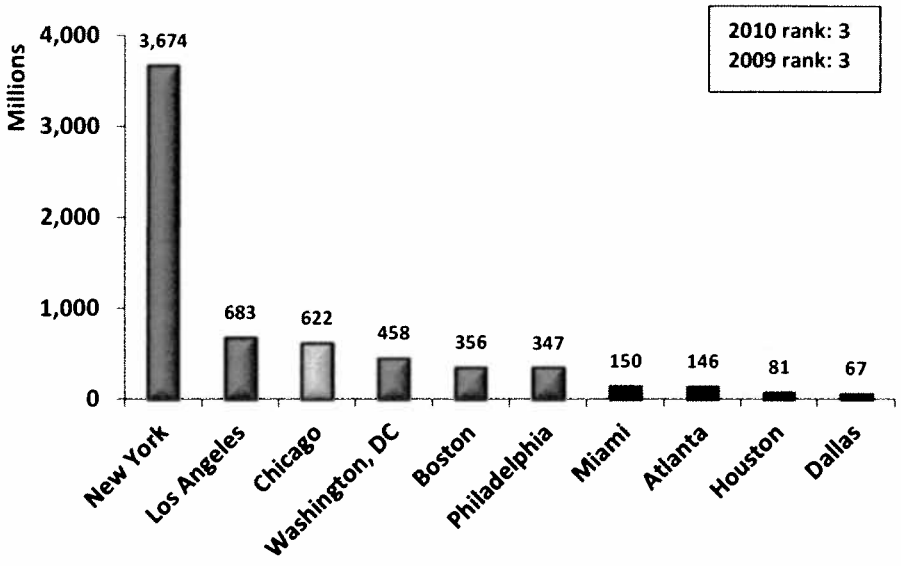
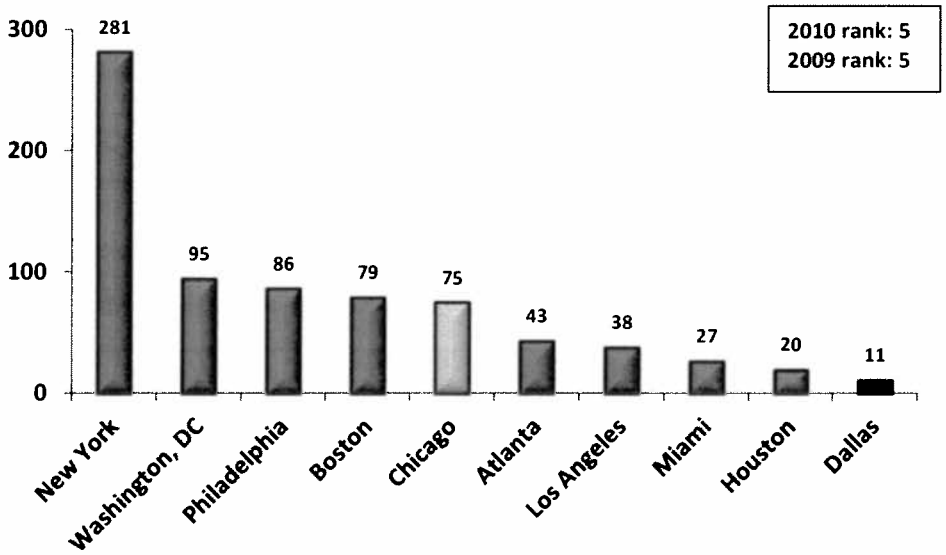
Passenger Trips



Passenger Trips per Area Resident

The average number of rides taken per resident annually.



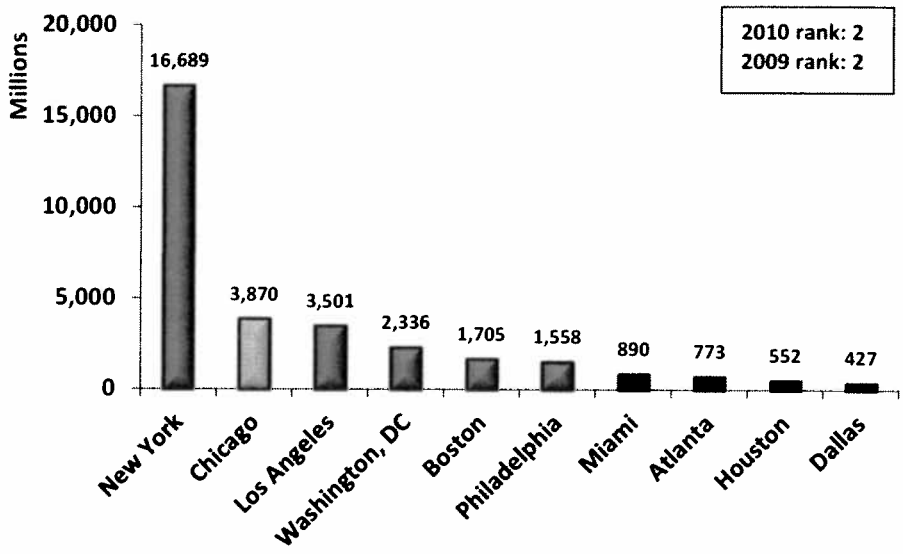
SERVICE COVERAGE

Service Supplied and Service Consumed

Passenger Miles

The cumulative sum of the distances ridden by all passengers.

Passenger Miles



SERVICE EFFICIENCY AND EFFECTIVENESS

Service Efficiency and Cost Effectiveness

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The expense of operating the transit system.

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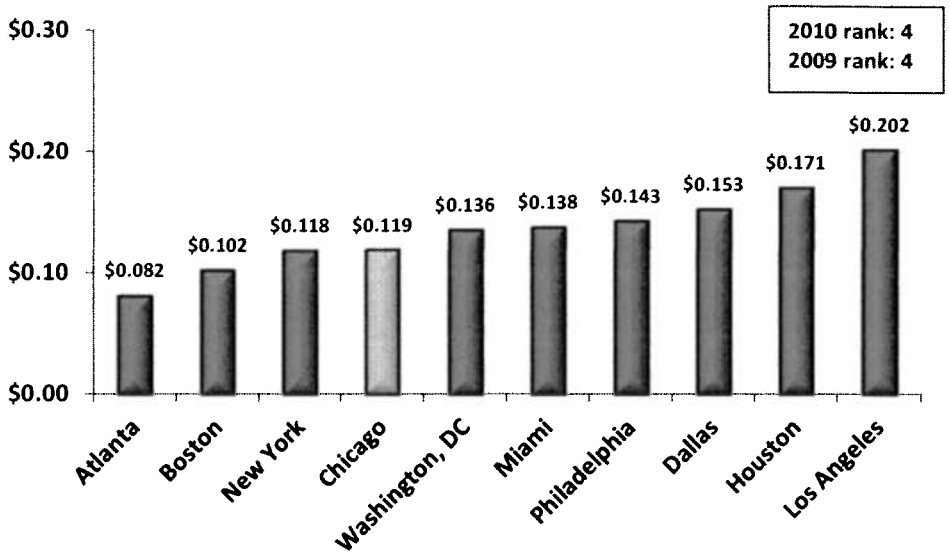
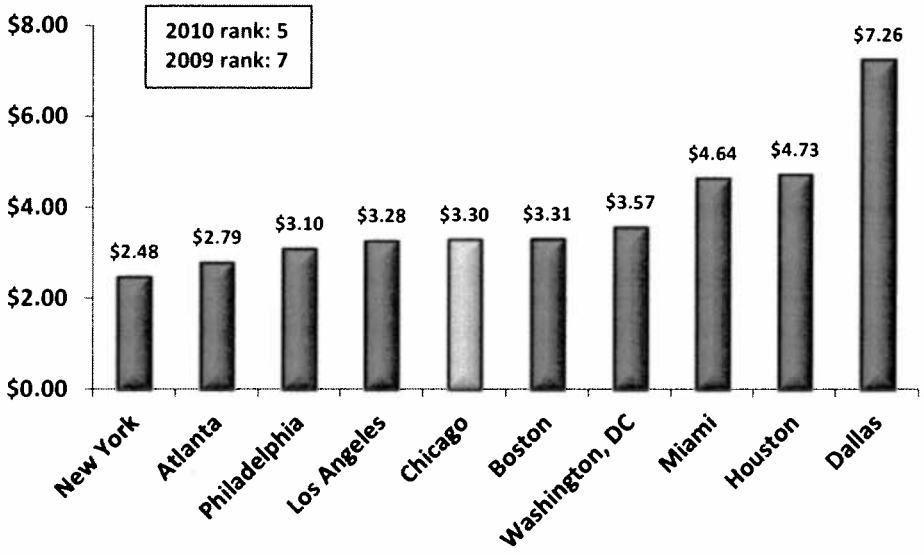


Operating Cost per Passenger Trip

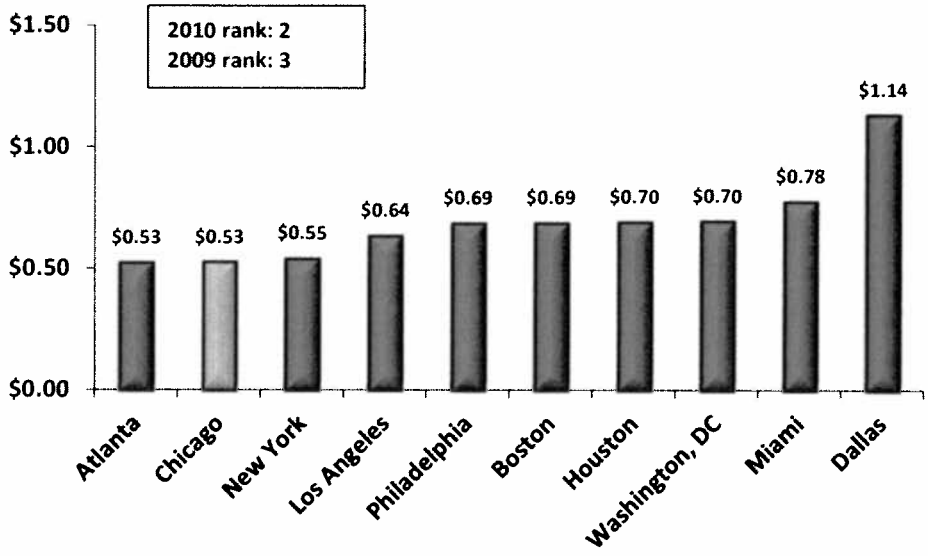
The average cost of an individual trip taken.



SERVICE EFFICIENCY AND EFFECTIVENESS

Service Efficiency and Cost Effectiveness

Operating Cost per Passenger Mile
The average cost of providing each mile of each individual trip taken.



SERVICE MAINTENANCE AND CAPITAL INVESTMENT

State of Good Repair and Reliability

Percent of Vehicles Beyond Useful Life

The percentage of vehicles in the total vehicle fleet that have reached the end of their minimum useful life as defined by the Federal Transit Administration (4 years for new automobiles or vans, 12 years for new buses, and 25 years for new rail cars).

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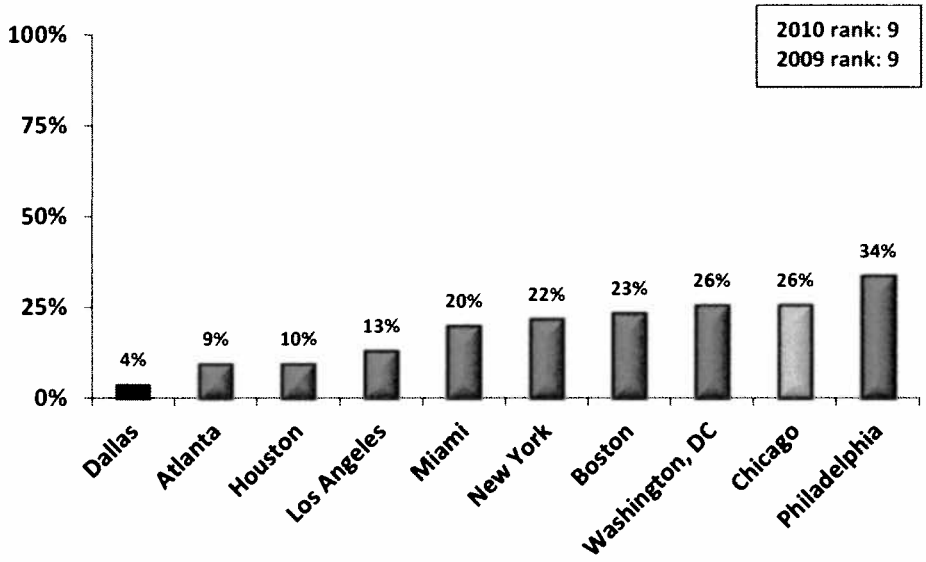

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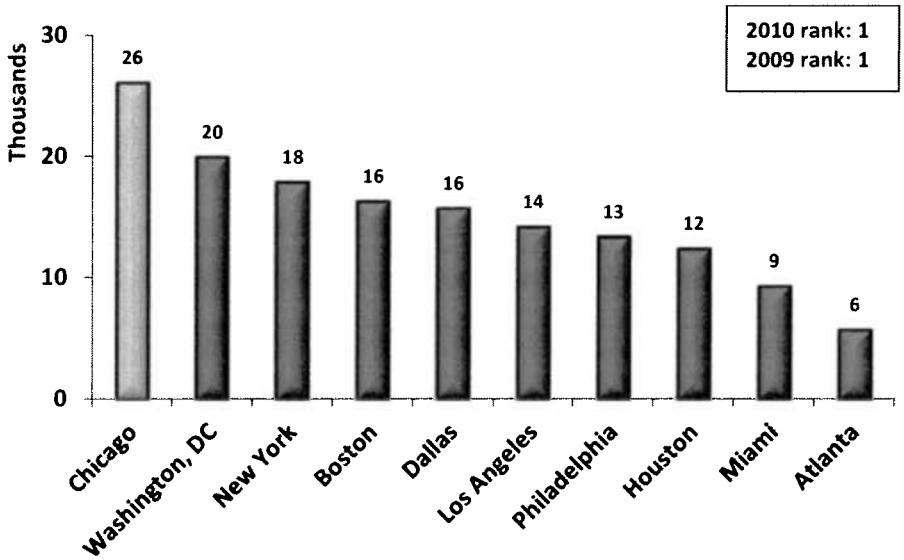


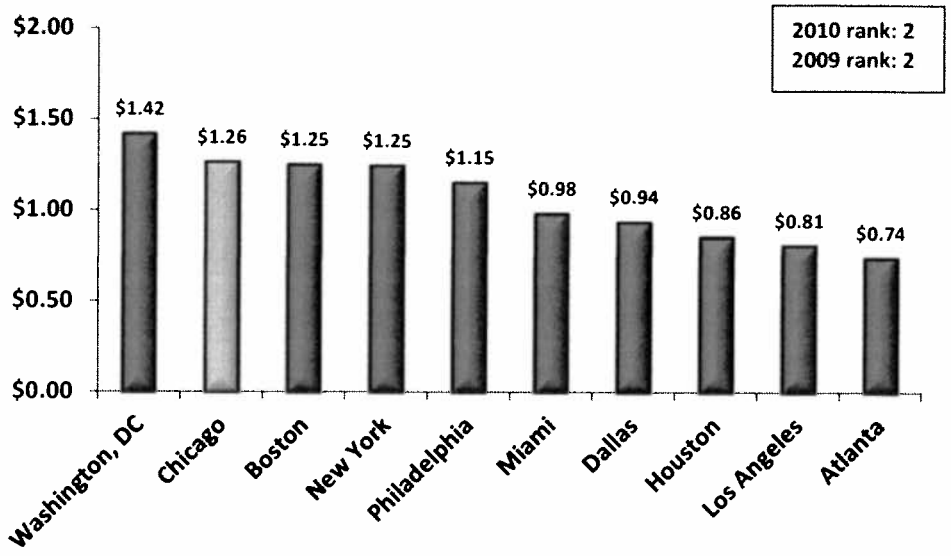
SERVICE LEVEL SOLVENCY

Operations and Capital

Fare Revenue

The total amount of money that passengers pay in fares.

Fare Revenue per Passenger Trip
The average fare paid by customers per trip.



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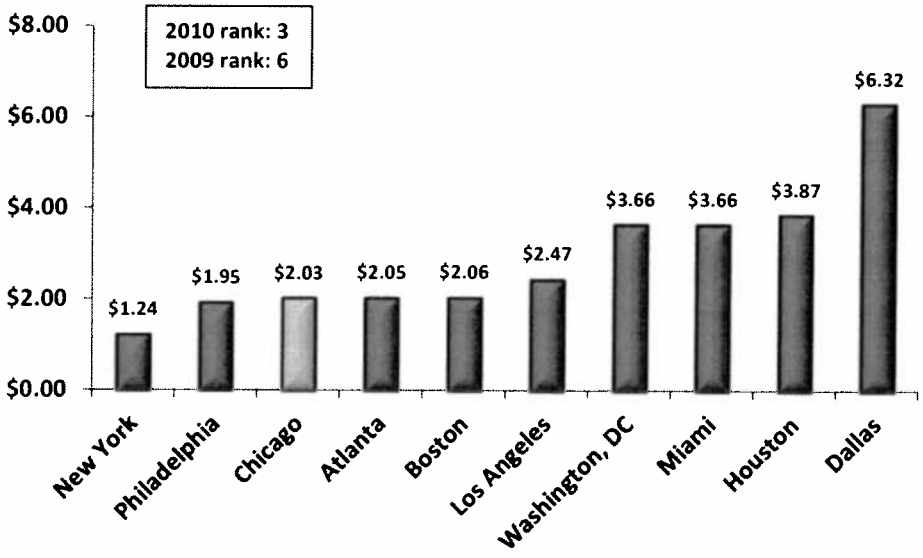

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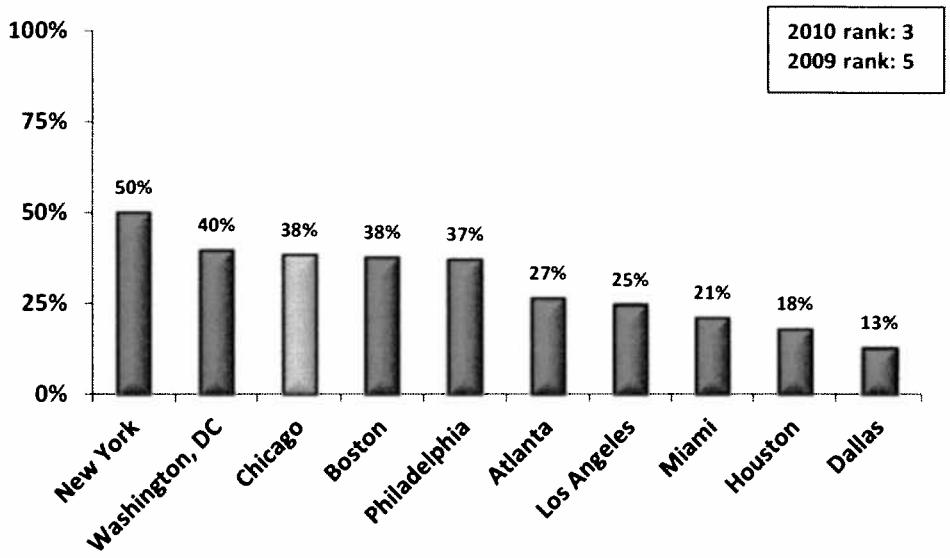

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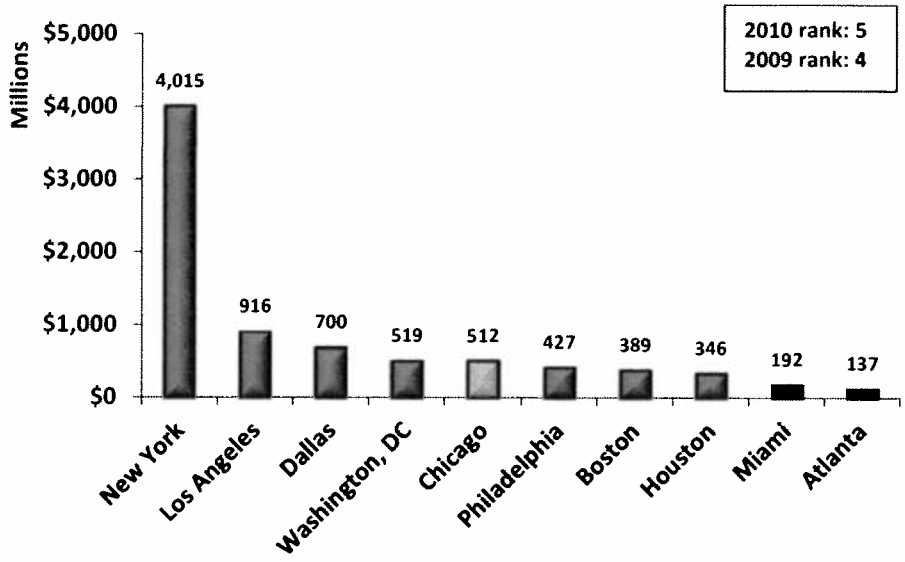
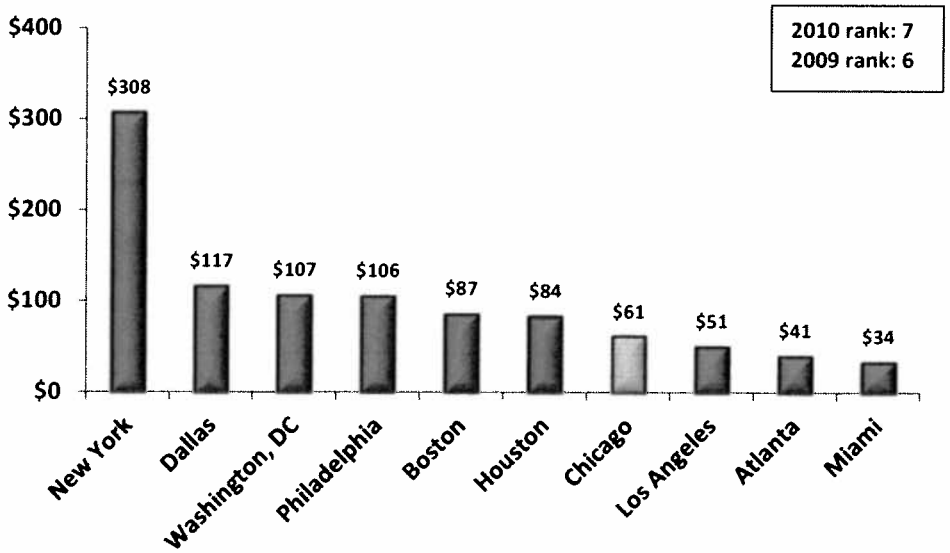
Capital Program Expenditures



Capital Program Expenditures per Area Resident



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2011

Regional Peer Report Card

Regional Transportation Authority

Atlanta

Boston

Chicago

Dallas

Houston

Los Angeles

Miami

New York

Philadelphia

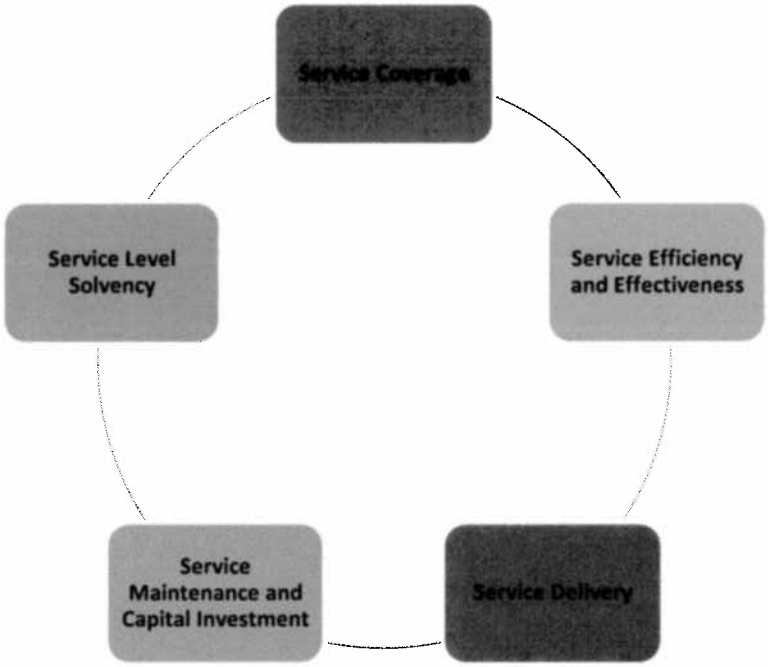
Washington, D.C.

Prepared by the Department of Finance and Performance Management
Division of Budget, Performance & Business Analysis
February 2013

REGIONAL PERFORMANCE MEASURES

2011 Regional Peer Report Card

RTA staff has undertaken the development of a performance measurement and reporting program to evaluate the impact and effectiveness of public transit in Northeastern Illinois. Overall regional performance is a function of five major areas:



- **Service Coverage** - monitors both how much service is available to people in the region (in terms of population and square miles) and how much of that service capacity is used.
- **Service Efficiency and Effectiveness** - evaluates the level of resources spent on delivering service in relation to the level of service provided and the extent to which passengers are using that service.
- **Service Delivery** - reflects the quality of the service delivered.
- **Service Maintenance and Capital Investment** - indicates the allocation of capital funds and the replacement and maintenance of infrastructure components on a schedule consistent with their life expectancy.
- **Service Level Solvency** - assesses financial condition to ensure that there are sufficient resources to meet current and ongoing budgetary needs (both operating and capital).

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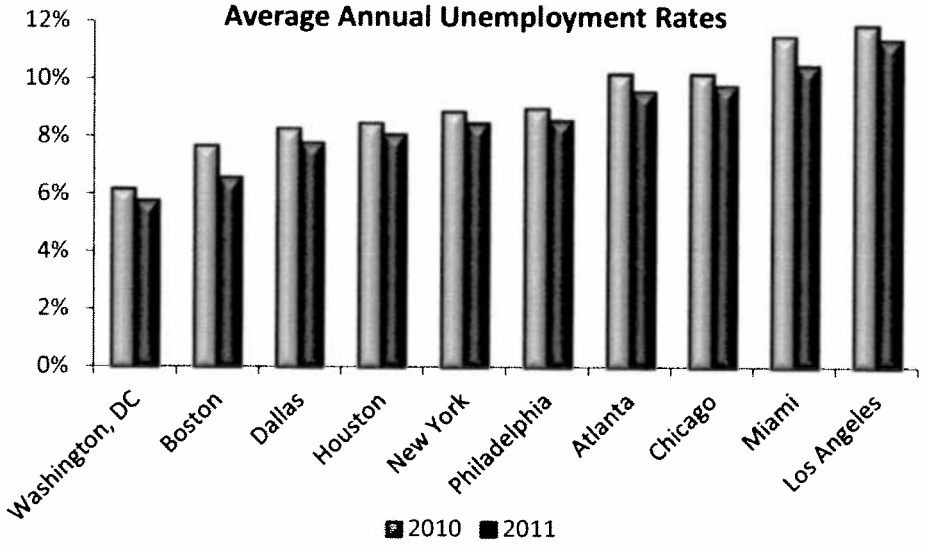
EXECUTIVE SUMMARY

The Regional Peer Report Card was developed to provide context to the performance of the Chicago region's transit service by relating it to comparable peer regions from across the country. To accomplish this goal, the Peer Report Card incorporates data reported to the National Transit Database (NTD) by all transit agencies that receive federal funding. This report includes published NTD data for calendar year 2011, the most currently available, which was released in November 2012. Peer regions were selected based on population, so that the top ten US metropolitan statistical areas (MSAs) are represented: Atlanta, Boston, Dallas, Houston, Los Angeles, Miami, New York, Philadelphia, and Washington, DC, with the Chicago metropolitan area being the third-largest. For each of the top ten regions, the main transit operators were determined so as to best represent each region's public transportation service. This report includes some changes in methodology in the calculation of population and land area data and in the selection of transit operators within peer regions (see "Notes/Methodology" section on page 4). For comparability to prior year results, all 2010 measures were recalculated using the new methodology.

Of the fifteen measures included in this report, Chicago-area transit ranked in the top half of the peer group in twelve of fifteen measures and as one of the top three in six of the measures. Chicago did experience a decline in its relative ranking for seven of the measures, predominantly in the service level solvency and service efficiency categories. Particular strength was noted for operating cost per passenger mile and miles between major mechanical failures, for which Chicago transit ranked first among its peers. As shown in prior reports, Chicago has a large proportion of vehicles in service beyond their useful life; maintaining the top ranking for miles between major mechanical failures demonstrates the success of rehabilitation and repair programs. Chicago also continues to exhibit strength in the service coverage area, ranking high for service provision (as measured by vehicle revenue miles per square mile) and service consumption (as measured by passenger trips and passenger miles), suggesting a balance between service supply and demand.

As shown in the following chart, every region included in the peer review continued to recover from the economic recession that began in 2008, with unemployment rates showing a downward trend from their peaks in 2010. In the Chicago metropolitan area, the average annual unemployment rate decreased from 10.2% in 2010 to 9.8% in 2011. The RTA system ridership, which had experienced declines in 2009 and 2010, rebounded in 2011 with a 3% gain. Additionally, passenger miles traveled grew by 4.5% in 2011, surpassing 4 billion miles and outperforming 2008's historic high levels.



Service Coverage: Chicago maintained its strong, consistent performance in this area. Chicago, with the third-largest MSA population and fourth-largest MSA geographic area, ranked third for vehicle revenue miles per square mile, indicating high levels of service to its residents. Chicago transit modes provided over 641 million passenger trips in 2011, more than 2 million trips per average weekday -- the third-highest number of passenger trips per year behind New York and Los Angeles. Chicago system ridership, which grew by 3% in 2011, narrowed the gap to Los Angeles ridership, which had a 2% decrease in trips for the year. Expressing passenger trips on a per-resident basis, however, places Chicago's rank at fourth with an average of 67 trips taken per resident per year. However, Chicago transit customers traveled over 4 billion miles in 2011, ranking second and widening the gap from Los Angeles riders. Compared to the top peers, Chicagoland residents do not use transit quite as much but travel longer average distances, suggesting a more widely dispersed suburban population.

Service Efficiency and Effectiveness: Eight of the ten agencies reviewed realized increased operating cost per unit of transit capacity in 2011. With an increase of 5.8% for this measure, the second largest increase among its peers, Chicago dropped one rank position to fourth place. In 2011, Chicago did not implement reductions in service, as was done in 2010 to reduce costs. Seven of the regions, including Chicago, experienced increased operating cost per passenger trip in 2011; Chicago dropped from fifth place to sixth place for this measure as its costs rose $0.05 per passenger trip. Notable operating cost increases were seen for labor, fuel, and health insurance premiums, as well as continued high maintenance costs associated with keeping the Chicago region's older fleet vehicles in operation. Record-high passenger miles traveled in 2011 kept the Chicago region's operating cost at $0.53 per passenger mile, moving Chicago up one rank position for a first-place finish for this cost effectiveness indicator.

Service Delivery: Service delivery measures such as on-time performance and complaints received are not reported to the NTD and thus are not available for peer agencies. Additionally,

NTD does not collect or report safety and security data for commuter rail operators, so these data are not included in this peer report.

Service Maintenance and Capital Investment: Chicago maintained its ranking for the two indicators in this category: percent of vehicles beyond useful life and miles between major mechanical failures. However, actual performance for each of the indicators was worse compared to 2010. The Chicago region's percent of vehicles beyond useful life increased from 26% to 28%, ranking ninth out of the ten regions. With the Philadelphia region seeing a five percentage point improvement from 2010, the two regions had similar performance for this measure in 2011. The Chicago region kept its top ranking for miles between major mechanical failures, at over 25,000 miles, and besting its nearest competitor by over 2,500 miles despite having the oldest average fleet age among its peers. The four systems with the highest percentage of rail vehicle revenue miles (Chicago, Washington, DC, Boston, and New York) are also the four systems with the most miles between major mechanical failures.

Service Level Solvency: The Chicago region saw a slight 0.4% improvement in fare revenue per passenger trip in 2011, which translates to a $0.01 gain per trip; however, Chicago's ranking fell to third place for this measure. Washington DC, which had implemented the largest fare increase in its history, increased its fare revenue per passenger trip by $0.25 compared to 2010, and New York, which had also implemented a substantial fare increase, improved its fare revenue by $0.11 per trip and moved up two rank positions. In contrast, there were no fare increases implemented in the Chicago region in 2011. Base fares were last increased on CTA and Pace in 2009, and on Metra in 2008; fare adjustments were made to Metra one-way and weekend fares in 2009, and to Pace ADA fares in November 2009 to establish a regional base fare.

With operating cost increases outpacing increases in fare revenues received, the Chicago region's farebox recovery shortfall per passenger trip increased $0.05 in 2011, indicating an increased reliance on public funding to cover operating expenses. As a result, Chicago's ranking dropped two positions to fifth place; the top two rankings went to New York and Philadelphia, which saw improvements in this indicator for the year. The Chicago region's fare recovery ratio decreased by approximately half a percentage point, dropping its rank one position to fourth place in comparison to its peers. The final two indicators reflect capital program expenditures, which can be quite variable from year to year. Capital program expenditures in the Chicago region grew by $69 million in 2011, resulting in a gain of one rank position. On a per-resident basis, the Chicago region expended $61 for capital expenses, a $7 gain over 2010, but ranked in the bottom three among its peers.

NOTES/METHODOLOGY

1. This analysis is based on 2011 published data from the National Transit Database (NTD), the most currently available data. The data submission by transit agencies is a requirement of receiving federal funding and thus follows guidelines and procedures established by the Federal Transit Administration.

2. The farebox recovery ratio used in this report follows the NTD definition, which is the proportion of operating costs that are covered by fare revenues paid by passengers. The NTD recovery ratio differs from the RTA recovery ratio, which takes into account certain adjustments as enumerated in the RTA Act such as the exclusion of various costs, the treatment of depreciation, and the inclusion of in-kind services. The RTA recovery ratio also includes system-generated revenue other than fares in its formula calculation. Furthermore, the RTA Act requires that Pace ADA paratransit costs and revenues be separated from the RTA recovery ratio and meet its own statutorily-set recovery ratio.

3. Since the inception of the regional peer report card, the peer group selected has consisted of the top ten urbanized areas (UZAs) as defined by the US Bureau of the Census. For each UZA, different estimating methods were used to calculate land area and population that approximated the service area of the regional transit providers. To allow for consistent updating of data over time, the use of the metropolitan statistical area (MSA) was selected as the standard representation to use for each urban area and has been incorporated in this report for both population and square mileage data for both years examined. The top ten MSAs remained consistent with the prior list of top ten UZAs.

4. The transit agencies included within each peer region have been chosen to represent the primary transit operators of each region. In an effort to standardize what comprises the "primary" transit properties, agencies with annual ridership under four million were excluded with the exception of Los Angeles' Access Services, Inc., which provides more than half the paratransit trips of that region, is under the umbrella of the LACMTA, and mirrors Pace ADA in function. Following this rule, four properties that were previously included in the regional peers have been removed from the 2011 data set (Torrance Transit, Norwalk Transit, and Antelope Valley Transit in the Los Angeles region and Prince George's County Transit in Washington, DC). In addition, three properties were added: PATH (Port Authority Trans-Hudson) in the New York region data, PATCO (Port Authority Transit Corporation) in the Philadelphia region data, and CCT (Cobb County Department of Transportation Authority) in the Atlanta region data. All three are providers of over four million annual trips.

5. New Jersey Transit, which serves both the New York and Philadelphia regions, has been excluded from this and prior year reports because there was no way to disaggregate the data between the two urban areas. As a result, there is some under-representation of transit service for these urban areas. Similarly, the Maryland Transit Administration, which primarily serves the Baltimore region and also serves the DC area, has not been included in this or prior reports as its operating data cannot be divided among the DC and Baltimore metropolitan statistical areas. As a result, Washington, DC metropolitan area transit service is slightly understated.

6. For comparability to 2010 results and rankings, all 2010 measures were recalculated to incorporate the MSA data as well as the revised regional peer transit agencies.

SELECTION OF PEERS

The peer group selected for use in the Regional Peer Report Card consists of the top ten metropolitan statistical areas (MSAs) as defined by the US Bureau of the Census: Chicago, Atlanta, Boston, Dallas, Houston, Los Angeles, Miami, New York, Philadelphia, and Washington, DC. Population and land area data correlate to each MSA region. For consistency with the six-county RTA area, only the main transit properties serving each MSA were included in this report.

Geographic Region	Transit Agencies Included
Chicago	Chicago Transit Authority, Metra, Pace
Atlanta	Metropolitan Atlanta Rapid Transit Authority, Cobb County Department of Transportation Authority
Boston	Massachusetts Bay Transportation Authority
Dallas-Ft Worth	Dallas Area Rapid Transit, Fort Worth Transportation Authority
Houston	Metropolitan Transportation Authority of Harris County
Los Angeles	Access Services Incorporated, Foothill Transit, Long Beach Transit, Los Angeles County Metro, LA Metro Smaller Operators, Los Angeles Department of Transportation, Montebello Bus Lines, Omnitrans, Orange County Transportation Authority, Riverside Transit Agency, Santa Monica Municipal Bus Lines, Southern California Regional Rail Authority
Miami	Broward County Transit, Miami-Dade Transit, PalmTran, South Florida Regional Transportation Authority
New York	All MTA operating agencies (Long Island Bus, Long Island Rail Road, Metro-North Railroad, MTA Bus, New York City Transit, Staten Island Railway), New York City Department of Transportation, Port Authority Trans-Hudson, Suffolk County Transit , Westchester County Bee-Line
Philadelphia	Port Authority Transit Corporation, Southeastern Pennsylvania Transportation Authority
Washington, DC	City of Alexandria DASH, Montgomery County Ride-On, Virginia Railway Express, Washington Metropolitan Area Transit Authority

PEER CHARACTERISTICS

The chart below shows various characteristics that describe each metropolitan statistical area represented in the report.

2011	Chicago	Atlanta	Boston	Dallas	Houston	Los Angeles	Miami	New York	Philadelphia	Washington, DC
MSA Population* Ranking	3	9	10	4	5	2	8	1	6	7
MSA Population* (thousands)	9,505	5,359	4,591	6,527	6,087	12,945	5,670	19,016	5,992	5,704
MSA Square Miles**	7,197	8,339	3,487	8,928	8,827	4,848	5,077	6,687	4,602	5,598
MSA Population Density	1,321	643	1,316	731	689	2,670	1,117	2,844	1,302	1,019
Vehicle Revenue Miles (millions)	222	52	96	53	68	259	89	699	94	146
Passenger Trips (millions)	641	144	381	71	81	661	158	3,787	369	456
Passenger Miles (millions)	4,042	766	1,814	480	537	3,407	940	18,093	1,719	2,285
Operating Cost (millions)	$2,151	$429	$1,223	$505	$398	$2,200	$701	$9,713	$1,163	$1,674
Fare Revenue (millions)	$814	$119	$456	$68	$76	$586	$158	$5,132	$468	$768
Capital Funds Expended (millions)	$581	$107	$397	$437	$397	$1,038	$139	$4,048	$424	$649
Average Trip Length (miles)	6.30	5.30	4.77	6.78	6.63	5.15	5.96	4.78	4.65	5.02
Average Vehicle Passenger Capacity	76.83	88.00	118.69	65.45	34.22	40.53	54.69	113.98	87.62	85.52

*Source: Table 5. Estimates of Population Change for Metropolitan Statistical Areas and Rankings: July 1, 2010 to July 1, 2011 (CBSA-EST2011-05). U.S. Census Bureau, Population Division. Release Date: April 2012

**Source: 2010 Census Summary File 1.

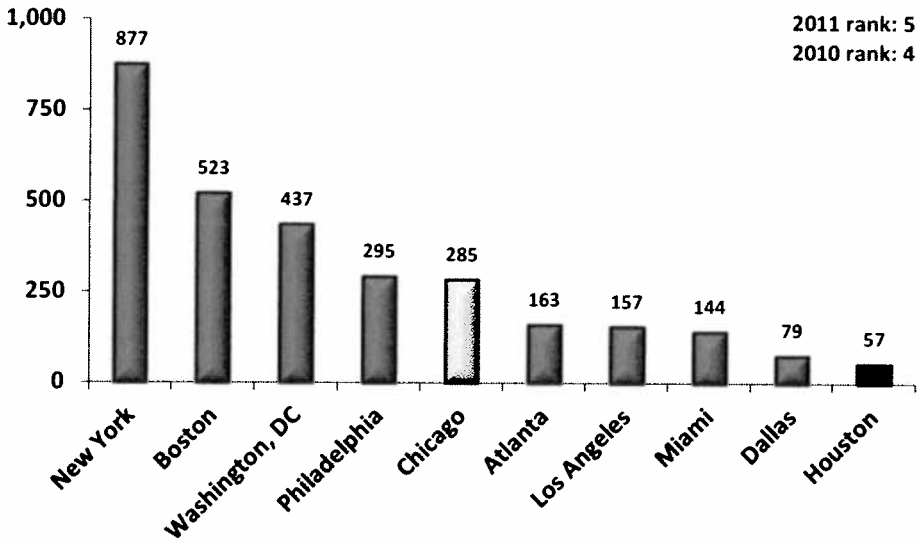
SERVICE COVERAGE

Service Supplied and Service Consumed

Transit Capacity (trips)

The amount of service provided as measured in trips available to be taken.

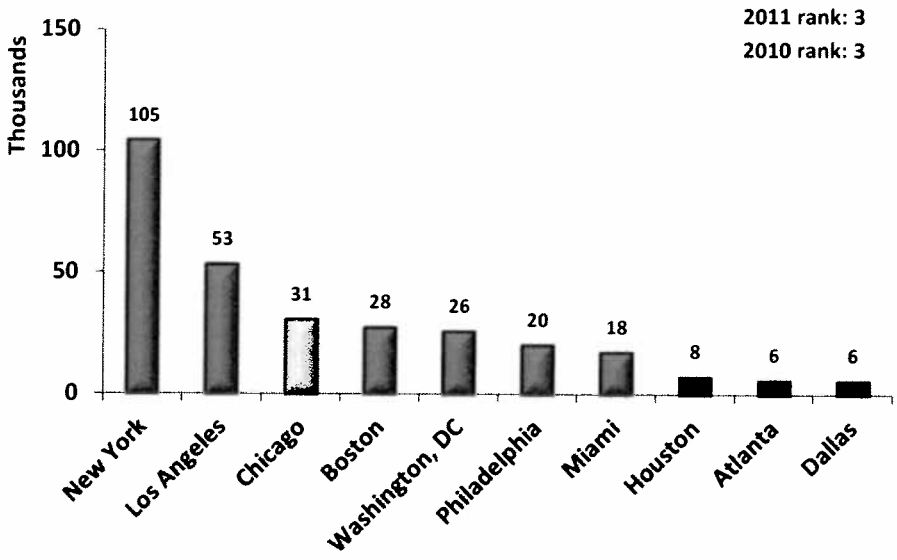
Transit Capacity per Area Resident
The number of trips available for each resident in the region to take annually.



Vehicle Revenue Miles

The amount of service provided as measured in miles traveled by vehicles while in service.

Vehicle Revenue Miles per Square Mile (MSA)
The number of miles of travel provided annually per square mile of the service area.



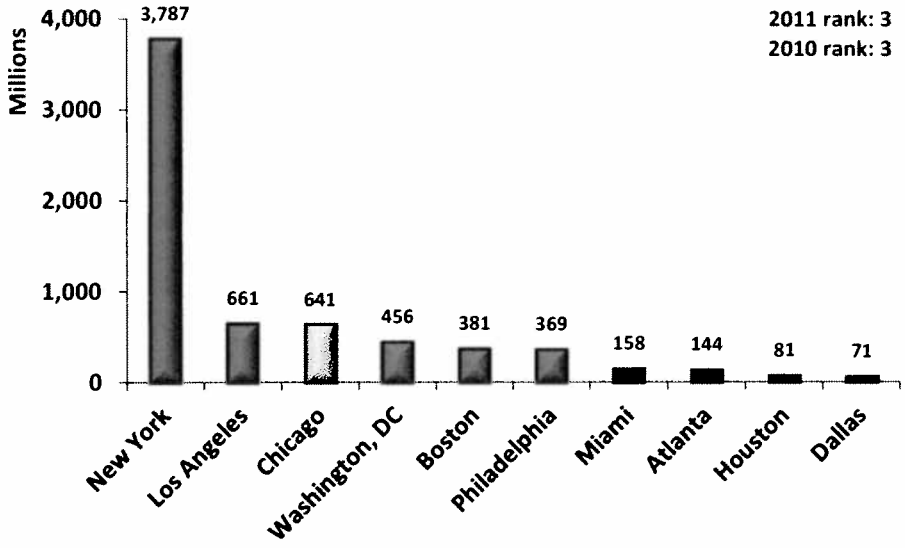
SERVICE COVERAGE

Service Supplied and Service Consumed

Passenger Trips (Ridership)

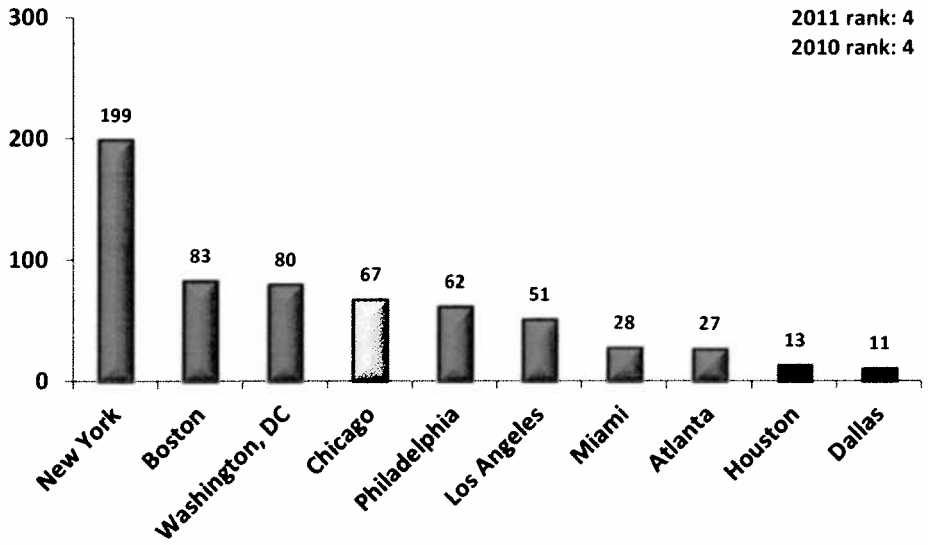
The number of times passengers board buses and trains, including transfers from one bus or train to another in order to complete their trips.

Passenger Trips



Passenger Trips per Area Resident

The average number of rides taken per resident annually.



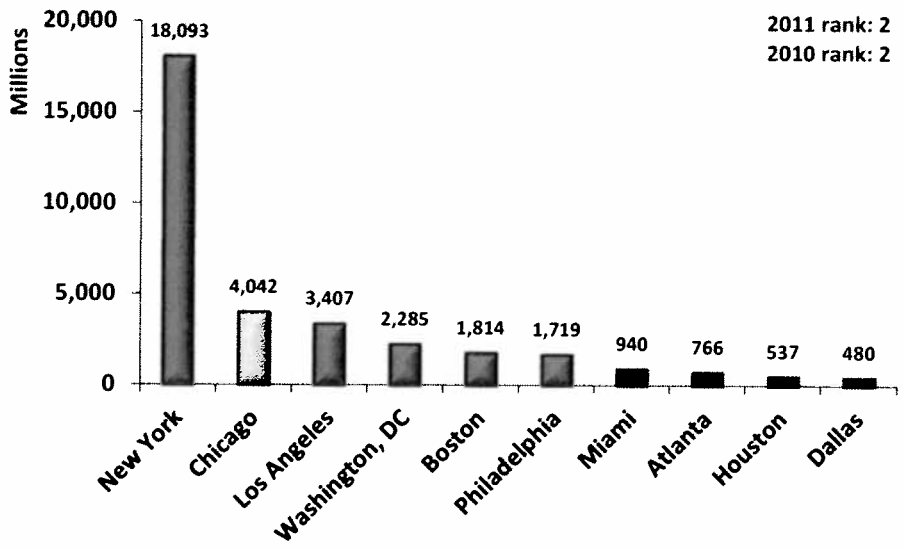
SERVICE COVERAGE

Service Supplied and Service Consumed

Passenger Miles

The cumulative sum of the distances ridden by all passengers.

Passenger Miles



SERVICE EFFICIENCY AND EFFECTIVENESS

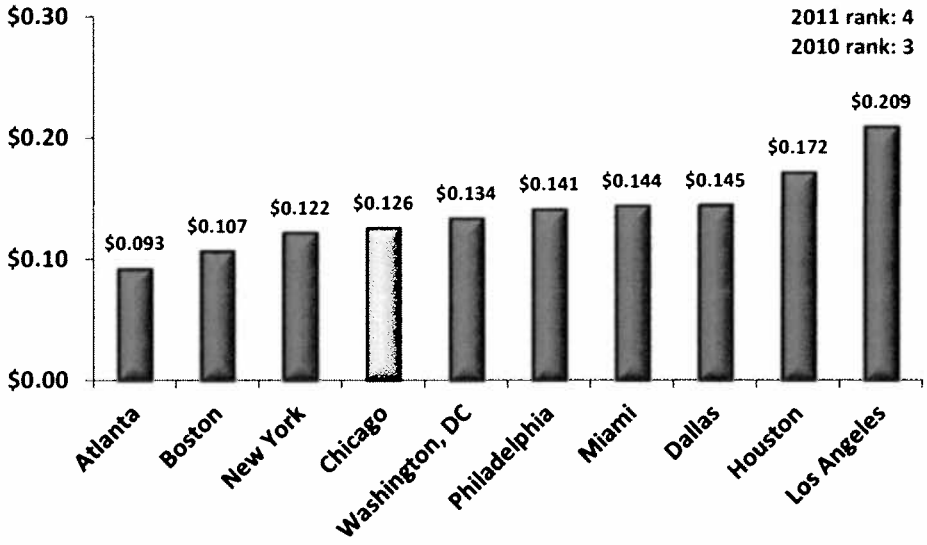
Service Efficiency and Cost Effectiveness

Operating Cost

The expense of operating the transit system.

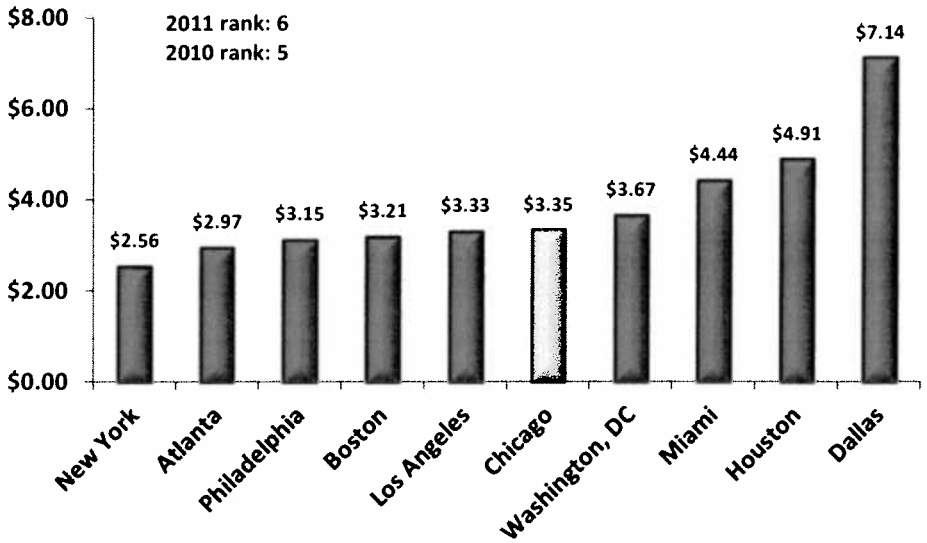
Operating Cost per Unit of Transit Capacity

The average cost of providing a passenger seat or space for each mile of an individual trip, whether or not it is taken.



Operating Cost per Passenger Trip

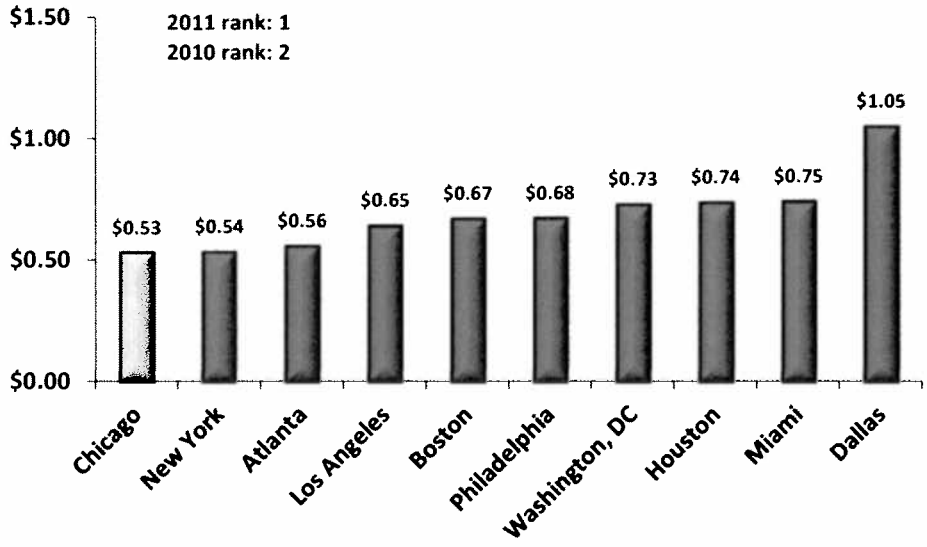
The average cost of an individual trip taken.



SERVICE EFFICIENCY AND EFFECTIVENESS

Service Efficiency and Cost Effectiveness

Operating Cost per Passenger Mile
The average cost of providing each mile of each individual trip taken.



SERVICE MAINTENANCE AND CAPITAL INVESTMENT

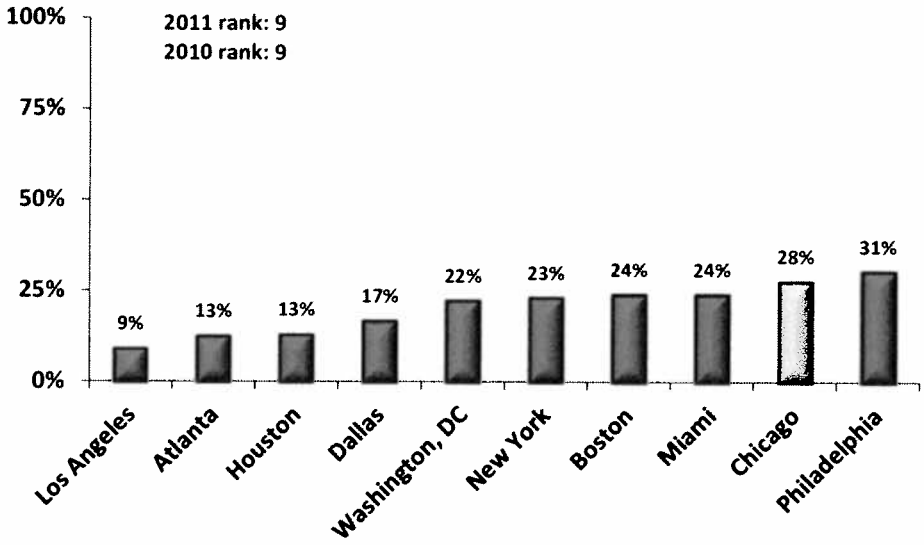
State of Good Repair and Reliability

Percent of Vehicles Beyond Useful Life

The percentage of vehicles in the total vehicle fleet that have reached the end of their minimum useful life as defined by the Federal Transit Administration (4 years for new automobiles or vans, 12 years for new buses, and 25 years for new rail cars).

Percent of Vehicles Beyond Useful Life

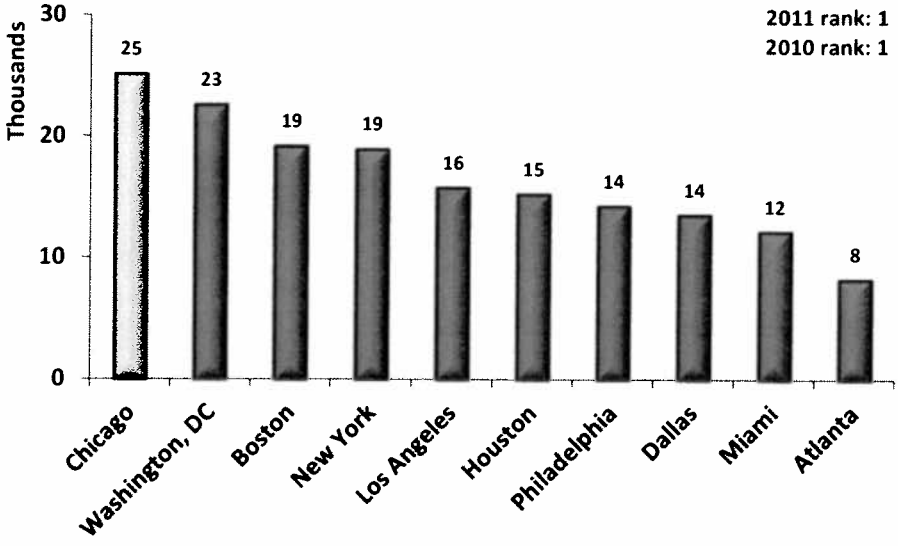
Rehabilitations that may be undertaken to keep vehicles in service beyond FTA guidelines are not included in these data.



Miles Between Major Mechanical Failures

The average distance that vehicles of all modes travel in revenue service between mechanical failures that prevent them from completing a scheduled trip or from starting the next scheduled trip.

Miles Between Major Mechanical Failures



SERVICE LEVEL SOLVENCY

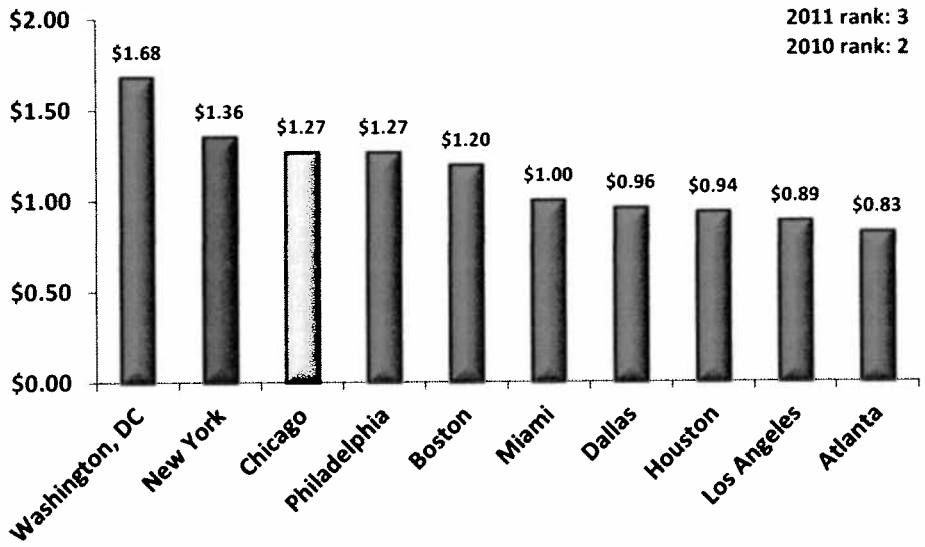
Operations and Capital

Fare Revenue

The total amount of money that passengers pay in fares.

Fare Revenue per Passenger Trip

The average fare paid by customers per trip.

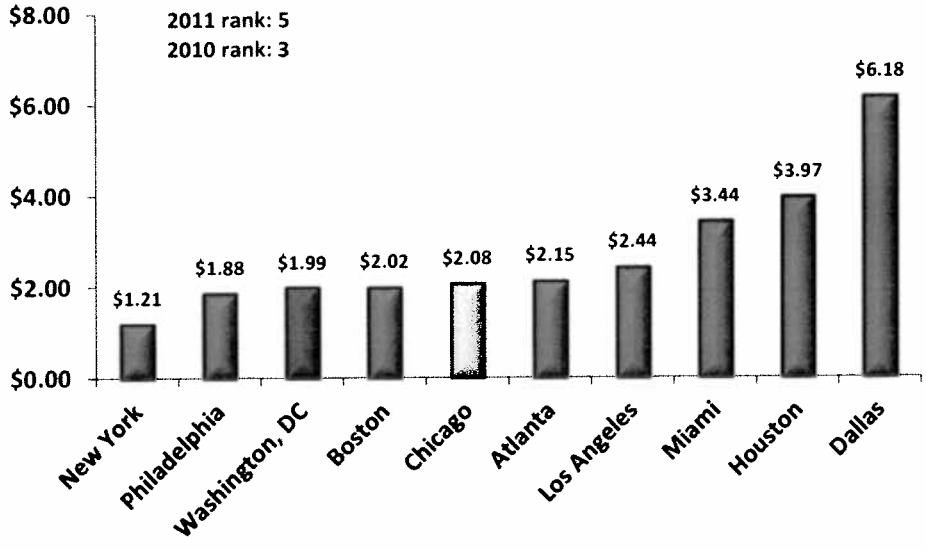


Farebox Shortfall (Non-Fare Revenue)

The amount of revenue from all sources, other than fare revenue, that is required to cover the total cost of operations.

Farebox Shortfall per Passenger Trip

The average cost of each trip that is not covered by the fare paid by customers. The balance of operating costs is covered by other directly-generated revenue (advertising, concessions, etc.) and public funding (state, local, and federal).



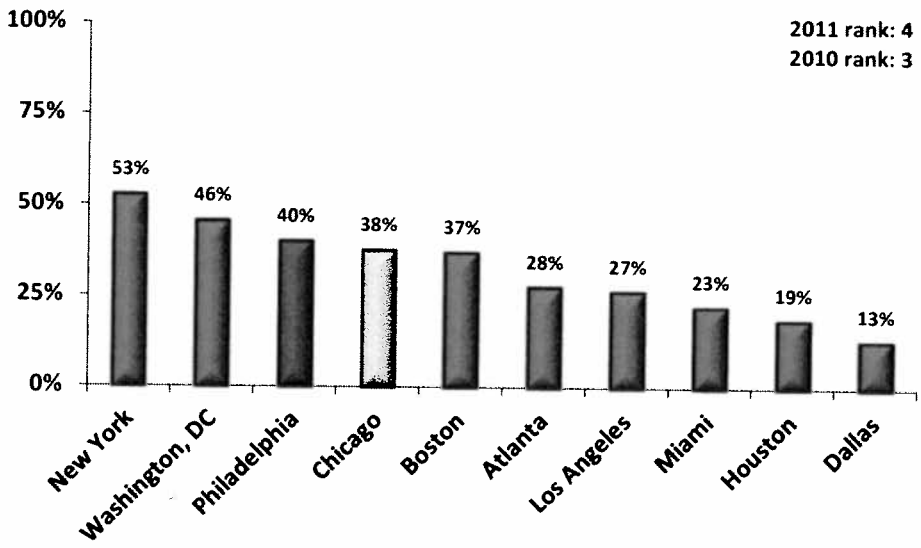
SERVICE LEVEL SOLVENCY

Operations and Capital

Fare Recovery Ratio

As defined by the NTD, the proportion of operating costs that are covered by fare revenues paid by passengers. The NTD fare recovery ratio differs from the RTA recovery ratio, which takes into account other system-generated revenue and certain adjustments as enumerated in the RTA Act.

Fare Recovery Ratio



SERVICE LEVEL SOLVENCY

Operations and Capital

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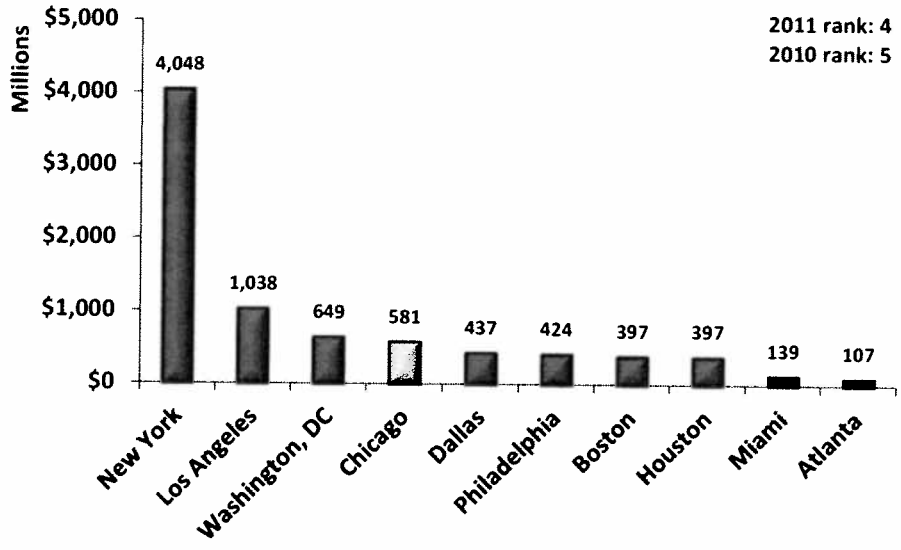
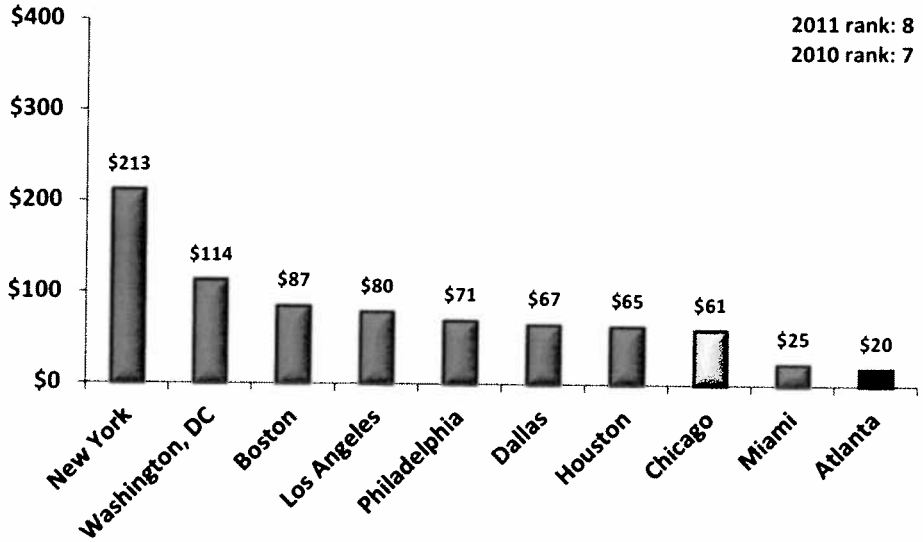
The amount of capital funds expended to finance the maintenance, enhancement, and expansion of the transit system's infrastructure. Please note that capital funds expended in one year may include funding from prior years due to the longer-term nature of capital project implementation.

Capital Program Expenditures



Capital Program Expenditures per Area Resident



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Regional Performance Measures

AC Transit
CTA
DART
Houston Metro
King Co. Metro
LA Metro
LI Bus
LIRR
Madison County
MARTA
MBTA
Metra
MNCR
MTA
NYCT
NJT
OCTA
Pace
SamTrans
SEPTA
SMART
WMATA

2009

Sub-Regional Peer Report

Regional Transportation Authority

The six-county public transportation system serving northeastern Illinois

Prepared by Department of Finance & Performance Management • April 2011

REGIONAL PERFORMANCE MEASURES
2009 Sub-Regional Peer Report

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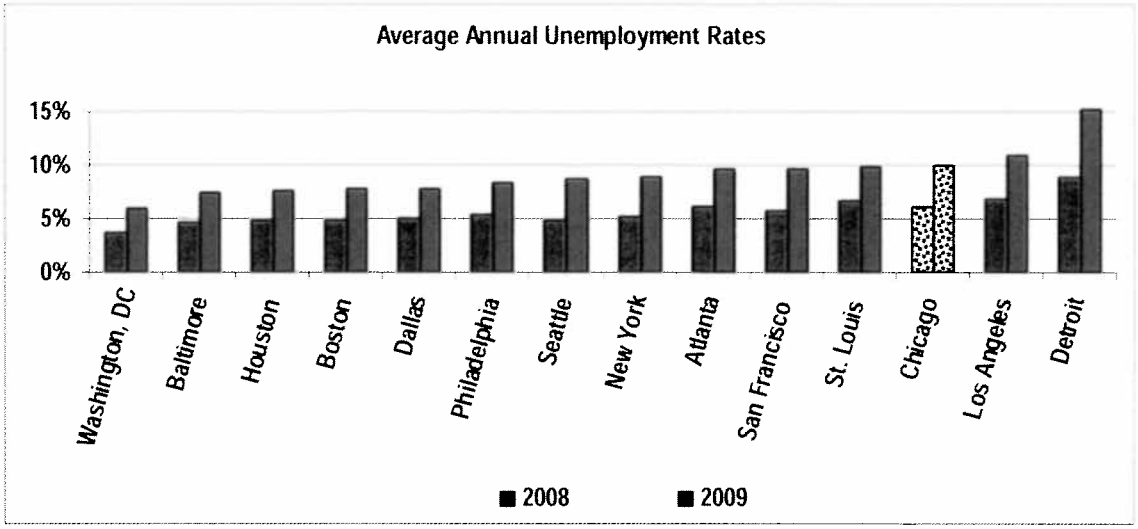
EXECUTIVE SUMMARY

The Sub-Regional Peer Report has been developed by the RTA as part of its oversight function to support the evaluation and management of the region's public transportation system. Through examination of the performance of a set of peer agencies, a transit property can develop a better understanding of its own strengths and weaknesses and identify areas for potential performance improvement. The selection of peer agencies has been done on a modal basis to create as much uniformity in operating characteristics as possible. For each of the six modes operated in the RTA region – urban bus, heavy rail, commuter rail, suburban bus, vanpool and ADA/dial-a-ride (DAR) – a peer group of five agencies has been selected. The report is based on data from the National Transit Database (NTD) to ensure as much comparability between agencies in definition and collection of data elements as possible.

In selecting the group of peer agencies, the RTA examined the size of the metropolitan area served, the urban versus suburban character of the service area, the size of the transit system, and operating characteristics such as speed, trip length, and whether urban bus services were operated in conjunction with rapid transit services. The size of the transit system was measured in total passenger trips provided, vehicles operated in peak service, directional route miles, and the number of stations served for rail modes. The fairly clear split between urban and suburban services created in the Chicago area by the separate operations of the CTA and Pace is not a model uniformly followed by other major urban areas. In selecting appropriate peer groups, properties that were either predominantly urban were considered for comparison to CTA or predominantly suburban for comparison to Pace.

Each operating agency has unique circumstances and operational differences that distinguish it from its peers. In conducting a peer analysis, it is important to have an understanding of these differences and how they affect performance measures. Presenting an accurate and representative depiction of a transit operation requires a careful balance of performance measures. With no federal or industry standards for transit performance metrics, meaningful comparisons to well-chosen peers that share many similar characteristics provide a way to benchmark performance and identify industry best practices. The goal is to use the peer analysis to point toward areas of potential improvement. Further research can then be conducted to gain a better understanding of the factors contributing to observed levels of performance.

Overall, the Chicago agencies stood up well in comparison to their peers. The Chicago systems consistently represent one of the largest operators in their peer group. Special strengths across modes were noted in the service efficiency and effectiveness category and in service reliability as measured by miles between major mechanical failures. These results reflect the success the RTA agencies have had at running efficient operations and indicate that scarce operating dollars are used well.



The economic recession that began in 2008 had a significant impact on transit agencies throughout the United States. Chicago had the third-highest unemployment rate of the 14 regions represented in this report. Jobs in the Chicago metropolitan region decreased by 5.2% and the unemployment rate climbed from 6.2% in 2008 to 10.0% in 2009. The RTA system as a whole had ridership declines of 2.4%, with Pace bus and vanpool seeing double-digit ridership losses of 15.5% and 10.5%, respectively. Metra's ridership declined by 6.7%. CTA bus had the lowest decline at 2.9% and CTA rail was the only fixed-route service to show an increase in ridership with growth of 2.2%. Pace ADA and dial-a-ride paratransit services also experienced growth of 5.0%.

CTA Bus performs well in comparison to its peer group, with performance better than or equal to the peer average in nine of the eleven measures reviewed. Particular strength occurred in solvency and service efficiency and effectiveness measures. For the second year in a row, CTA bus has achieved the lowest operating cost per vehicle revenue hour and lowest average fleet age. CTA bus improved in miles between major mechanical failures in 2009 with performance very close to the peer average compared to its last place position in 2008.

CTA Rail had the most favorable comparisons in the service maintenance and service efficiency areas. CTA ranked first in miles between major mechanical failures, despite having the oldest fleet compared to its peers, and performed four times better than the peer average. CTA also had the lowest operating cost per vehicle revenue hour and maintained the number one position for two years in a row; for 2009 its value was 40% lower than the peer average for this measure. However, there are several areas where CTA rail performed below the peer average, including the service coverage measures of passenger trips per vehicle revenue hour and passenger trips per vehicle revenue mile, with performance 45% to 50% lower than the peer average. CTA's smaller cars contribute to lower performance in this area, with average passenger capacity 25-154% lower than capacities of peer rail cars. In the service level solvency category, CTA rail performs above the peer average in fare revenue per passenger trip and capital

expenditures per passenger trip, but falls below the peer average and is in the second to last position in fare revenue per passenger mile and the fare recovery ratio. In both of the latter indicators, CTA experienced improvement over 2008 results, but not enough to change its rank relative to peers.

Metra Commuter Rail performed higher than the peer average for service coverage measures and reports lower than average operating costs in all service efficiency/effectiveness measures. Metra reported the lowest cost per passenger mile of any of its peers in both 2008 and 2009. Metra performed close to the peer average in miles between major mechanical failures despite having the second oldest vehicle fleet among the peers. Metra ranks below the peer average in the solvency measures. Three of the solvency measures relate to fare revenue and suggest that, relative to peers, Metra's fares are low. Lower performance on the fourth solvency measure, capital funds expended per passenger trip, points to the need for increased capital funding. The lower level of capital investment directly impacts both service reliability and operating costs.

Pace Suburban Bus has performed favorably in the categories dealing with service efficiency/effectiveness and service maintenance/capital investment, and performed better than the peer average in five of the eleven measures reviewed. Pace maintained first place among its peers for operating cost per vehicle revenue hour and operating cost per passenger mile in both 2008 and 2009. Pace also performed better than the peer average for the age of the fleet and miles between mechanical failures with a significant 39% improvement in miles between failures in 2009 compared to 2008. Improvements were also noted for Pace's fare revenue per passenger trip, fare recovery ratio, and fare revenue per passenger mile, although all three still rank below the peer average. Service coverage measures present the areas of greatest challenge for Pace because of its large, geographically dispersed service region. Pace fell below the peer average and ranked in the second to last position in the passenger trips per vehicle revenue hour as well as passenger trips per vehicle revenue mile indicators.

Pace Vanpool, after many years as the second-largest public vanpool program in the country, has been displaced by up and comers LA Metro and Houston Metro. For most measures, Pace vanpool performs near the peer average; however, for operating cost per vehicle revenue hour it performed the best of the peers and for passenger trips per vehicle hour it was the lowest performer among the peers. Improvements in relative rank occurred for all the service efficiency and effectiveness indicators – operating cost per vehicle hour, operating cost per passenger mile, and operating cost per passenger trip. Passenger trips per vehicle revenue hour remains Pace vanpool's lowest-ranking indicator for 2008 and 2009 and reflects overall decreases in program participation in 2009.

Pace Demand Response/ADA programs were examined as a combined service, with dial-a-ride (DAR) and ADA paratransit taken together, as well as ADA paratransit alone. These two sets of comparisons were undertaken because most of the agencies in the peer group report their statistics to NTD for the combined services of ADA and demand response as a result of the overlap that exists between these services. Pace is unique

in having set up a separate reporting structure to NTD exclusively for ADA paratransit. As a combined service, Pace ADA/DAR performed equal to or better than the peer average for nine of the ten measures. It was the best performer in passenger trips per vehicle revenue hour and average age of vehicles, and it ranked second for the fare recovery ratio. Viewed as a separate entity, ADA performed better than or equal to the peer average in seven of ten measures. It performed well in the categories for service solvency and service maintenance/capital investment. Within these categories, it ranked second in fare revenue per trip and per passenger mile and first in the average age of the fleet in both 2008 and 2009. The measures where Pace's ADA service fell below the peer average were in operating cost per hour and per passenger mile and in passenger trips per vehicle mile.

Notes

1) This analysis is based on 2009 published data from the National Transit Database (NTD), the most currently available data. The data submission by transit agencies is a requirement of receiving federal funding and thus follows guidelines and procedures established by the Federal Transit Administration.

2) The recovery ratio used in this report follows the NTD definition, which is the proportion of operating costs that are covered by fare revenues paid by passengers. The NTD recovery ratio differs from the RTA recovery ratio, which takes into account certain adjustments as enumerated in the RTA Act such as the exclusion of various costs, the treatment of depreciation, and the inclusion of in-kind services. The RTA recovery ratio also includes system-generated revenue in its formula calculation. Furthermore, the Act requires that Pace ADA paratransit costs and revenues be separated from the RTA recovery ratio and meet its own minimums.

3) Service delivery measures such as on-time performance and complaints received are not reported to the NTD. Additionally, safety and security data reported by transit operators to NTD are not publicly released and so are not available for the peer agencies. Measures of average trip speed and average trip length are reported in the Peer Modal Characteristics tables.

PEER AGENCIES BY MODE

Agency/ Mode	Peer Group
CTA Urban Bus	**LA Metro**: Los Angeles County Metropolitan Transportation Authority, Los Angeles **MBTA**: Massachusetts Bay Transportation Authority, Boston **NYCT**: Metropolitan Transportation Authority, New York City Transit, New York **SEPTA**: Southeastern Pennsylvania Transportation Authority, Philadelphia **WMATA**: Washington Metropolitan Area Transit Authority, Washington, DC
CTA Heavy Rail	**MARTA**: Metropolitan Atlanta Rapid Transit Authority, Atlanta **MBTA**: Massachusetts Bay Transportation Authority, Boston **NYCT**: Metropolitan Transportation Authority, New York City Transit, New York **SEPTA**: Southeastern Pennsylvania Transportation Authority, Philadelphia **WMATA**: Washington Metropolitan Area Transit Authority, Washington, DC
Metra Commuter Rail	**LIRR**: Metropolitan Transportation Authority, Long Island Rail Road, New York City metropolitan area/Long Island **MBTA**: Massachusetts Bay Transportation Authority, Boston **MNCR**: Metropolitan Transportation Authority, Metro-North Railroad, New York City metropolitan area/Connecticut **NJT**: New Jersey Transit, New York City metropolitan area/New Jersey **SEPTA**: Southeastern Pennsylvania Transportation Authority, Philadelphia
Pace Suburban Bus	**AC Transit**: Alameda-Contra Costa Transit, Oakland and East Bay communities, CA **MTA LI Bus**: Metropolitan Transportation Authority, Long Island Bus, New York **OCTA**: Orange County Transportation Authority, CA **SamTrans**: San Mateo County Transit District, San Francisco Bay Area **SMART**: Suburban Mobility Authority for Regional Transportation, Detroit area
Pace Vanpool	**DART**: Dallas Area Rapid Transit, Dallas **King County Metro**: King County Metro Transit, Seattle area **LA Metro**: Los Angeles County Metropolitan Transportation Authority, Los Angeles **Madison County**: Madison County Transit, St. Louis area **Houston Metro**: Metropolitan Transit Authority of Harris County, Houston area
Pace Demand-Response/ADA	**MBTA**: Massachusetts Bay Transportation Authority, Boston **MTA**: Metropolitan Transit Authority, Baltimore **NYCT**: Metropolitan Transportation Authority, New York City Transit, New York **SEPTA**: Southeastern Pennsylvania Transportation Authority, Philadelphia **WMATA**: Washington Metropolitan Area Transit Authority, Washington, DC

DEFINITION OF TERMS AND MEASURES

Average Age of Fleet: the mean of the difference between year of manufacture and year under consideration for all vehicles in the active fleet.

Average Vehicle Passenger Capacity: the mean number of passengers that can be carried per revenue vehicle, computed by adding seating capacity plus standing capacity and dividing that by the number of active vehicles in the fleet.

Average Speed: the miles that vehicles travel while in revenue service divided by the hours that vehicles travel while in revenue service.

Average Trip Length: the average distance ridden for an unlinked passenger trip.

Capital Funds Expended: the expenses related to the purchase of capital assets; it does not include capital funds transferred to cover operating expenses.

Capital Funds Expended per Passenger Trip: expenses related to the purchase of capital assets divided by the total number of unlinked passenger trips provided.

Directional Route Miles: the mileage in each direction over which public transportation vehicles travel while in revenue service.

Fare Recovery Ratio: the recovery ratio used in this report follows the NTD definition, which is the proportion of operating costs that are covered by fare revenues paid by passengers. The NTD recovery ratio differs from the RTA recovery ratio, which takes into account other system-generated revenue and adjustments as enumerated in the RTA Act.

Fare Revenue: all income received directly from passengers, either paid in cash or through pre-paid tickets, passes, etc.

Fare Revenue per Passenger Mile: all income received from passengers divided by the total number of distances ridden by passengers.

Fare Revenue per Passenger Trip: all income received from passengers divided by total number of unlinked passenger trips provided.

Miles between Major Mechanical Failures: the average number of miles that vehicles travel while in revenue service between failures of some mechanical element or a safety concern that prevents the vehicle from completing a scheduled trip or from starting the next scheduled trip.

Operating Cost: the expenses associated with the operation of the transit agency.

Operating Cost Components: the allocation of costs among specific categories of expenses --

- **General administration**: all costs associated with the general administration of the transit agency
- **Vehicle maintenance**: all costs associated with revenue and non-revenue service vehicle maintenance

- **Non-vehicle maintenance**: all costs associated with facility maintenance
- **Vehicle operations**: all costs associated with vehicle operations

Operating Cost per Passenger Mile: total operating cost divided by total number of miles traveled by passengers.

Operating Cost per Passenger Trip: total operating cost divided by total number of unlinked passenger trips taken on public transportation vehicles.

Operating Cost per Vehicle Revenue Hour: total operating cost divided by the total number of hours of transit service provided.

Passenger Miles: cumulative sum of the distances ridden by each passenger: average trip length multiplied by total passenger trips.

Passenger Trips: unlinked passenger trips reported as the number of passengers who board public transportation vehicles and are counted each time they board a vehicle used to travel from their origin to their destination.

Passenger Trips per Vehicle Revenue Hour: total number of unlinked passenger trips divided by the total number of hours of transit service provided.

Passenger Trips per Vehicle Revenue Mile: unlinked passenger trips divided by total miles traveled by transit vehicles in revenue service.

Peak to Base Ratio: a comparison of how many revenue vehicles are in service during peak hours versus non-peak hours.

Population: the population of the area served by the transit agency as reported to NTD by the agency.

Population Density: the service area population divided by the service area square miles.

Revenue Components of Trip Cost: the cost of a trip viewed as the percentage and actual dollar amounts covered by fare revenue and non-fare revenue (system-generated revenue and other subsidies).

Service Area: the number of square miles served by the transit agency.

Vehicle Revenue Hours: hours that vehicles travel while in revenue service.

Vehicle Revenue Miles: miles that vehicles travel while in revenue service, including layover/recovery time, but excluding deadhead time.

Vehicles Operated in Peak Service: the revenue vehicle count during the peak season of the year, on the week and day that maximum service is provided; excludes atypical days or one-time special events.

URBAN BUS

The peers selected for urban bus are those that serve the nation's largest urbanized areas with the most extensive, well-developed transit systems. These cities – Boston, Los Angeles, New York, Philadelphia and Washington, D.C. – rank within the top ten in the country for urbanized area population, number of transit trips taken, and number of transit trips taken per capita. They each also have both urban rail and bus services, which provide coordinated service throughout the metropolitan area. New York City Transit is the most analogous to CTA bus in that it has a service area largely defined by city boundaries. The bus systems serving the other cities also serve surrounding suburban areas, but are predominantly urban systems.

For nearly every measure under review, CTA Bus performs well in comparison to its peer group. It is equal to or better than the peer average for all but two performance measures, with special strength noted in measures related to service level solvency and service efficiency and effectiveness. CTA's low cost per vehicle revenue hour is affected by the high ratio of revenue hours to total hours that CTA reports relative to its peers (98% vs. a peer average of 89%). However, even if revenue hours are normalized to the peer average, CTA retains its first place rank, but with a value that is much closer to its nearest peer, LA Metro. The two measures where CTA performed below the peer average were passenger trips per vehicle hour and miles between major mechanical failures. CTA showed significant improvement in miles between major mechanical failures in 2009, nearly reaching the peer average.

CTA Bus Peer Comparison		Performs Better Than Peer Average	
		2008	2009
Service Coverage	Passenger Trips per Vehicle Revenue Hour	**No**	**No**
	Passenger Trips per Vehicle Revenue Mile	**Equal***	**Equal**
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	**Yes**	**Yes**
	Operating Cost per Passenger Mile	**Yes**	**Yes**
	Operating Cost per Passenger Trip	**Yes**	**Yes**
Service Maintenance and Capital Investment	Average Age	**Yes**	**Yes**
	Miles Between Major Mechanical Failures	**No**	**No**
Service Level Solvency	Fare Revenue per Passenger Trip	**Yes****	**Yes****
	Fare Revenue per Passenger Mile	**Yes****	**Yes****
	Fare Recovery Ratio	**Yes**	**Yes**
	Capital Funds Expended per Passenger Trip	**Yes**	**Yes**

'Equal' ranking denotes a value that is +/- one-tenth of one standard deviation from the peer average.

***This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.*

URBAN BUS
Peer Modal Characteristics

In comparison to its peers, CTA and NYCT operate the lowest amount of directional route miles, corresponding to a service area constrained by the city boundaries. Both also operate in the most densely populated service areas. CTA falls in the mid-range of its peers, behind NYCT and LA Metro, based on miles of service provided, passenger trips, and passenger miles.

CTA Urban Bus Overview Modal Characteristics	CTA	MBTA	LA METRO	NYCT	SEPTA	WMATA
	Chicago	Boston	Los Angeles	New York	Philadelphia	Washington, DC
Population	3,763,791	4,510,400	8,626,917	8,008,278	3,337,770	3,317,169
Service Area (square miles)	327	3,244	1,513	321	869	692
Population Density	11,510	1,390	5,702	24,948	3,841	4,794
Directional Route Miles	1,365	2,401	3,891	1,871	2,487	2,642
Vehicle Revenue Miles (millions)	67.4	25.2	88.5	102.7	40.9	42.0
Passenger Trips (millions)	319	101	386	843	181	137
Passenger Miles (millions)	739	231	1,518	1,838	530	423
Operating Cost (millions)	$787	$336	$935	$2,289	$534	$526
Fare Revenue (millions)	$278	$72	$268	$821	$164	$113
Capital Funds Expended (millions)	$246	$66	$171	$349	$112	$121
Average Speed (mph)	9.6	10.7	11.8	7.7	10.3	10.7
Average Trip Length (miles)	2.3	2.3	3.9	2.2	2.9	3.1
Average Vehicle Passenger Capacity	79.5	94.2	53.9	81.7	82.8	70.3
Vehicles Operated in Peak Service	1,737	824	2,228	3,924	1,192	1,310
Peak to Base Ratio	1.69	1.41	1.84	1.56	1.50	2.38

Directional Route Miles: CTA, WMATA, and MBTA reported fewer directional route miles in 2009 (-0.3%, 0-.8%, -1% respectively) as compared to 2008.

Vehicle Revenue Miles: Only two of the agencies reported increased vehicle revenue miles in 2009 – WMATA (+6.4%) and SEPTA (+1.8%). CTA bus revenue miles were down 1.9% in 2009.

Passenger Trips: WMATA was the only agency to report increased passenger trips (up 1%) in 2009. CTA bus trips were down 2.9% for the year.

Passenger Miles: LA Metro was the only agency to report increased passenger miles, with a 3.7% increase in 2009. CTA bus passenger miles decreased by 5.2%.

Operating Cost: Boston saw the highest increase in operating costs, with a 7.4% increase compared to 2008. New York City Transit was the only agency to see a decrease in operating cost, a scant 0.03%; every other agency saw an increase in costs for 2009. CTA operating costs increased 4.6%.

Fare Revenue: LA Metro and MBTA were the only agencies with less fare revenue in 2009 compared to 2008. For 2009, WMATA reported the highest fare revenue increase at 3.2%.

Capital Funds Expended: Decreases were noted only for LA Metro and CTA. Notable increases were seen for WMATA (from $59M to $121M), SEPTA (from $38M to $112M), and NYCT (from $150M to $349M).

Average Trip Length: CTA saw a slight reduction of 2.4%; NYCT and LA Metro were the only two agencies to report longer trip lengths (+4.1% and +5.8%, respectively) for 2009.

Average Speed: All agencies reported a lower average speed in 2009.

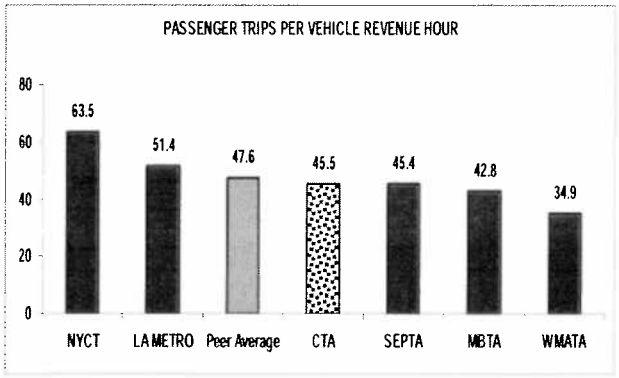
The one area where CTA ranked lower than peers is in the service delivery category, with shorter average trip lengths and slower speeds. However, these rankings relate to the provision of exclusively urban service by the CTA and NYCT -- the two agencies with the lowest rankings in this category.

Average Vehicle Passenger Capacity: Three systems operate larger average capacity vehicles than CTA: MBTA, SEPTA, and NYCT. Vehicle passenger capacity is the sum of seating and standing capacity.

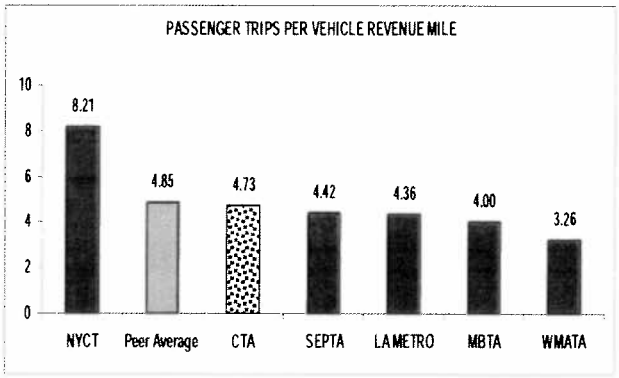
URBAN BUS

Service Coverage

CTA operates close to the peer average for both measures of service coverage. NYCT has the highest level of passenger use per unit of service delivery of the peer group.

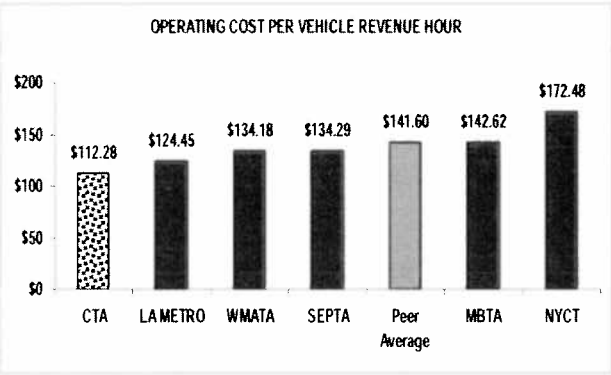


CTA's 2.9% loss in ridership, combined with a 0.4% reduction in vehicle revenue hours resulted in a 2.5% loss in passenger trips per vehicle hour. For 2009, CTA ranks third for this measure, roughly 5% below the peer average, which is biased toward the high end of the range by NYCT's strong performance.

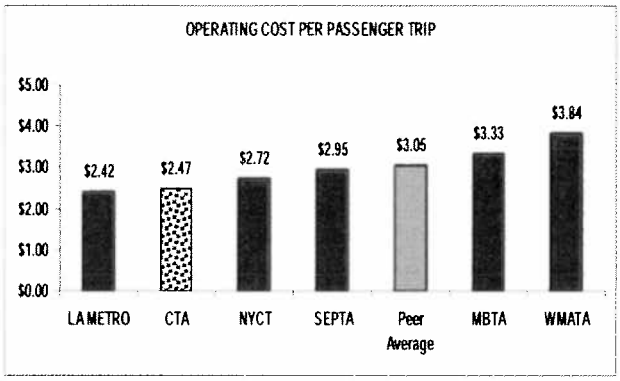


There were no rank changes for any of the agencies under review. CTA trips per mile decreased about 1% in 2009, but retained a second-place ranking among peers. The peer average is heavily weighted by NYCT's high ridership levels.

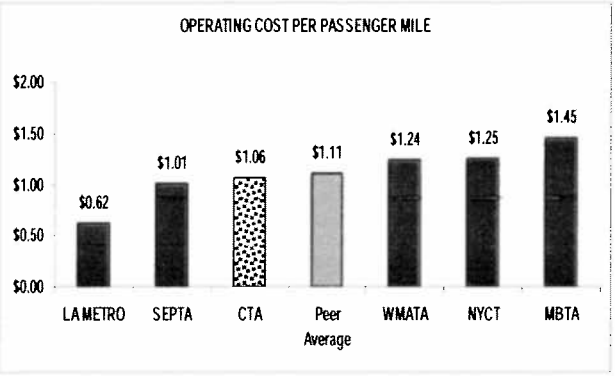
CTA performed better than the peer average in all measures of service efficiency and effectiveness and in the top ranked position for cost per vehicle hour of service.



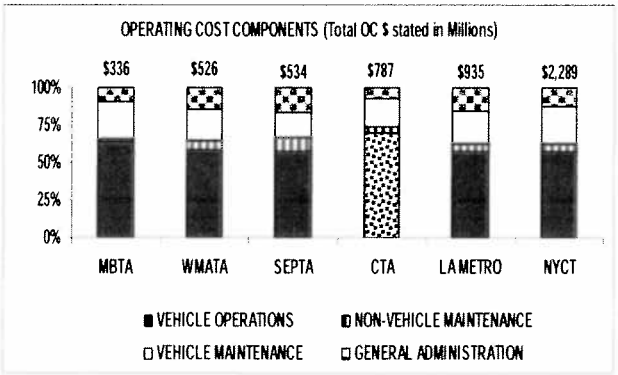
NYCT and WMATA were the only agencies to produce slightly lower costs per hour in 2009 compared to 2008. CTA's expenses rose 4.6%, outpacing vehicle revenue hour reductions of 0.4%, yet CTA bus operating costs per hour remained the lowest of the six agencies in this comparison, nearly $30 per hour less than the peer average.



Each agency reported higher costs per passenger trip for 2009. LA Metro, which saw the lowest loss of trips in 2009 (down 0.4%), bypassed CTA for the number one ranking for this measure. CTA's operating cost per trip increased by 7.8% in 2009, a function of higher costs and fewer trips taken, yet CTA's costs were nearly $0.60 less than the peer average on a per trip basis.



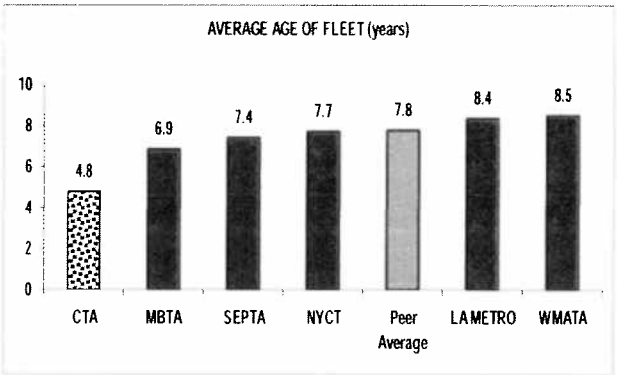
CTA maintained its 2008 ranking, although the combination of decreased passenger miles and higher operating costs resulted in a 10.4% increase for this measure. In 2008 and 2009, CTA's operating cost per passenger mile was $0.05 less than the peer average.



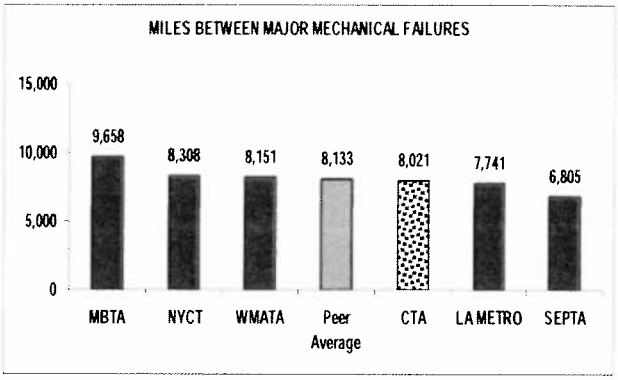
Of note for this chart is that compared to its peers, CTA spends the highest proportion of its total operating costs on vehicle operations (70%) and the lowest proportion on general administration (7.4%).

URBAN BUS
Service Maintenance & Capital Investment

CTA has shown improvement in service maintenance and capital investment indicators. CTA ranks first place among its peers for average fleet age and has improved its ranking for miles between major mechanical failures by two positions as compared to 2008, close to reaching the peer average for this indicator.

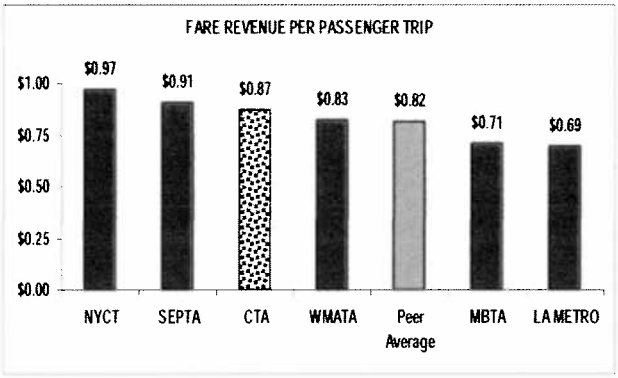


With new buses introduced into its fleet in recent years, CTA cut its average bus age by more than half since the beginning of 2008 and maintained its top ranking for youngest fleet in 2009. NYCT, which put new buses into service in 2009, moved up two ranking positions from 2008.

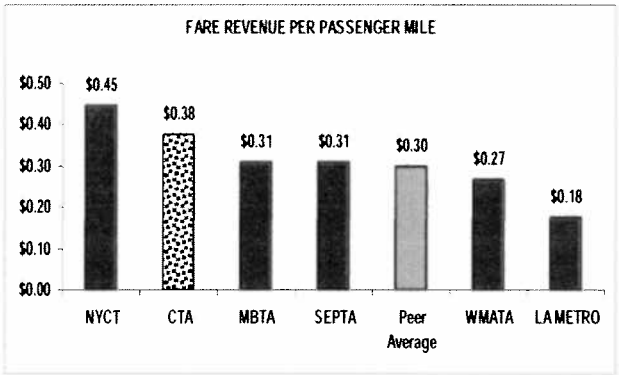


MBTA, NYCT, and WMATA retained their ranks in the top three positions for this measure. CTA moved up two rankings from last place in 2008 to fourth place in 2009, with a 30% increase in miles between failures, as it scrapped older equipment and brought in newer buses. The oldest buses that remained in CTA's fleet were 14 years old and accounted for 25% of their system's major mechanical failures while operating only 10% of the vehicle miles.

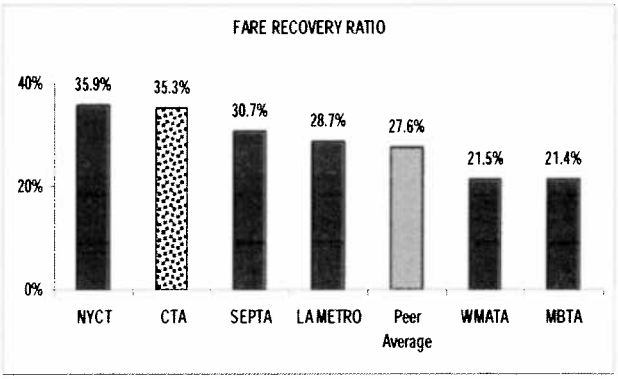
CTA exceeds the peer average for each solvency indicator. With dips in its fare recovery ratio and per-trip capital funds expenditures, CTA slipped from first to second place for those two measures but continued to perform significantly better than the peer average.



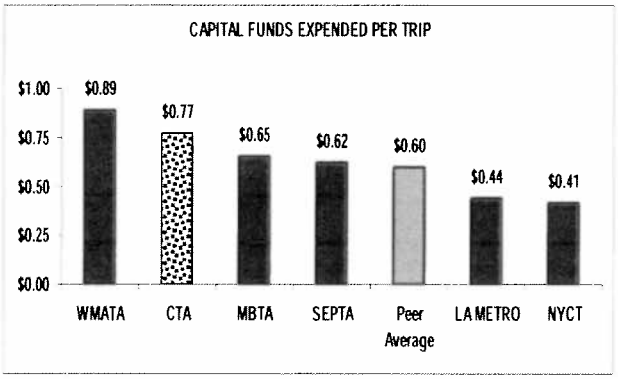
There were no rank changes among the agencies for this measure although four agencies reported increases in 2009. CTA bus fare revenue per trip improved by $0.05 per trip (a 6% increase) in 2009, reflecting a fare increase implemented in January 2009.



LA Metro was the only agency to post a reduction in this solvency measure, but was also the only agency to post increased bus passenger miles in 2009 (+3.7%). CTA reported an 8.4% increase in revenue per passenger mile and maintained its second-place ranking for this measure.



Aided by flat overall operating costs and increased fare revenues (+2.3%), NYCT's recovery ratio improved and displaced CTA for the number one ranking for this measure. CTA's fare increase helped to offset its 4.6% increase in operating costs; CTA's 2009 fare recovery ratio exceeded the peer average by nearly eight percentage points.



WMATA's capital funds expended per trip more than doubled in 2009, displacing CTA from the number one rank. NYCT and SEPTA also saw large gains for this measure. CTA was one of two agencies (with LA Metro) to see a reduction in this measure and was down 6.9% in 2009, yet expended $0.17 more capital funds per trip than the peer average.

HEAVY RAIL

The peers selected for CTA heavy rail were chosen from the largest rapid transit systems in the country. The number of cities with urban rail systems is much smaller than those with bus systems, limiting the group of potential peers. NYCT, MBTA, and SEPTA are all natural peers as older rail systems serving the urban center of large metropolitan areas. To broaden the number of peers requires looking to newer post-war operations such as WMATA, LA Metro, MARTA, and BART (located in Washington DC, Los Angeles, Atlanta, and San Francisco, respectively). BART was eliminated as a peer because many aspects of its design are more comparable to regional commuter rail service (much longer average trip lengths and higher average speeds). LA Metro was eliminated as the smallest of the remaining three systems, leaving WMATA and MARTA as the two peers added to make a group of five.

CTA operated better than the peer average in five of the eleven measures examined with the most favorable comparisons occurring in the service efficiency and effectiveness area. CTA ranked in the number one position in operating cost per vehicle revenue hour and performed better than the peer average for operating cost per passenger mile. In the service maintenance and capital investment area, CTA recorded the most miles between major mechanical failures of all peers evaluated, despite having the oldest average fleet age of the heavy rail systems under consideration. CTA also spends a higher proportion of its budget on vehicle maintenance than any of the peers. The wide range in reported values for miles between failures indicates there may be agency specific circumstances that contribute to observed variances. CTA ranked lowest among its peers for service coverage measures passenger trips per hour and passenger trips per mile; smaller rail car size and infrastructure limitations impact performance in this area. In the service level solvency area, longer average trip lengths for CTA result in lower revenue on a per passenger mile basis.

CTA Rail Peer Comparison		Performs Better Than Peer Average	
		2008	2009
Service Coverage	Passenger Trips per Vehicle Revenue Hour	**No**	**No**
	Passenger Trips per Vehicle Revenue Mile	**No**	**No**
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	**Yes**	**Yes**
	Operating Cost per Passenger Mile	**Equal***	**Yes**
	Operating Cost per Passenger Trip	**No**	**No**
Service Maintenance and Capital Investment	Average Age	**No**	**No**
	Miles Between Major Mechanical Failures	**Yes**	**Yes**
Service Level Solvency	Fare Revenue per Passenger Trip	**Equal****	**Yes****
	Fare Revenue per Passenger Mile	**No****	**No****
	Fare Recovery Ratio	**No**	**No**
	Capital Funds Expended per Passenger Trip	**Yes**	**Yes**

*'Equal' ranking denotes a value that is +/- one-tenth of one standard deviation from the peer average.

**This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.

HEAVY RAIL
Peer Modal Characteristics

CTA operates the third-largest heavy rail system based on directional route miles, vehicle revenue miles, passenger trips, passenger miles, operating costs, and fare revenues. CTA operates in the second most densely populated area, next to New York City.

CTA Heavy Rail Overview Modal Characteristics	CTA	MARTA	MBTA	NYCT	SEPTA	WMATA
	Chicago	Atlanta	Boston	New York City	Philadelphia	Washington, DC
Population	3,763,791	1,574,600	4,510,400	8,008,278	3,337,770	3,317,169
Service Area (square miles)	327	498	3,244	321	869	692
Population Density	11,510	3,162	1,390	24,948	3,841	4,794
Directional Route Miles	207.8	96.1	76.3	493.8	74.9	211.8
Vehicle Revenue Miles (millions)	68.6	24.6	22.5	352.5	16.9	71.8
Passenger Trips (millions)	203	83	149	2,358	95	297
Passenger Miles (millions)	1,201	527	569	9,973	423	1,668
Operating Cost (millions)	$462	$167	$298	$3,313	$158	$805
Fare Revenue (millions)	$231	$50	$161	$2,246	$84	$506
Capital Funds Expended (millions)	$368	$170	$227	$3,474	$202	$318
Average Speed (mph)	18.4	26.7	17.4	18.2	19.5	25.4
Average Trip Length (miles)	5.9	6.3	3.8	4.2	4.4	5.6
Average Vehicle Passenger Capacity	90.0	197.0	228.3	159.4	112.2	183.4
Vehicles Operated in Peak Service	1,002	182	334	5,388	278	850
Peak to Base Ratio	1.72	1.38	1.68	1.44	1.44	2.12

Directional Route Miles: There were no reported changes among the agencies.

Passenger Trips: Only NYCT showed a decrease (-2.9%) in rail trips in 2009. CTA rail showed a 2.2% gain in trips, nearly offsetting the 2.9% loss of bus ridership.

Vehicle Revenue Miles: Each agency reported increased vehicle revenue miles for 2009, ranging from +1.5% (NYCT) to +5.9% (MARTA). With a 1.7% increase from 2008, CTA realized the second-lowest increase for this indicator in 2009.

Passenger Miles: Only NYCT and MARTA saw decreases in passenger miles in 2009. CTA saw a modest 1.4% increase in passenger miles in 2009.

Operating Costs: Each agency reported increased operating costs in 2009, ranging from 1.9% (NYCT) to 9.8% (MBTA). CTA's operating costs increased 5%, slightly below the all-peer average of 5.5%.

Fare Revenue: Each agency reported increased fare revenues for 2009, ranging from 2.1% (MARTA) to 13.1% (CTA).

Capital Funds Expended: Only NYCT and MBTA reported an increase in capital funds expended in 2009 (+11.4% and +29.7%, respectively). CTA saw a 47% reduction in capital funds expended for 2009.

Average Speed: CTA saw a 3.9% increase in average speed in 2009 and is slightly below the average speed for the agencies under review.

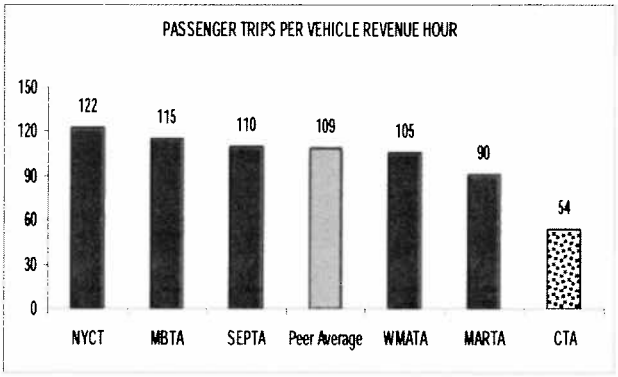
Average Trip Length: CTA has the second-longest average trip length at 5.9 miles, down slightly from an average of 6.0 miles recorded in 2008.

Average Vehicle Passenger Capacity: CTA cars are smaller in number of seats, length, and width than its peers due to its need to navigate tighter turns on the 'L' tracks. With an average passenger capacity of 90 per vehicle, CTA ranks last in capacity among the agencies under review, which have 25-154% more capacity than CTA.

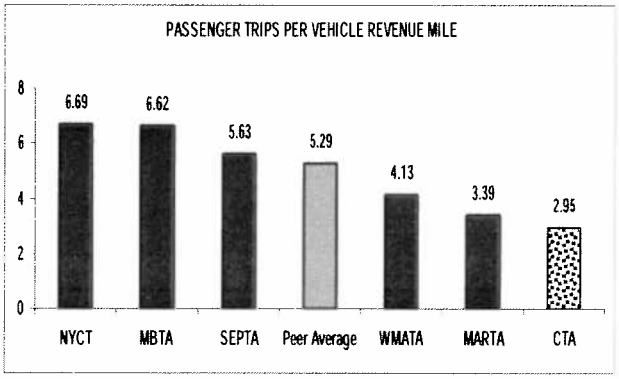
HEAVY RAIL

Service Coverage

CTA performance in the service coverage area falls below that of its peers. Smaller capacity rail cars (CTA's average capacity is 90 vs. a peer average of 176) account for most of the variance in performance, as CTA must run more cars to serve the same number of passengers. SEPTA, which has the second smallest size car, carries twice the passengers per hour that CTA does, but SEPTA does not operate 24-hour rail service or have as extensive a network of stations as CTA. These factors may lead to more trains that run with excess capacity at the CTA.



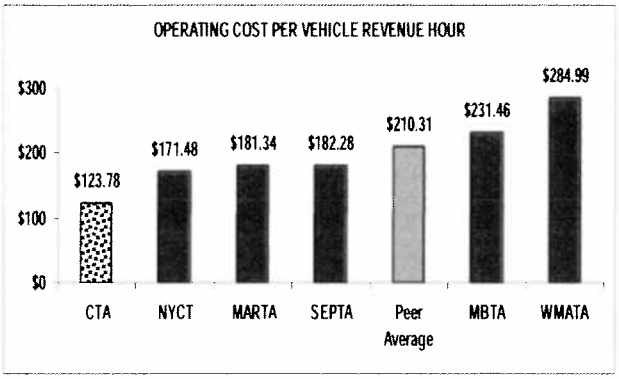
CTA was one of only two agencies to realize an increase in trips per hour, with a 4.4% increase in 2009, resulting from a 2.2% increase in passenger trips along with a 2.1% reduction in vehicle revenue hours. However, there were no ranking changes for any of the agencies from their 2008 positions.



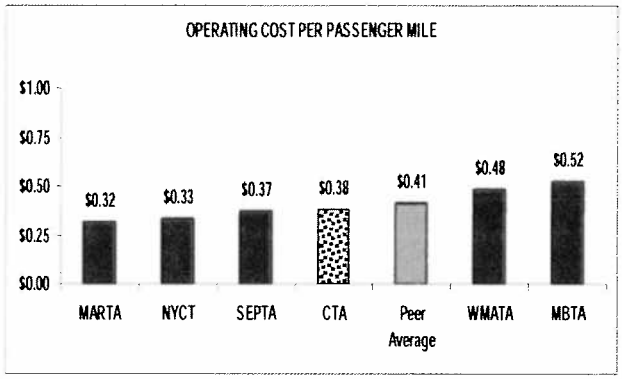
As with passenger trips per hour, CTA's passenger trips per vehicle revenue mile saw no ranking changes for 2009. CTA was one of two agencies to show an increase for this indicator in 2009.

HEAVY RAIL
Service Efficiency and Effectiveness

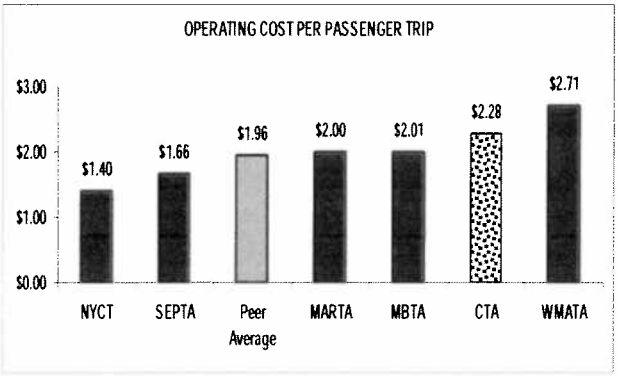
CTA performed well in the service efficiency and effectiveness category with costs per hour and per passenger mile that were lower than the peer averages. CTA maintained the same rankings in 2009 as it did in 2008, as each agency experienced increases in operating costs (except New York, which remained at 2008 levels).



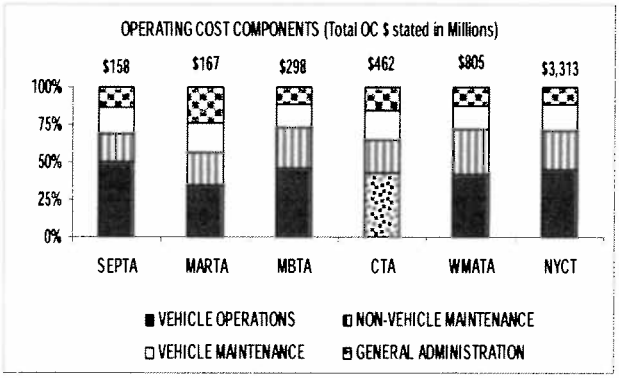
CTA saw the highest increase in operating cost per vehicle revenue hour (up 7.3% from 2008), yet maintained its first rank position; in 2009, costs per hour for CTA rail were 41% lower than the peer average.



Each agency reported increased operating costs per passenger mile in 2009. CTA's operating costs increased 5% in 2009; this increase, mitigated by a 1.4% increase in passenger miles, resulted in a net 3.5% increase for this measure, which in dollar terms, comes to an increase of $0.01 per mile from 2008.



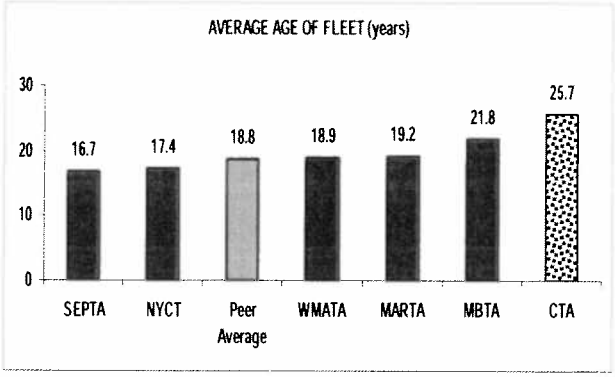
Each rail agency realized increased operating costs per passenger trip in 2009 ranging from 0.9% (SEPTA) to 9.8% (MBTA). CTA's 2.7% increase for this measure was the second-lowest increase of the agencies in 2009. CTA's longer average trip length contributes to an operating cost per trip that is higher than the peer average.



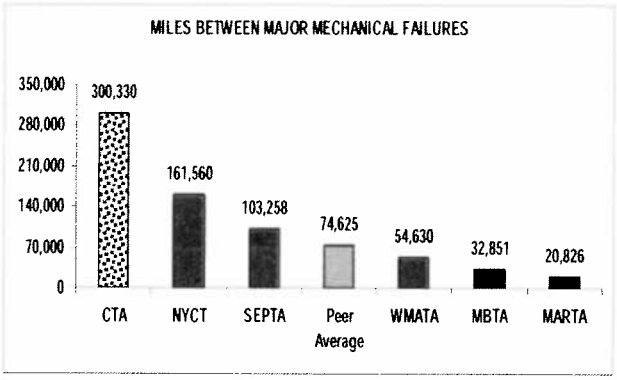
CTA spends the largest percentage of its operating costs on vehicle maintenance of any of the peers, 20.3% compared to its peer range of 15.6 to19%.

HEAVY RAIL
Service Maintenance & Capital Investment

Although CTA's rail fleet is the oldest among its peers, service maintenance, as indicated by miles between major mechanical failures, has held steady in the number one position, nearly doubling the miles of its nearest peer. As noted in the prior section, CTA spends a higher proportion of its budget on vehicle maintenance than any of its peers, reflecting the budget impacts of maintaining an older vehicle fleet.



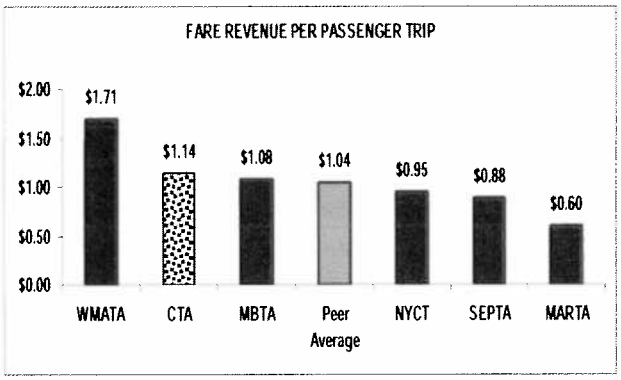
NYCT put 536 new subway cars into service in 2009, improving the average age of its fleet by three years and allowing it to rise above the peer average. CTA maintained its last-place position and has the oldest fleet of the six agencies under review, with an average age of almost 26 years compared to a peer average of 18.8 years.



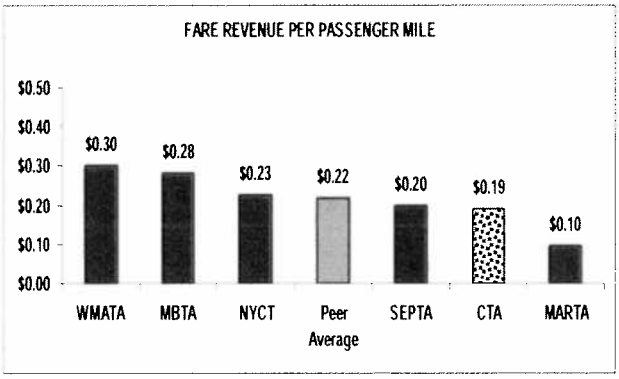
Despite having the oldest fleet, CTA maintained its top ranking for miles between major mechanical failures and posted a 31.2% improvement for this measure in 2009. Also noteworthy is MARTA's 70.2% improvement over 2008, attributable to completion of a comprehensive rail car rehabilitation program.

HEAVY RAIL
Service Level Solvency

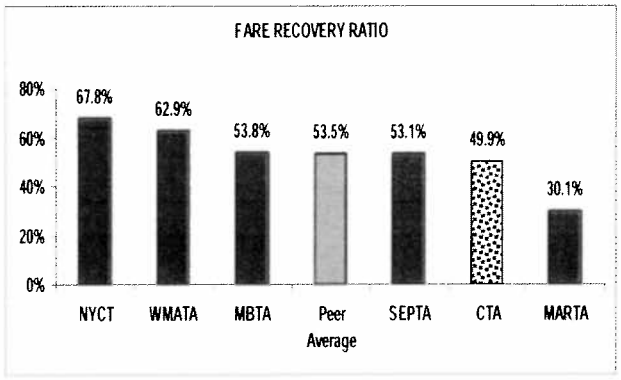
Increased passenger fares in 2009 aided CTA in improving its fare revenue per passenger trip, fare revenue per passenger mile, and fare recovery ratio. WMATA performs in the first or second rank position for each of these fare revenue measures, demonstrating a benefit they gain as the only system that uses a distance-based fare structure and a higher peak period fare. CTA capital funds expended per trip decreased by nearly half as a result of the transfer of capital funds to operating expenses.



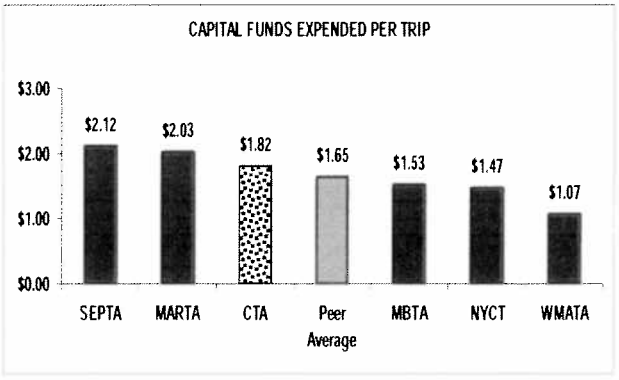
All the agencies received more fare revenue per trip for 2009. CTA had the highest increase (10.7%) resulting in an improved rank position for the year. CTA, NYCT, and MARTA each implemented fare increases in 2009 with CTA's fare increase occurring earliest and creating the greatest revenue gain.



Each agency except MBTA reported higher fare revenue per passenger mile in 2009. CTA's 11.5% increase for this measure moved them closer to the peer average, but they remain 14% below the average. CTA and MARTA, with the longest average trip lengths and lack of zone-based fares, experienced the lowest fare revenue per passenger mile.



CTA rail had the highest increase in fare recovery ratio for 2009, but still performs below the peer average. While MBTA and MARTA posted decreases in their recovery ratios, no ranking changes occurred.



In 2009, CTA transferred almost one-third of its capital funding to operations. The reduction in capital funds expended caused CTA to move down in the rankings for this measure, with improvements seen for MBTA and NYCT.

COMMUTER RAIL

The peers selected for commuter rail represent the largest commuter rail systems in the United States; all are traditional systems that can trace their roots to rail passenger services that have operated since the late 19th century. Three of the peers provide service to New York City from the states of New York, New Jersey and Connecticut. Boston and Philadelphia are the other major cities served. There are differences in the operating environment of each railroad affecting its service delivery and cost structure. Metra operates predominantly diesel services with one electric line and contends with more intermingling with freight operations than the other railroads. It benefits from the use of bi-level cars on all trains, enabling it to carry large passenger loads more cost effectively. It also operates with a mix between directly operated and contracted services. The New York peers have less interference with freight traffic, but confront greater capacity constraints and less operating flexibility because of the need to operate through tunnels or over bridges to New York City's center in Manhattan. SEPTA is unique in operating a fully electric service, which is more costly to operate than diesel.

Metra performs higher than the peer average for each of the measures in the service coverage category and reports lower operating costs in each of the service efficiency and effectiveness measures. Metra also performs well in the service maintenance measure, miles between mechanical failures, where it ranks second among its peers, despite having the second oldest fleet of the peer group. Through its maintenance program and planned cycle of vehicle mid-life rehabilitations and end-of-life rebuilds, Metra is able to maintain its older fleet of cars in a state of good repair and has been a top performer for the miles between major mechanical failures indicator. In the service level solvency category Metra performs below the peer average. Three of the measures deal with passenger revenue effectiveness and reflect lower fares on Metra relative to peers. The capital investment measure highlights the need for additional funding for Metra, as it ranks the lowest among its peers in this area.

Metra Peer Comparison		**Performs Better Than Peer Average**	
		2008	**2009**
Service Coverage	Passenger Trips per Vehicle Revenue Hour	**Yes**	**Yes**
	Passenger Trips per Vehicle Revenue Mile	**Yes**	**Yes**
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	**Yes**	**Yes**
	Operating Cost per Passenger Mile	**Yes**	**Yes**
	Operating Cost per Passenger Trip	**Yes**	**Yes**
Service Maintenance and Capital Investment	Average Age	**No**	**No**
	Miles Between Major Mechanical Failures	**Yes**	**Equal***
Service Level Solvency	Fare Revenue per Passenger Trip	**No****	**No****
	Fare Revenue per Passenger Mile	**No****	**No****
	Fare Recovery Ratio	**No**	**No**
	Capital Funds Expended per Passenger Trip	**No**	**No**

*'Equal' ranking denotes a value that is +/- one-tenth of one standard deviation from the peer average.
**This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.

COMMUTER RAIL
Peer Modal Characteristics

While Metra operates the second-largest commuter rail system in the country as determined by directional route miles, the three agencies that service the New York area each provide more vehicle revenue miles, passenger trips, and passenger miles. The New York systems also spend the most operating and capital dollars and collect more fare revenue. The Boston and Philadelphia systems are the smallest of the peers.

Metra Commuter Rail Overview Modal Characteristics	Metra	MBTA	Long Island Rail Road	Metro-North	NJ Transit	SEPTA
	Chicago	Boston	New York	New York	New York	Philadelphia
Population	7,261,176	4,510,400	11,720,000	6,503,894	17,799,861	3,337,770
Service Area (square miles)	3,721	3,244	2,967	527	3,353	869
Population Density	1,951	1,390	3,950	12,341	5,309	3,841
Directional Route Miles	980.4	737.5	638.2	545.7	996.8	446.9
Vehicle Revenue Miles (millions)	42.9	24.0	65.0	58.8	59.8	17.0
Passenger Trips (millions)	72	41	97	79	84	36
Passenger Miles (millions)	1,657	818	1,955	2,199	2,342	502
Operating Cost (millions)	$549	$277	$1,104	$859	$842	$220
Fare Revenue (millions)	$236	$138	$509	$502	$417	$123
Capital Funds Expended (millions)	$175	$126	$404	$382	$385	$130
Average Speed (mph)	30.8	30.0	29.2	36.6	28.5	26.9
Average Trip Length (miles)	23.1	20.2	20.1	27.7	28.0	14.1
Average Vehicle Passenger Capacity	131.3	115.6	107.8	110.3	106.3	118.0
Vehicles Operated in Peak Service	1,056	418	1,016	1,075	1,241	324
Peak to Base Ratio	2.55	2.14	1.67	1.17	1.71	3.69

Directional Route Miles: There were no reported changes among the agencies for this measure.

Passenger Trips: Only MBTA and SEPTA experienced increases in passenger trips in 2009. Metra saw a 6.7% decrease in trips but maintained its same rank position as fourth relative to its peers.

Vehicle Revenue Miles: Four of the six agencies reported modest increases in vehicle revenue miles for 2009; Metra realized a 0.8% increase.

Passenger Miles: Metra was the only agency to realize a decrease in passenger miles for 2009 with a 5.2% drop from 2008 levels.

Operating Cost: All six agencies reported increased operating costs in 2009, ranging from 0.1% (Metro-North) to 10% (MBTA and NJT). Metra's costs increased by 2.0%, the second-lowest increase of the reviewed agencies for the year.

Fare Revenue: Change in fare revenues from 2008 varied slightly and ranged from -1.6% (NJT) to 1.2% (MBTA). Metra's loss of 0.7% in fare revenues in 2009 was the second-greatest loss of the six agencies.

Capital Funds Expended: Compared to 2008, there were significant differences in the amount of capital funds expended by commuter rail agencies in 2009, from -42.6% (NJT) to +51.5% (MBTA). Metra realized an 18.8% increase in 2009 and expended the fourth-highest amount.

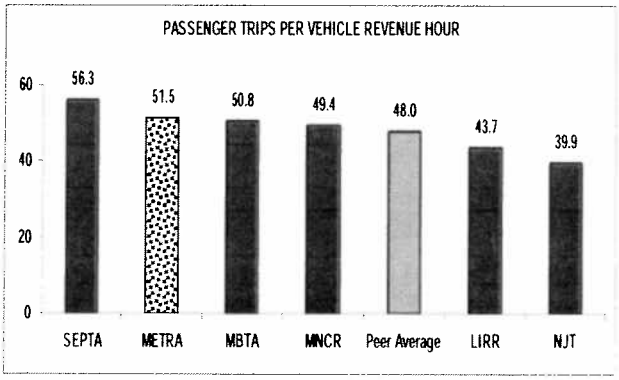
Average Speed: Only one agency, Metro-North, saw an increase (+5.9%) in average speed in 2009 with an average speed of 36.6 mph. Metra maintained its position with the second-highest average speed of 30.8 mph, matching its average speed of 2008.

Average Trip Length: With an average trip length of 23.1 miles, Metra has the third-longest average trip length of the six agencies, and saw a 1.6% increase in 2009.

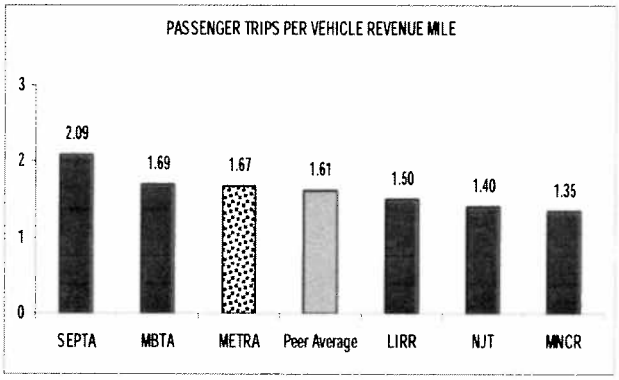
Average Vehicle Passenger Capacity: For the commuter rail mode, this comparison excludes standing passenger capacity to conform to industry standards and the expected provision of one seat per passenger. Metra, with its full fleet of double-decker cars, offers the highest average passenger capacity of its peers.

COMMUTER RAIL
Service Coverage

Metra continues to perform better than the peer average for service coverage measures. However, their 6.7% decrease in passenger trips in 2009 caused Metra to drop one rank position for each measure.



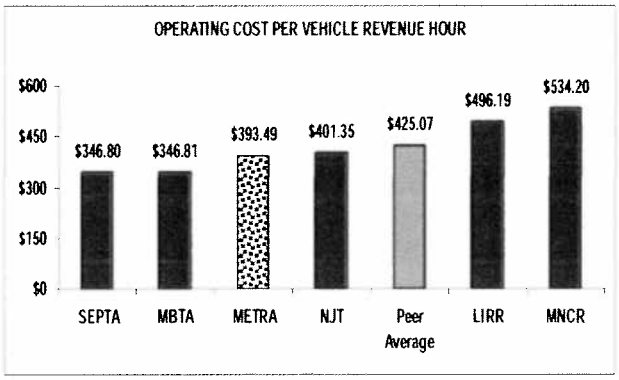
Metra ranks second among its peers for this measure. Metro-North and SEPTA were the only two agencies to see increases for this measure in 2009, up 1.9% and 1.2%, respectively.



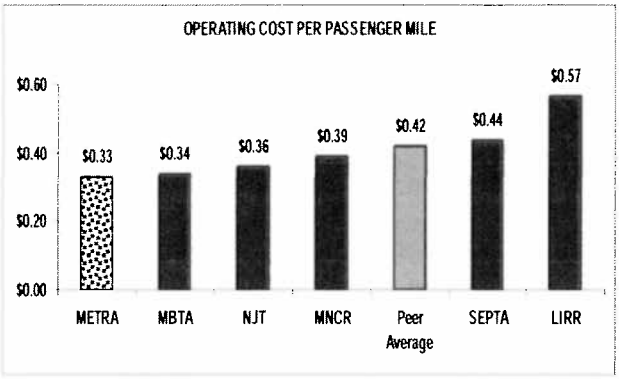
Metra remains above the peer average despite a 6.7% decline in passenger trips in 2009.

COMMUTER RAIL
Service Efficiency and Effectiveness

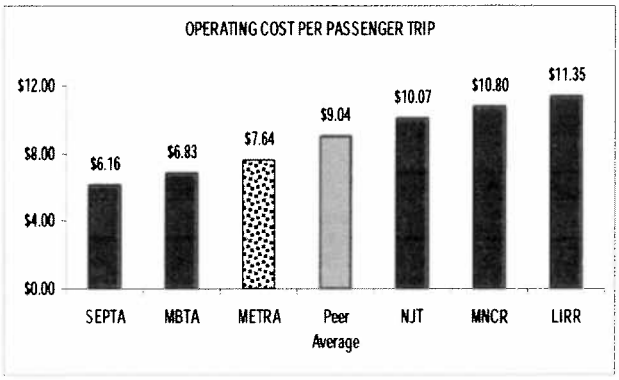
Metra reports lower operating costs than the peer average and performs well in the service efficiency and effectiveness category. It experienced the second-lowest increase in operating costs in 2009, up 2% from 2008, resulting from lower fuel expenditures compared to the high rates paid in 2008. Metra's service efficiency and effectiveness indicators held steady or improved from 2008.



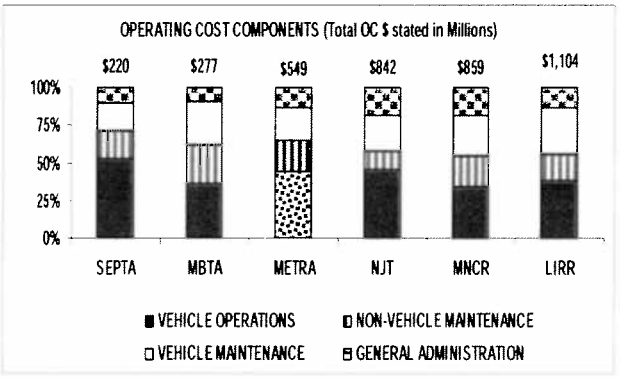
Metra's ability to keep operating cost increases to 2% for 2009, combined with a small 0.8% increase in vehicle revenue hours, resulted in a modest increase of 1.2% for this measure and improved Metra's position by one rank.



Metra has the lowest operating cost per passenger mile among its peers and is 21% below the peer average. Two agencies (MBTA and NJT) saw 10% increases in operating costs in 2009, while Metra kept cost increases to 2%.



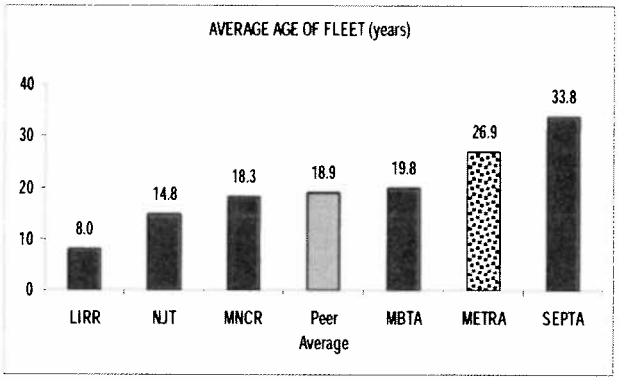
Metra's operating cost per passenger trip ranks as the third lowest and is below the peer average. SEPTA was the only agency to see a decrease (-1.8%) for this measure in 2009, owing to ridership increases of 4.8%. All agencies retained their same relative ranking as in 2008.



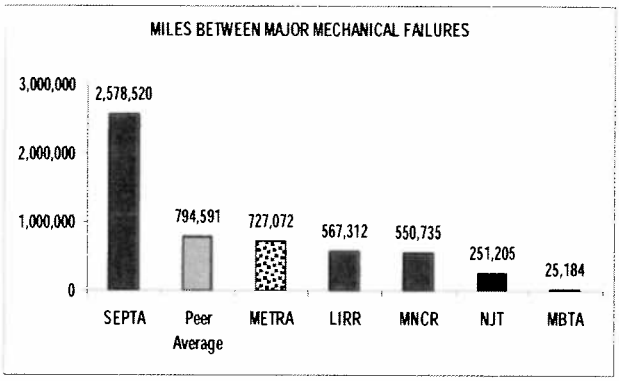
Compared to peers, Metra reports similar proportions on components of its operating cost budget.

COMMUTER RAIL
Service Maintenance & Capital Investment

Metra operates the second-oldest fleet among its peers. Vehicle mid-life rehabilitation and end-of-life rebuild schedules have enabled Metra to maintain their older fleet in a relative state of good repair. These schedules require ongoing capital funding resources. Capital budget constraints have caused an increase in the rehabilitation and rebuild interval for locomotives and cars and a corresponding increase in operating costs and mechanical failures.



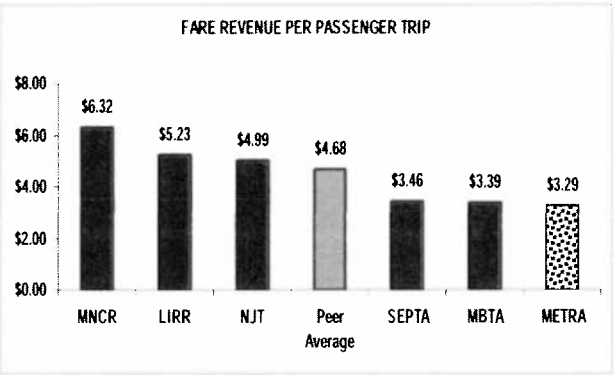
With the second oldest vehicle fleet at 26.9 years, Metra exceeds the peer average for this measure. NJT was the only agency to see a decrease in average age, accomplished by putting 300 new rail cars into service in 2009.



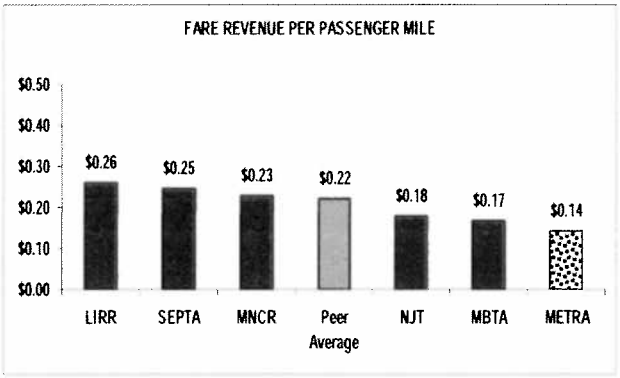
Metra reports the second highest number of miles traveled between major mechanical failures. SEPTA significantly increased the peer average for this measure in 2009, with only seven reported major mechanical failures.

COMMUTER RAIL
Service Level Solvency

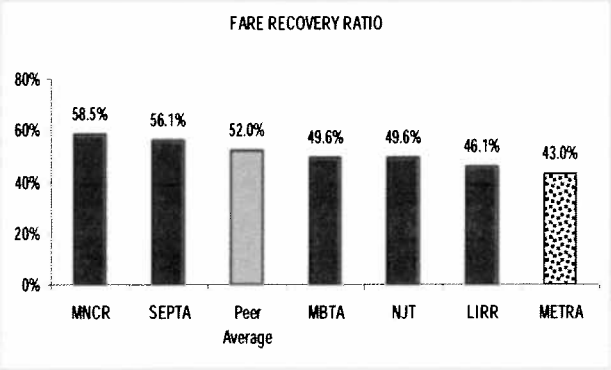
Metra reports the lowest fare revenues and capital funds expended in the service level solvency category. Metra's lower fare revenues in part reflect their lower operating costs compared to peers. Both Metra's fare revenue per passenger mile and operating cost per passenger mile are the lowest of the peer group.



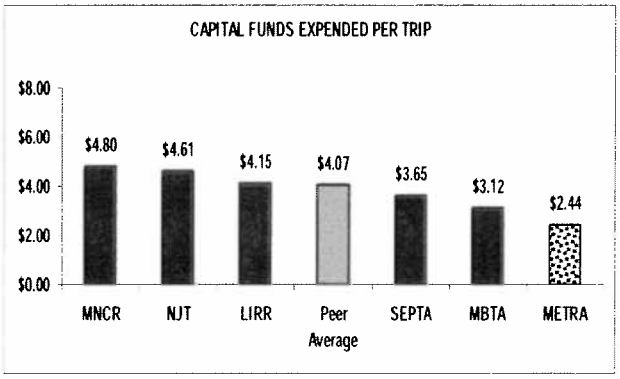
Metra reports the lowest fare revenue per passenger trip among its peers, with fares per trip 30% below the peer average.



Fare revenue per passenger mile remained largely unchanged in 2009 for all the agencies under review. Metra reports the lowest fare revenue per passenger mile among its peers.



As determined by NTD definitions, Metra has the lowest fare recovery ratio among its peers. Each agency saw decreases in their fare recovery ratio for 2009, from -0.3% (MNCR) to -10.6% (NJT). Metra realized a loss of -2.6%.



Metra ranks last among its peers in capital funds expended despite a 27.4% increase in capital expenditures per trip in 2009. Metra's capital funds expended per trip was roughly one-half of MNCR's and was 40% lower than the 2009 peer average, underscoring the need for increased capital funding for the region's commuter rail system.

SUBURBAN BUS

The peers selected for Pace bus include relatively large bus systems that operate in predominantly suburban areas. They each operate adjacent to a major city with urbanized area (UZA) populations ranging from three million in San Francisco to 18 million in New York. The peers differ in the extent to which they may provide some urban service within their service mix. None is the primary service provider for the major metropolitan area to which they are adjacent, although some have smaller cities (populations of 300,000 to 400,000) within their service regions such as Oakland served by AC Transit and Anaheim served by OCTA. However, both AC Transit and OCTA have fleet sizes in a comparable range to Pace (500-600 peak vehicles) and a somewhat flatter peak to base ratio as does Pace. SMART, MTA LI Bus and SamTrans match Pace more closely in the overall suburban character of their service area, but operate with smaller fleets (200-300 vehicles) and, in the case of SMART and LI Bus, have higher peak to base ratios.

Pace bus operations performed most favorably in the areas of service efficiency and effectiveness (with number one rankings for operating cost per hour and operating cost per mile), and service maintenance and capital investment. Pace experienced a significant improvement in miles between major mechanical failures in 2009 and performed 38% above the peer average. The service coverage measures are particularly challenging for Pace given its large suburban service area, and it falls below the peer average in this category. Solvency measures dealing with fare revenue also represent an area where Pace's performance fell below the peer average. On these measures Pace benefitted from a fare increase implemented in January 2009 and improved a notable three rank positions from last place to third place for fare revenue per passenger trip and from second-to-last place to third place for fare recovery ratio. Pace performed above the peer average for capital expenditures in both 2008 and 2009.

Pace Bus Peer Comparison		Performs Better Than Peer Average	
		2008	2009
Service Coverage	Passenger Trips per Vehicle Revenue Hour	**No**	**No**
	Passenger Trips per Vehicle Revenue Mile	**No**	**No**
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	**Yes**	**Yes**
	Operating Cost per Passenger Mile	**Yes**	**Yes**
	Operating Cost per Passenger Trip	**Yes**	**No**
Service Maintenance and Capital Investment	Average Age	**Yes**	**Yes**
	Miles Between Major Mechanical Failures	**No**	**Yes**
Service Level Solvency	Fare Revenue per Passenger Trip	**No***	**No***
	Fare Revenue per Passenger Mile	**No***	**No***
	Fare Recovery Ratio	**No**	**No**
	Capital Funds Expended per Passenger Trip	**Yes**	**Yes**

**This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.*

SUBURBAN BUS
Peer Modal Characteristics

Considering directional route miles, Pace Suburban Bus provides service in a far broader network than its peers, and has the lowest average population density in its service area of the peer group. It ranks second for passenger miles, third for vehicle revenue miles, and fourth in number of passenger trips taken. With the third-highest operating costs, Pace takes in the fourth-highest fare revenues and expends the fourth-highest capital funds.

Pace Bus Overview Modal Characteristics	Pace	SMART	Orange County (OCTA)	MTA LI Bus	SamTrans	AC Transit
	Chicago	Detroit	Los Angeles	New York	San Mateo County	San Francisco
Population	8,091,720	3,256,233	3,181,072	1,360,000	737,100	1,415,129
Service Area (square miles)	3,746	1,108	464	287	97	364
Population Density	2,160	2,939	6,856	4,739	7,599	3,888
Directional Route Miles	4,490.6	1,654.1	2,513.6	955.0	1,067.9	1,360.0
Vehicle Revenue Miles (millions)	20.7	10.7	23.6	10.8	7.3	22.1
Passenger Trips (millions)	29	13	64	31	16	60
Passenger Miles (millions)	202	96	254	151	85	192
Operating Cost (millions)	$149	$78	$216	$116	$102	$296
Fare Revenue (millions)	$27	$12	$49	$42	$18	$52
Capital Funds Expended (millions)	$23.6	$2.3	$62.5	$37.7	$9.0	$33.8
Average Speed (mph)	14.0	16.6	12.5	11.4	11.2	11.6
Average Trip Length (miles)	6.9	7.5	3.9	4.9	5.5	3.2
Average Vehicle Passenger Capacity	48.8	46.2	67.9	54.7	60.2	76.9
Vehicles Operated in Peak Service	629	237	543	277	264	532
Peak to Base Ratio	1.29	2.10	1.45	2.05	1.57	1.56

Directional Route Miles: Pace, with its large geographic coverage, leads the second-ranked peer, OCTA, by over 78%.

Passenger Trips: Pace experienced a steep 15.5% loss of passenger trips for 2009, the largest loss of ridership of the peers in this review; other agencies saw variations ranging from -7.2% (AC Transit) to a 6.2% gain (SMART).

Vehicle Revenue Miles: There were only slight changes to vehicle revenue miles ranging from -1.5% (SMART) to 1.6% (MTA LI Bus).

Passenger Miles: Four of the six agencies saw decreased passenger miles in 2009, with Pace experiencing the largest loss (-14.7%). As with passenger trips, only SamTrans and SMART showed gains (+14.5% and +5.6%, respectively).

Operating Cost: 2009 operating costs varied from -8.6% (MTA) to +5% (SamTrans) compared to 2008. Pace's increase of 2.2% was the lowest percentage increase.

Fare Revenue: MTA LI Bus was the only bus agency to experience a loss of fare revenue (-1.7%) for 2009. With fare increases implemented in January, Pace saw an 18.1% increase in fare revenue, the largest increase of the six agencies.

Capital Funds Expended: Pace (+45.3%) was among several agencies with dramatic increases in their capital funds expenditures: SamTrans (+34%), AC Transit (+151%), OCTA (+168%), and MTA (+277%). Federal stimulus money from the American Recovery and Reinvestment Act passed in February 2009 may have accounted for some of the observed growth in capital funds.

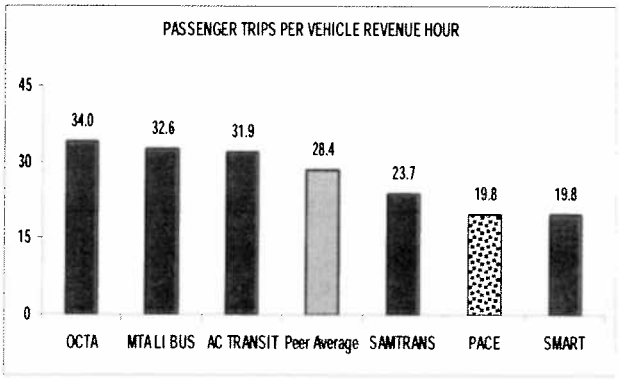
Average Speed: Pace bus maintained the second-highest average speed and recorded a 0.6% increase for the year.

Average Trip Length: Pace maintained the second-longest average passenger trip length in 2009, and posted a 1% increase for the year.

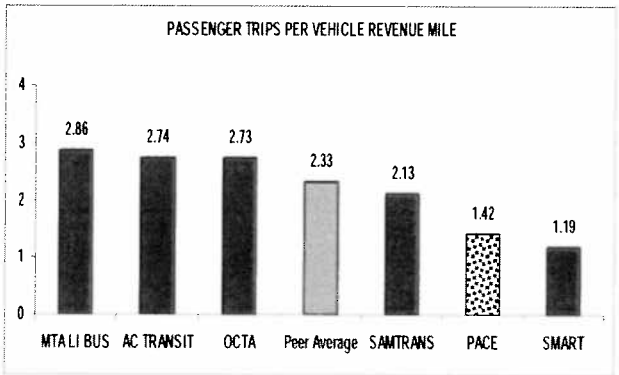
Average Vehicle Passenger Capacity: Pace has the second-lowest average passenger capacity of the agencies under review.

SUBURBAN BUS
Service Coverage

Pace suffered a significant loss of ridership in 2009 (-15.5%), attributable to regional job losses, a fare increase, and a major restructuring of service in South Cook and Will counties that reduced the need for transfers. NTD reporting requirements define a single vehicle ride as one passenger trip and a two-vehicle ride involving a transfer as two unlinked passenger trips. All transit agencies conform to this reporting methodology, which is industry standard. A reduction in transfers is a benefit to passengers, but it does result in less total passenger trips being recorded. As a result, Pace experienced decreases in the two service coverage indicators.



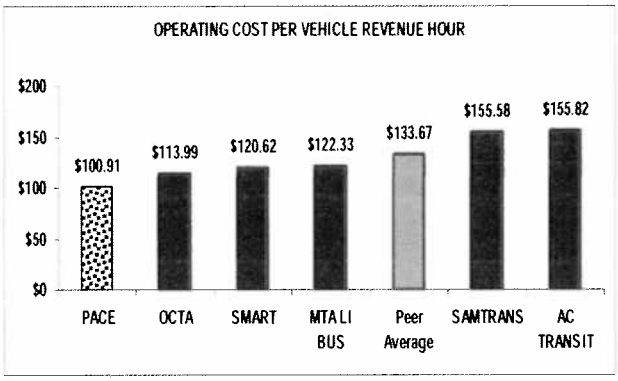
Pace had a slight 0.9% increase in vehicle revenue hours to adjust running times and improve reliability; combined with its loss in ridership, Pace experienced a decrease in the number of passenger trips per hour in 2009 compared to 2008.



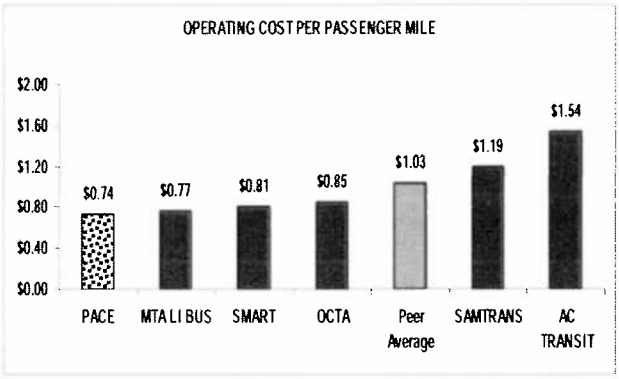
Pace's loss of bus ridership in 2009, combined with a 1.5% increase in vehicle revenue miles, resulted in a loss of passenger trips on a per-mile basis.. There were no ranking changes among any of the agencies for 2009.

SUBURBAN BUS
Service Efficiency and Effectiveness

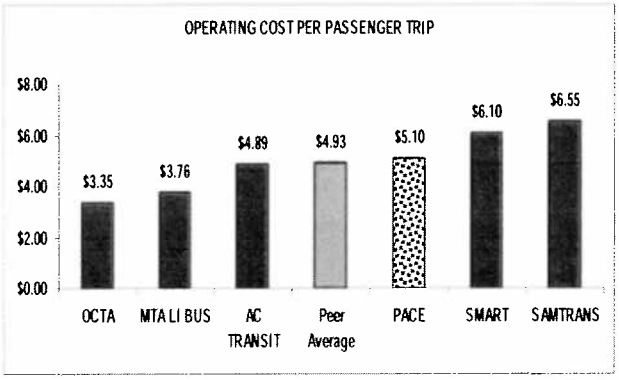
With operating cost increases held to 2.2% for 2009, Pace maintained its number one ranking for operating cost per vehicle revenue hour and per passenger mile with performance 25% to 28% better than the peer averages. The decline in passenger trips, however, negatively impacted the operating cost per passenger trip and caused Pace to fall below the peer average for this measure in 2009.



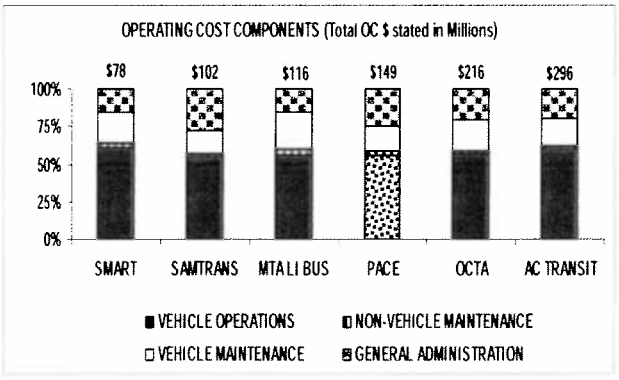
The only agencies to see decreased operating costs on a per-hour basis were SMART (-7.3%) and MTA LI Bus (-20%). Pace maintained its first-place rank by holding its increase in operating cost per hour to 1.3%. Pace's flatter peak to base ratio helps to create efficient schedules.



Pace maintained its top position among peers in 2009 despite a 19.7% increase in operating cost per passenger mile, which resulted from the decrease in passenger miles correlated with the decline in passenger trips. Pace costs per passenger mile are now much closer to its nearest peer, MTA LI Bus.



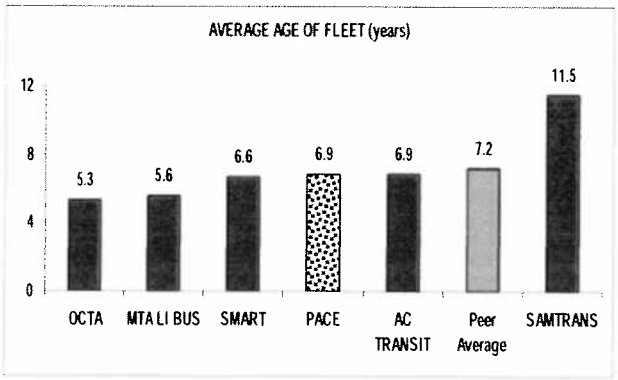
The loss of passenger trips affected this measure as well by increasing cost per trip and caused Pace to drop below the peer average for 2009.



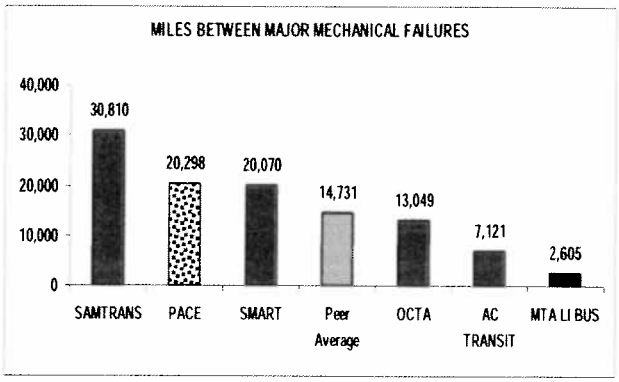
Pace allocates the second-highest proportion of its budget to general administration and the second-lowest proportion to vehicle maintenance.

SUBURBAN BUS
Service Maintenance & Capital Investment

Despite an increased average fleet age in 2009, Pace was able to significantly increase the miles between major mechanical failures, improving its rank position for that indicator. Pace's indicators for both measures outperform their peer averages.



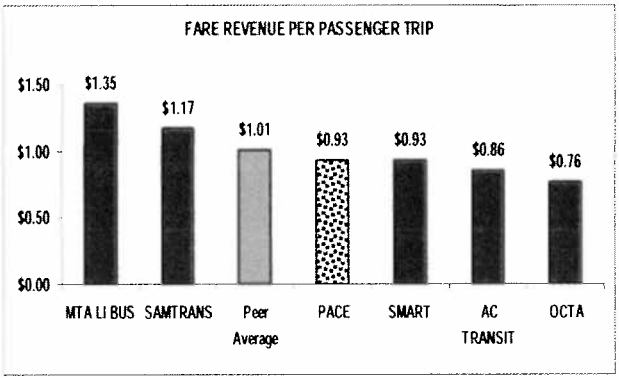
Two agencies reported increased average age of their fleets, MTA LI Bus (+11.5%) and Pace (+8.8%), moving Pace down one position for this measure.



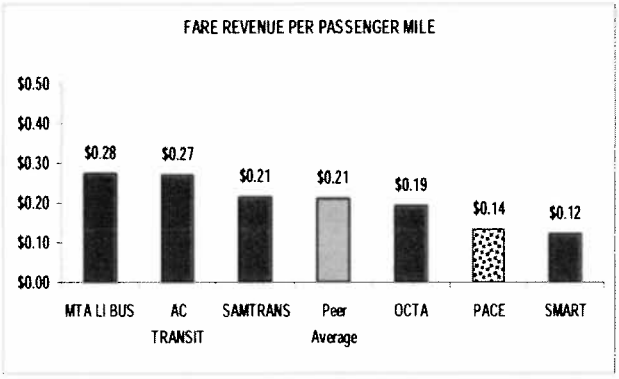
Pace was the only agency of the six to report an increase in miles between major mechanical failures in 2009, with a 39.2% increase, and consequently Pace moved up two rank positions. Pace performance in this measure has improved steadily since its introduction of new buses starting in 2006. SamTrans, in spite of a nearly 50% reduction in miles between major mechanical failures, maintained its top rank for the year.

SUBURBAN BUS
Service Level Solvency

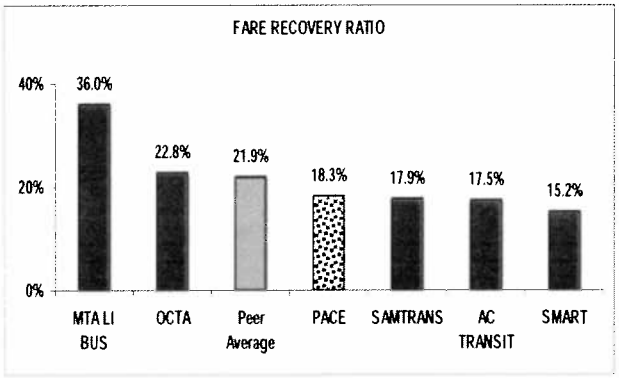
Pace's 2009 fare increase helped the agency to improve its service level solvency measures and approach the peer averages for each indicator. Pace's passenger revenue is affected by the high degree of passengers transferring between CTA and Pace, which results in shared fares between the two agencies. Such policies, which benefit passengers and improve regional mobility, contribute to lower average fares for Pace compared to its peers.



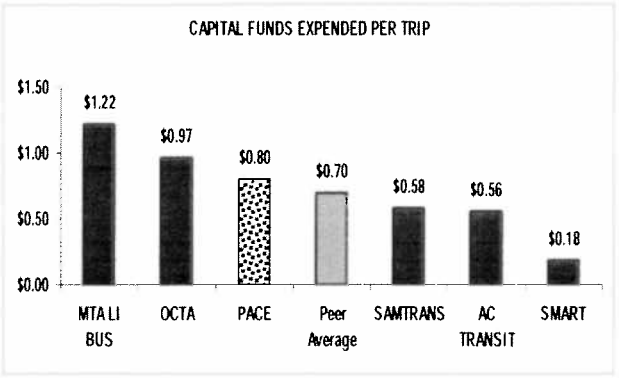
A January 2009 fare increase helped Pace to boost fare revenue by more than 18%. Pace also stopped accepting CTA 7-day passes and implemented a new Pace/CTA pass that sells for a $5.00 premium above the CTA-only 7-day pass. Pace moved up three rank positions to number three for this measure.



Pace's fare revenues also moved up one rank position when considered on a per passenger mile basis. Pace's longer average trip length results in lower revenue performance on a per passenger mile basis compared to a per trip basis.



Four agencies saw an improvement in their recovery ratio in 2009, including Pace (with a 15.6% increase), indicating fare revenues increased at a faster rate than operating costs. Pace consequently improved its rank by two positions.



Highest-ranked for this measure in 2008, Pace was displaced despite a 72% increase in capital funds expended per trip in 2009. Large gains for AC Transit (+171%), OCTA (+171%) and MTA LI Bus (+299%) resulted in their improved rankings.

VANPOOL

For Pace vanpool service, peers were chosen from the largest vanpool providers in the country since Pace operates one of the nation's largest programs. Agencies that provide fixed route bus service along with their vanpool operations were considered and those that were operated by either the region's Metropolitan Planning Organization (MPO) or Department of Transportation (DOT) were excluded.

The Pace vanpool program performed higher than or equal to the peer average in four of the performance measures reviewed. Pace performed best in the service efficiency and effectiveness category with top-ranked performance in the operating cost per vehicle revenue hour measure. Even though Pace falls below the peer average in the service maintenance/capital investment and service solvency categories, it performs near the average for all these measures and equals the peer average for one measure, fare revenue per passenger mile. King County Metro in Seattle is the largest vanpool provider with over 1,000 vans in service. LA Metro is new to the vanpool arena (having launched its vanpool program in August 2007) and has quickly become the second-largest provider of such service, displacing Pace's long-held second-place ranking, by listing over 800 vans in service by year-end 2009. Houston Metro had a surge in vanpools in the past few years as well, also surpassing Pace by exceeding 750 vans in 2009. In comparison, Pace operated 643 vans. Lowest performance relative to peers occurred in the service coverage area, especially in passenger trips per vehicle hour, where Pace's slower speeds contribute to lower performance.

Pace Vanpool Peer Comparison		Performs Better Than Peer Average	
		2008	2009
Service Coverage	Passenger Trips per Vehicle Revenue Hour	**No**	**No**
	Passenger Trips per Vehicle Revenue Mile	**No**	**No**
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	**Yes**	**Yes**
	Operating Cost per Passenger Mile	**No**	**Equal***
	Operating Cost per Passenger Trip	**Equal**	**Yes**
Service Maintenance and Capital Investment	Average Age	**No**	**No**
	Miles Between Major Mechanical Failures	**N/A****	**No**
Service Level Solvency	Fare Revenue per Passenger Trip	**Equal*****	**No*****
	Fare Revenue per Passenger Mile	**Yes*****	**Equal*****
	Fare Recovery Ratio	**No**	**No**

'Equal' ranking denotes a value that is +/- one-tenth of one standard deviation from the peer average.

*** Reporting of mechanical failures was not required by NTD in 2008 for purchased transportation operators. As a result Houston, Los Angeles, and St. Louis programs did not report data and a comparable peer average could not be calculated for 2008.*

****This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.*

VANPOOL
Peer Modal Characteristics

The Pace Vanpool program, which had held the number two spot for years, has been displaced in recent years by Los Angeles Metro and Houston Metro. L,A Metro in particular, has been able to skyrocket to the third-largest program within two years of inception with the help of CMAQ grants, which subsidize individual vanpools up to $400 per month. The sustainability of Los Angeles' program will be tested as grant funds are depleted. Pace now holds the fourth rank position for passenger trips, vehicle revenue miles, vehicles in service, passenger miles, operating cost, and fare revenue.

Pace Vanpool Overview Modal Characteristics	Pace	DART	Houston Metro	LA Metro	King County Metro	Madison County
	Chicago	Dallas	Houston	Los Angeles	Seattle	St. Louis
Population	8,091,720	2,378,700	2,796,994	8,626,817	1,884,200	232,298
Service Area (square miles)	3,746	689	1,285	1,513	2,134	189
Population Density	2,160	3,452	2,177	5,702	883	1,229
Passenger Trips (thousands)	1,810	881	2,619	2,487	3,173	315
Vehicle Revenue Miles (millions)	9.6	3.3	10.4	17.9	11.8	2.0
Vehicles Operated in Maximum Service	643	162	766	806	1,137	98
Passenger Miles (millions)	43	35	72	112	60	12
Operating Cost (millions)	$6.3	$2.1	$14.4	$8.5	$9.0	$1.8
Fare Revenue (thousands)	$3,845	$533	$8,176	$9,215	$9,637	$524
Average Speed (mph)	30.2	41.0	32.1	46.1	34.0	42.5
Average Trip Length (miles)	24.0	40.1	27.4	45.0	19.0	37.4
Average Passenger Capacity	9.4	13.3	11.1	9.5	9.0	14.3

Passenger Trips: Los Angeles launched its vanpool program in August 2007 and has quickly become a major vanpool provider, experiencing a 38% surge in ridership in 2009. Conversely, Pace realized a 10.5% loss in ridership for the year.

Vehicle Revenue Miles: Pace was the only vanpool service to see a decline in vehicle revenue miles in 2009.

Vehicles Operated in Maximum Service: The addition of 191 vanpool vehicles (+31%) in 2009 resulted in LA Metro having the second-largest vanpool fleet in the country. Houston also expanded its program, with an additional 110 vehicles (+17%), while Pace decreased its vanpool size by 11% (82 vehicles).

Passenger Miles: Strong gains in passenger miles were experienced by LA Metro (+23%), DART (+22%), and Houston Metro (+19%). Pace experienced the largest reduction in passenger miles in 2009, down 8.8% from 2008 levels.

Operating Cost: Houston Metro reported a 215% increase in operating costs in 2009. While some of this is related to growth in their program, the extent of the growth reported through NTD may actually represent some changes in their accounting of costs or some

other anomaly. Pace reduced costs by over 5%, which was done by only one other agency (King County Metro, at -8% for the year).

Fare Revenue: Madison County, St. Louis, was the only vanpool agency to have lower fare revenues in 2009. Pace showed the lowest increase with a 0.9% improvement over 2008. Significant improvements were seen by King County (+20%), LA Metro (+45%), DART (+71%), and Houston (+197%).

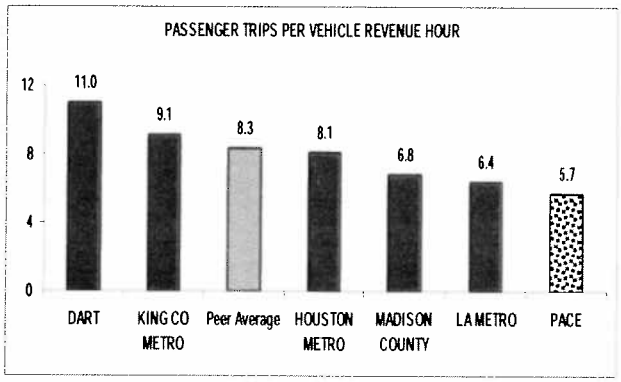
Average Speed: Pace realized the largest gain in average speed, an increase of 2.5%, although maintaining its sixth place overall.

Average Trip Length: Houston and Pace were the only two agencies to see increases in the average trip length traveled by passengers in 2009, although Houston's 11.5% increase greatly surpasses Pace's modest 1.8% increase.

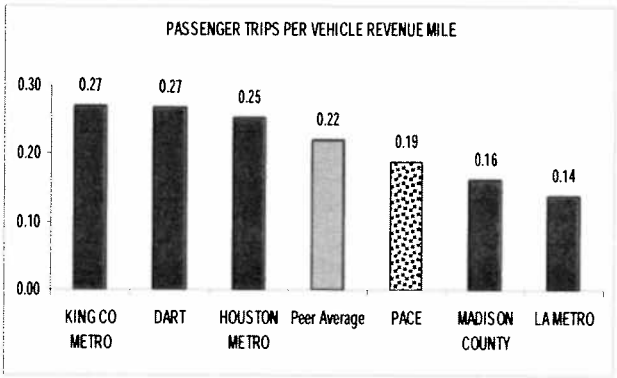
Average Passenger Capacity: Pace operates the second-smallest average passenger capacity vehicles of the agencies under review, which would affect their per trip costs.

VANPOOL
Service Coverage

Pace has the only vanpool program to see a decrease in passenger trips in 2009 yet no ranking change occurred in the passenger trips per hour or per revenue mile indicators. For both measures, Pace performed lower than its peer average, as it had in 2008.



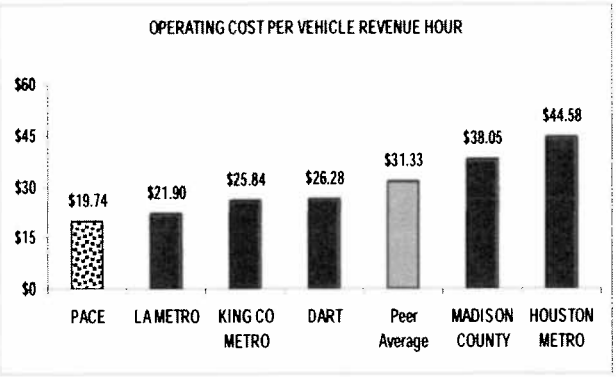
None of the agencies changed their rank positions in 2009 for this measure. Pace experienced a 10.5% loss in ridership with a corresponding reduction in vehicle revenue hours of 10.3%, producing a 0.2% loss for the trips per hour measure. Pace's average speed, the slowest in the peer group, contributes to lower performance for this measure.



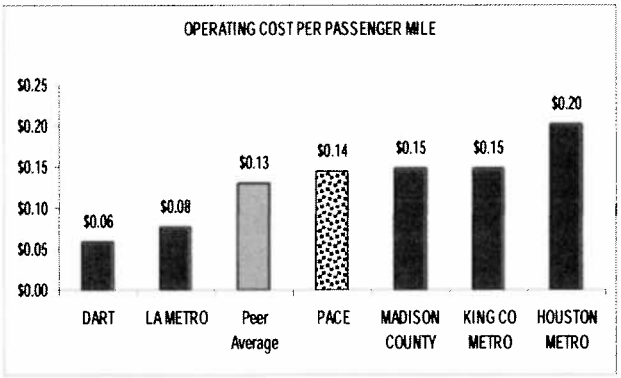
There were no rank changes for the passenger trips per vehicle revenue mile measure in 2009. Pace maintained 0.19 trips per vehicle mile of service, matching 2008 results and falling near the peer average.

VANPOOL
Service Efficiency and Effectiveness

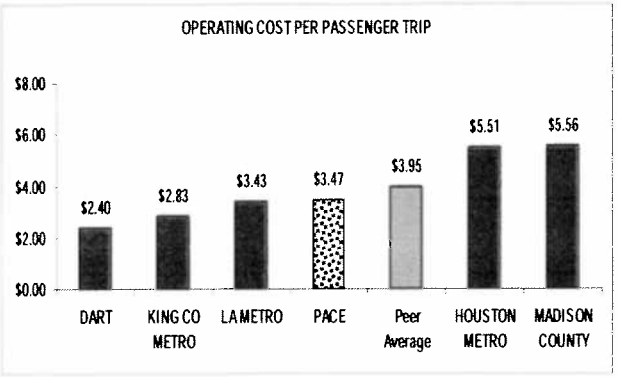
Pace's vanpool program decreased in size in 2009, resulting in a decline in operating costs, vehicle revenue hours, passenger miles, and passenger trips. Pace's percentage decline in operating cost, the second-largest of its peers, led to improved efficiency. Pace Vanpool costs are lower than the peer average on a per hour and per trip basis.



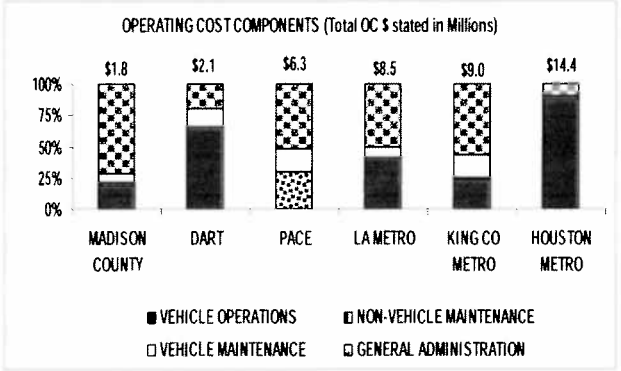
Although Pace's operating cost per vehicle revenue hour increased in 2009 (+5.7%), the agency moved up one rank position compared to its peers and led the group with the lowest operating cost per vehicle revenue hour. Houston Metro moved from first place to last with a reported near-tripling of its per-hour operating costs.



DART saw the largest decrease in cost per passenger mile with a 9% lower cost than in 2008. Pace held steady at $0.14 per mile, matching 2008 costs but moved up two positions due to increased costs per mile at Madison County and Houston Metro.



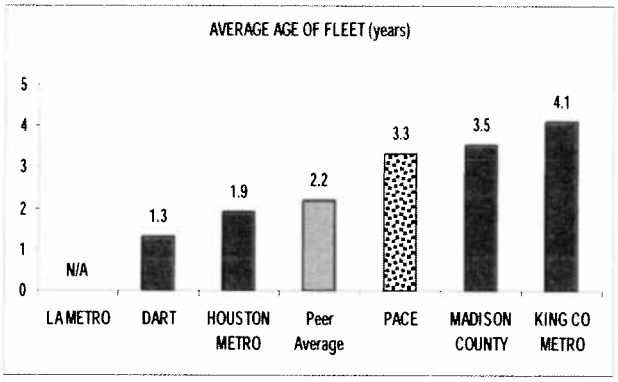
Pace performed better than the peer average despite a nearly 6% increase in cost per trip in 2009. DART improved its position by increasing passenger trips by over 26% but only increasing operating costs by 10% for the year.



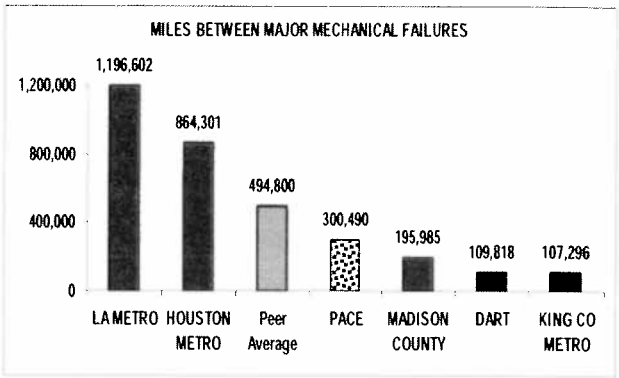
Pace's vehicle maintenance costs are the highest among its peers, consuming 19% of its operating budget in 2009. The lower proportion of administrative costs at Houston Metro reflects service that is not directly operated, resulting in some administration costs being comingled with vehicle operations.

VANPOOL
Service Maintenance & Capital Investment

The average age of Pace's vanpool vehicles increased from 2008, but Pace retained its third-place position among its peers for that indicator (data are not available on vehicle age for LA Metro). Pace ranks third for miles between major mechanical failures, which cannot be compared to 2008 since Los Angeles, Houston, and Madison County figures are being reported for the first time in 2009.



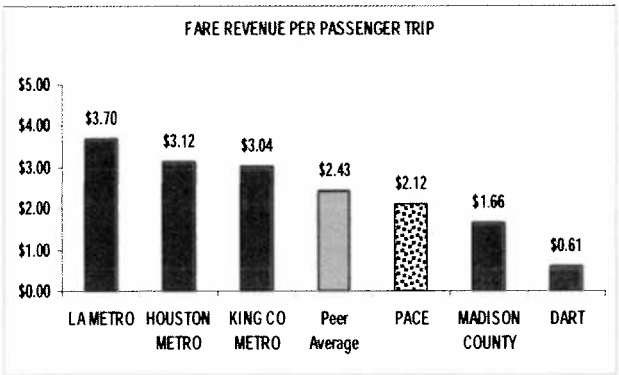
Madison County was the only agency to see a decrease in average age for 2009. The average age of Pace's vanpool fleet increased by 11% for the year, and stands at 3.3 years, within the FTA-defined useful life for vans of 4 years.



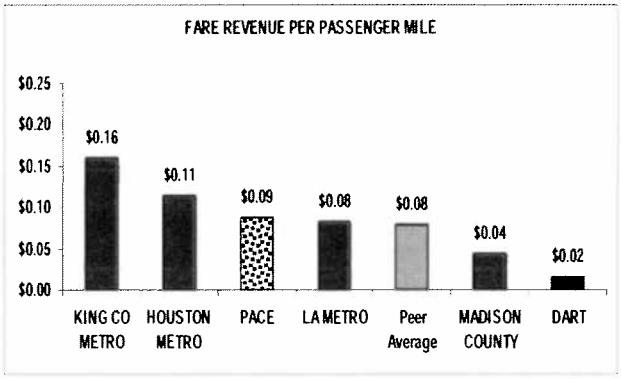
This measure reveals that Pace's miles between major mechanical failures lags behind the peer average even as it performs better than three of five peers, resulting from significantly higher performance at LA Metro and Houston Metro, which both have much younger fleets than Pace.

VANPOOL
Service Level Solvency

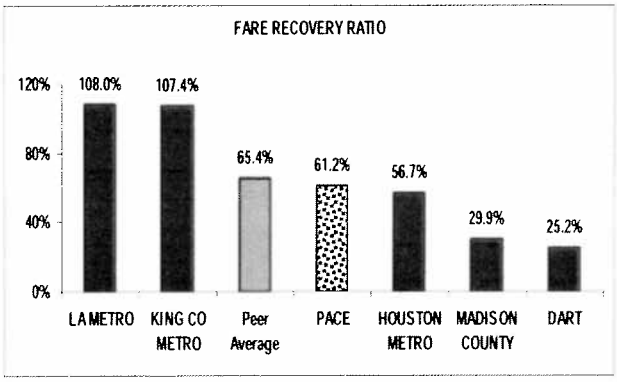
Solvency indicators for Pace have all improved from 2008, mostly from reductions in passenger trips and passenger miles, and slightly increased fare revenue. Pace's modest 0.9% gain in fare revenue was exceeded by King County, Los Angeles, Dallas, and Houston. Pace performed below the peer average in fare revenue per passenger trip and the farebox recovery ratio in 2009.



Pace, which had increased fares in January 2009, realized a nearly 13% gain, about $0.24 more per trip than in 2008. Increases for the peers ranged from 5% (LA Metro) to 179% (Houston). Madison County was the only agency to see a reduction in fare revenue per trip, a $0.65 decrease (-28%).



Pace's fare revenue per passenger mile rose $0.01 in 2009 and is almost equal to the peer average. Madison County was the only agency to see a decrease in fare revenue per passenger mile in 2009.



Pace ranked third among peers for this measure and has the highest reported ratio of any of the RTA services. The continuing expansion and success of the LA Metro program and a fare increase at King County Metro improved their recovery ratios to exceed 100% in 2009.

DEMAND-RESPONSE/ADA

The peers selected for Pace demand-response/ADA were chosen from systems that provide region-wide complementary ADA service for a fixed route system of similar size and complexity to the combination of Pace and CTA services that exists in Chicago. Fixed route systems that provided both bus and heavy rail service were examined and as a result, the peers for ADA service closely mirror the CTA peers. The MTA in Baltimore was also included because it is a region-wide provider of ADA service for a multi-modal fixed route system.

The NTD category, demand response, includes services that are initiated through a passenger request. These services encompass ADA paratransit programs, which are operated on smaller vehicles and use a reservation system. The demand response category also includes programs such as Pace's dial-a-ride program, which is a pre-arranged trip service not restricted to ADA-certified passengers, but supporting similar goals of communities to provide fuller transportation access. Most transit properties combine reporting of all their demand response programs to NTD. Pace, however, reports its ADA paratransit data as a separate entity. Therefore, two types of comparison were conducted for Pace's demand response services: one reporting ADA paratransit service and one reporting combined ADA and dial-a-ride (DAR) service.

Pace's ADA program ranked well compared to its peers in the service maintenance/ capital investment and service level solvency categories. In service coverage and service efficiency/effectiveness measures it ranked lower than the peer average in three of the five measures in 2009. However, when ADA and DAR services are combined and compared to peers, these measures improve significantly and Pace performs equal to or better than the peer average for four of the five measures.

Pace Demand-Response Peer Comparison (ADA & ADA/DAR)		**Performs Better Than Peer Average**			
		ADA		**ADA/DAR**	
		2008	**2009**	**2008**	**2009**
Service Coverage	Passenger Trips per Vehicle Revenue Hour	**Equal***	**Yes**	**Yes**	**Yes**
	Passenger Trips per Vehicle Revenue Mile	**No**	**No**	**Equal**	**Equal**
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	**Equal**	**No**	**No**	**No**
	Operating Cost per Passenger Mile	**No**	**No**	**Equal**	**Yes**
	Operating Cost per Passenger Trip	**Yes**	**Yes**	**Yes**	**Yes**
Service Maintenance and Capital Investment	Average Age	**Yes**	**Yes**	**Yes**	**Yes**
	Miles between Major Mechanical Failures**	**N/A**	**Equal**	**N/A**	**Equal**
Service Level Solvency	Fare Revenue per Passenger Trip	**Yes*** **	**Yes*** **	**Yes*** **	**Yes*** **
	Fare Revenue per Passenger Mile	**Yes*** **	**Yes*** **	**Yes*** **	**Yes*** **
	Fare Recovery Ratio	**Yes**	**Yes**	**Yes**	**Yes**

*'Equal' ranking denotes a value that is +/- one-tenth of one standard deviation from the peer average.
**Miles between Major Mechanical Failures figures prior to 2009 are not available because the NTD did not require reporting by purchased transportation services until 2009.
***This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.

DEMAND-RESPONSE/ADA
Peer Modal Characteristics

The following section separates out Pace ADA paratransit service as a separate entity and also provides a combination of ADA and dial-a-ride (DAR) services, which may be more comparable to the selected peer agencies. Pace offers the second-largest demand-response service amongst its peers in terms of passenger trips, vehicle revenue miles, operating cost, and fare revenue, even if dial-a-ride service is excluded from consideration.

Pace Demand-Response (ADA & ADA/DAR) Overview Modal Characteristics	Pace ADA	Pace ADA/DAR	MTA	MBTA	NYCT	SEPTA	WMATA
	Chicago		Baltimore	Boston	New York	Philadelphia	Washington, DC
Population	6,831,186		2,077,667	4,150,400	8,008,278	3,337,770	3,317,169
Service Area (square miles)	1,335		1,795	3,244	321	869	692
Population Density	5,117		1,157	1,390	24,948	3,841	4,794
Passenger Trips (thousands)	2,786	4,020	1,450	1,983	5,920	1,798	2,108
Vehicle Revenue Miles (millions)	26.0	30.9	11.7	15.2	66.0	9.6	19.5
Vehicles Operated in Maximum Service	754		316	567	2,209	349	996
Passenger Miles (millions)	22	30	10	24	66	11	17
Operating Cost (millions)	$115	$134	$60	$66	$441	$49	$87
Fare Revenue (thousands)	$7,178	$8,816	$1,617	$3,302	$12,161	$6,284	$3,522
Average Speed (mph)	14.4	14.5	12.5	12.0	11.7	9.7	10.6
Average Trip Length (miles)	7.8	7.3	7.1	12.0	11.2	6.3	8.2
Average Passenger Capacity	8.8		8.9	6.8	4.8	9.1	6.0

Passenger Trips: All seven agencies reported increased passenger trips in 2009, with WMATA reporting the largest increase of 23.1%.

Vehicle Revenue Miles: Each agency except for Pace ADA reported increases in vehicle revenue miles; Pace ADA reported a slight 0.9% decrease.

Vehicles Operated in Maximum Service: Since Pace ADA and DAR programs share vehicles, one figure is reported; Pace is the only agency to have fewer vehicles operated in maximum service for 2009 as compared to 2008. WMATA had the largest increase in vehicles, with a 120% increase over 2008.

Passenger Miles: NYCT reported the highest increase in passenger miles in 2009 with a 20% increase compared to 2008.

Operating Cost: Every agency reported higher operating costs in 2009, ranging from 0.9% (Pace DAR) to 29.6% (WMATA).

Fare Revenue: MTA (Baltimore) was the only agency to report a decrease in fare revenue in 2009, which was 0.6% less compared to 2008.

Average Speed: Pace's ADA/DAR service produced the largest gain in average speed, up 1.4% from 2008, boosted by a 6.8% increase in the DAR portion of its service.

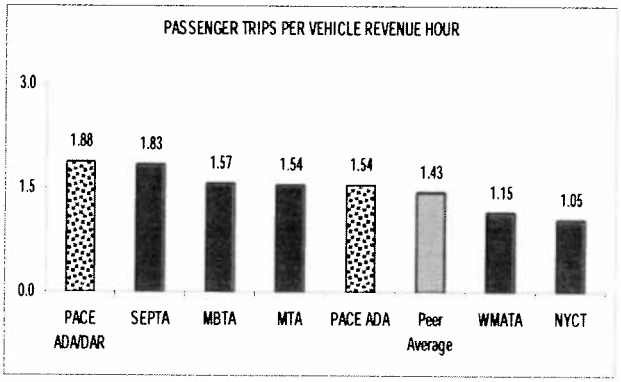
Average Trip Length: WMATA sustained a dramatic 30% drop in average trip length in 2009 indicating that their significant growth in passenger trips (23%) occurred for shorter length trips. The highest gain was 10.2%, at NYCT.

Average Passenger Capacity: On average, Pace operates the third-largest size demand-response vehicles of the agencies under review with an average passenger capacity of 8.8, whereas NYCT operates the smallest, with an average capacity of 4.8 passengers.

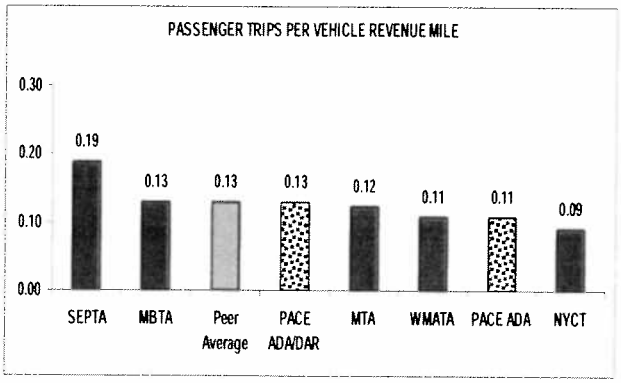
DEMAND-RESPONSE/ADA
Service Coverage

Each agency reported increased passenger trips in 2009, but Pace ADA/DAR experienced the largest increase in trips per vehicle revenue hour of 4.5%, boosting its rank to number one for this measure with performance 31% above the peer average. For passenger trips per vehicle revenue mile, Pace ADA/DAR performed at the peer average. Pace's larger vehicle passenger capacity aids its performance in these measures. NYCT, with the smallest capacity vehicles, performs the lowest for both of these measures.

Note: Two types of comparison were conducted with peers for Pace's demand response services. One reports only Pace ADA paratransit service. The second combines Pace ADA with Pace dial-a-ride (DAR) service since the peer agencies report these services together to NTD.



Pace ADA and MTA experienced increases in passenger trips per vehicle revenue hour in 2009 (+3.6% and +0.8%, respectively) as did Pace ADA/DAR combined services (+4.5%). The other agencies all experienced decreases for this measure.

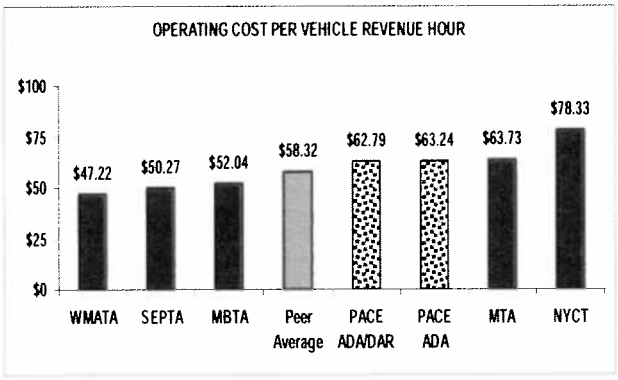


Pace ADA/DAR performs at the peer average. WMATA, with a 23% gain in passenger trips, saw the largest increase of passenger trips per vehicle revenue mile at 9.5% for the year, although they still perform below the peer average. SEPTA is the highest ranked agency with performance 46% above the peer average.

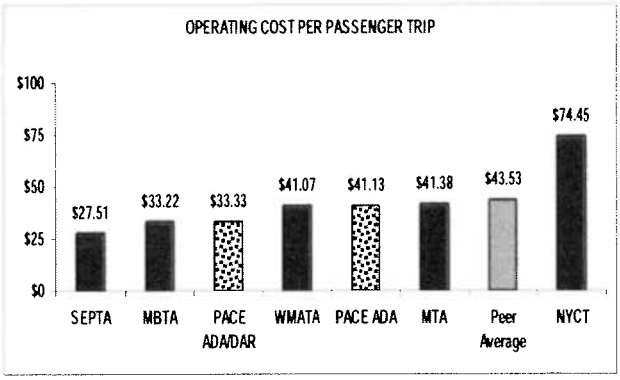
DEMAND-RESPONSE/ADA
Service Efficiency and Effectiveness

Double-digit increases in dial-a-ride's vehicle revenue hours, passenger miles, and passenger trips, combined with a marginal 0.9% increase in operating cost, helped improve the combined Pace ADA/DAR indicators for service efficiency and effectiveness measures. Viewed alone, Pace ADA experienced increases that exceeded the rate of inflation for each of the operating cost measures.

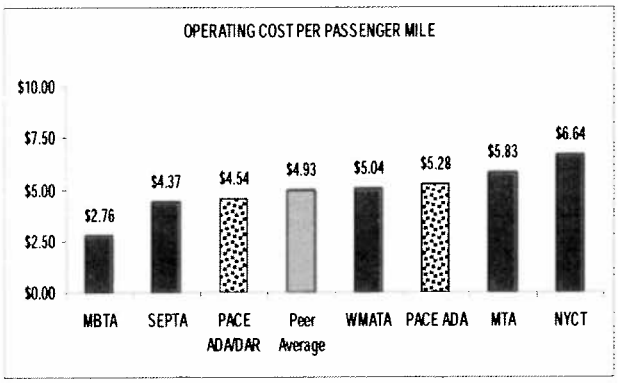
Note: Two types of comparison were conducted with peers for Pace's demand response services. One reports only Pace ADA paratransit service. The second combines Pace ADA with Pace dial-a-ride (DAR) service since the peer agencies report these services together to NTD.



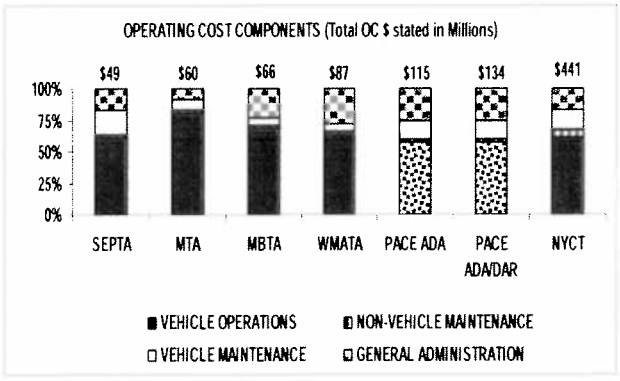
Pace ADA experienced an 8.1% increase in operating cost per hour. Pace ADA and the combined ADA/DAR services both operate with costs per hour above the peer average.



Pace's ADA component and the combined ADA/DAR service both perform better than the peer average. High costs by NYCT bias the peer average toward the high cost end of the observed range.



Pace's ranks remained unchanged from 2008 and are in the mid-range of reported costs.

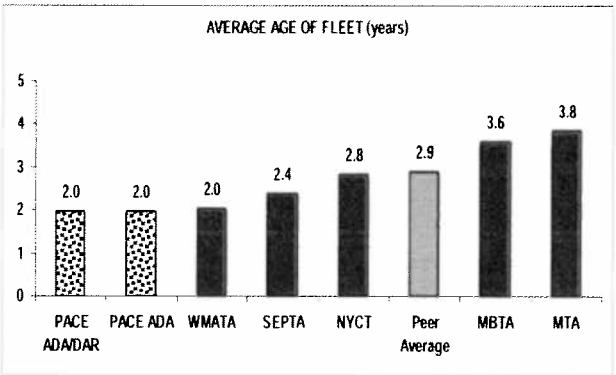


Pace's expenditures for vehicle operations, vehicle maintenance, non-vehicle maintenance, and general administration are not disproportionate to the expenditures of its peers.

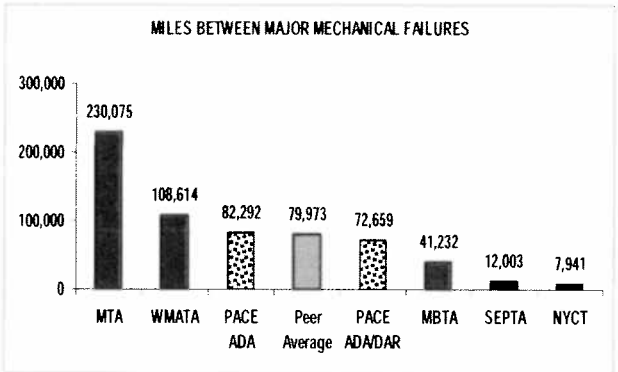
DEMAND-RESPONSE/ADA
Service Maintenance & Capital Investment

Pace operates the youngest fleet of its peers and maintains those vehicles as well as its peers, as indicated by miles between major mechanical failures.

Note: Two types of comparison were conducted with peers for Pace's demand response services. One reports only Pace ADA paratransit service. The second combines Pace ADA with Pace dial-a-ride (DAR) service since the peer agencies report these services together to NTD.



Pace retained its position of having the youngest fleet of the agencies under review. Since Pace ADA and DAR programs share vehicles, the average age or the vehicles is the same.

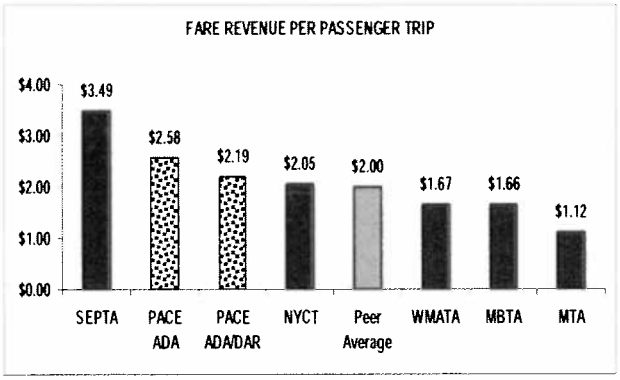


In 2009, Pace operated in the mid-range of its peers, with MTA and WMATA reporting the best levels of performance. Prior to 2009, NTD did not require agencies to report mechanical failures for purchased transportation vehicles, so comparisons to 2008 are not possible but will be reported in future years.

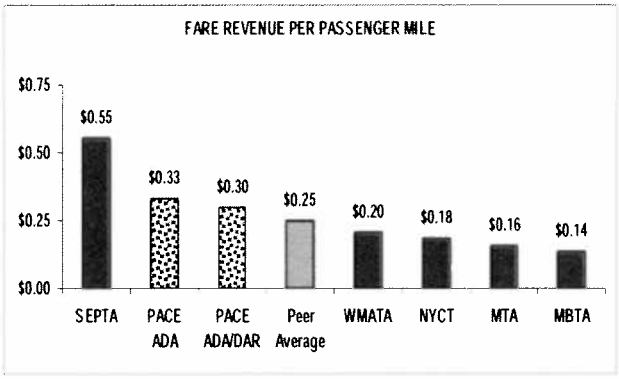
DEMAND-RESPONSE/ADA
Service Level Solvency

Pace performed better than the peer average and places in the second position behind SEPTA for each of the service level solvency measures. SEPTA performed significantly better than the peer average for all measures.

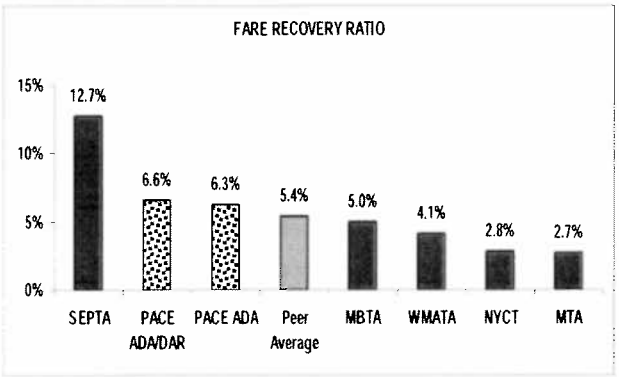
Note: Two types of comparison were conducted with peers for Pace's demand response services. One reports only Pace ADA paratransit service. The second combines Pace ADA with Pace dial-a-ride (DAR) service since the peer agencies report these services together to NTD.



A slight 0.4% increase in fare revenue per passenger trip kept Pace ADA in its second-place ranking for 2009. MBTA saw a 76% gain in fare revenue per passenger trip in 2009, yet still falls below the peer average.



Pace ADA and ADA/DAR retained their high rankings in 2009. The biggest percentage increase was seen by MBTA, with an 84.3% gain in fare revenue per passenger mile for the year, although they still held the last rank position.



Pace DAR and MBTA were the only two programs to have increased fare recovery ratios in 2009, with 13.5% and 75.8% increases, respectively. MBTA's sharp increase caused it to move up two position rankings as compared to 2008, but it still operates below the peer average.

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Regional Performance Measures

AC Transit
CTA
DART
Houston Metro
King Co. Metro
LA Metro
LI Bus
LIRR
Madison County
MARTA
MBTA
Metra
MNCR
MTA
NYCT
NJT
OCTA
Pace
SamTrans
SEPTA
SMART
WMATA

2010

Sub-Regional Peer Report

Regional Transportation Authority

The six-county public transportation system serving northeastern Illinois

Prepared by Department of Finance & Performance Management • February 2012

REGIONAL PERFORMANCE MEASURES

2010 Sub-Regional Peer Report

RTA staff has undertaken the development of a performance measurement and reporting program to evaluate the impact and effectiveness of public transit in northeastern Illinois.

Overall regional performance is a function of five major areas:

- Service Coverage – monitors both how much service is available to people in the region (in terms of population and square miles) and how much of that service capacity is used.

- Service Efficiency and Effectiveness – evaluates the level of resources spent on delivering service in relation to the level of service provided and the extent to which passengers are using that service.

- Service Delivery – reflects the quality of the service delivered.

- Service Maintenance and Capital Investment – indicates the allocation of capital funds and the replacement and maintenance of infrastructure components on a schedule consistent with their life expectancy.

- Service Level Solvency – assesses the system's financial condition to ensure that there are sufficient resources to meet current and ongoing budgetary needs (both operating and capital).

Prepared by the Department of Finance and Performance Management
Division of Budget, Performance & Business Analysis
February 2012

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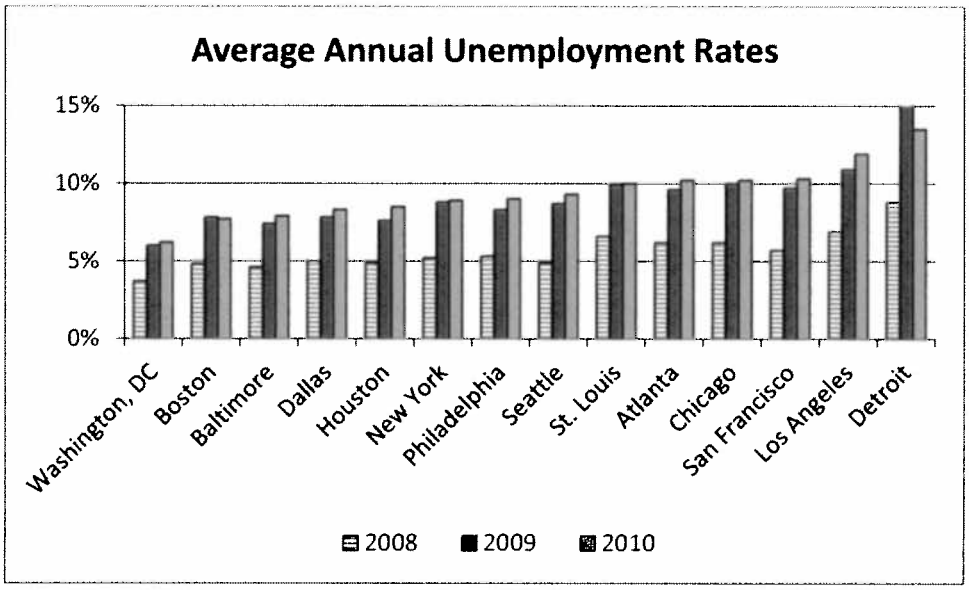
EXECUTIVE SUMMARY

The Sub-Regional Peer Report has been developed by the RTA as part of its oversight function to support the evaluation and management of the region's public transportation system. Examination of each service mode and comparison of its performance to the performance of a set of meaningful peers allows for the identification of potential improvement areas. The selection of appropriate peers was carefully performed to allow for the closest possible match of operating characteristics. For each service mode operated in the RTA region – urban bus, heavy rail, commuter rail, suburban bus, vanpool, and ADA/dial-a-ride (DAR) – a peer group of five agencies has been chosen. The report is based on data from the National Transit Database (NTD) to ensure as much comparability between agencies in definition and collection of data elements as possible.

The primary selection criteria for the peer agencies included: size of metropolitan area served, urban versus suburban character of the service area, size of the transit system, and operating characteristics such as speed, trip length, and whether bus services were operated in conjunction with rapid transit service. While the urban/suburban split of service is fairly clear in the Chicago region, in other areas the split is not so well-defined. In selecting appropriate peer groups, properties that were primarily urban were considered for comparison to CTA while those that were primarily suburban were considered for comparison to Pace. Demand response service in the Chicago region is also well-defined, with ADA service having its own NTD reporting entity, but this distinction is not so clearly delineated by peers. Therefore, to allow for meaningful comparisons among those service modes, this report shows one figure for ADA paratransit service and one figure that combines ADA paratransit with dial-a-ride services.

Although much care is used in selecting meaningful peers, no two transit agencies are perfectly comparable. Each agency has unique circumstances and a unique operating environment, and those differences should be kept in mind when making comparisons. Since there are no federal or industry standards for transit performance metrics, peer comparisons provide the best way to benchmark performance and identify best practices. The goal of the performance measurement program is to point towards areas of potential improvement; further research can then be conducted to gain a better understanding of the factors contributing to observed levels of performance.

Overall, the Chicago agencies performed well in comparison to their peers. The Chicago operators consistently represent one of the largest of their peers, not surprisingly given the area's geographic breadth and large population. As in 2009, special strengths were again noted across modes in the service efficiency and effectiveness category and in service reliability (as measured by miles between major mechanical failures). These results are indicative of the success the RTA agencies have had at running efficient, safe operations and indicate that scarce operating dollars are being used well.



The economic recession that began in 2008 continued to have a significant impact on each region and the transit agencies operating within those regions. The chart above demonstrates the significant jump in unemployment in 2009 and 2010 experienced by all of the regions in this peer analysis. In the Chicago metropolitan area, the number of jobs grew by 0.8% but Chicagoland's average annual unemployment rate rose from 10.0% in 2009 to 10.2% in 2010. The RTA system as a whole had ridership declines of 0.9%, with CTA experiencing a 4% reduction in bus trips but a 4.1% gain in rail trips, Metra trips declining by 1.7%, and Pace losing an overall 0.1% in ridership as bus passenger trips remained stable and gains in dial-a-ride service (+2.5%) nearly offset losses in vanpool (-3.2%) and ADA (-0.6%).

CTA Bus continued to perform well in comparison to its peer group, rating above the peer average for ten of eleven measures. CTA bus continued to have particularly strong performance for service efficiency and effectiveness as well as for service maintenance and capital investment measures, and achieved the top rank in four of five of these measures.

CTA Rail continued to show strong performance for service efficiency, and maintained its top-ranked position for operating cost per vehicle revenue hour and again significantly out-performed the peer average for miles between major mechanical failures despite having the oldest vehicle fleet.

Metra Commuter Rail performed better than the peer average for all service coverage and service efficiency and effectiveness measures and equal to its peers for miles between major mechanical failures in spite of having the second-oldest fleet. Metra ranks below the peer average for each service level solvency measure, which will be addressed with fare increases scheduled for early 2012.

Pace Suburban Bus continued its better than average performance for both measures of service maintenance and capital investment, and for two of three service efficiency and

effectiveness measures. The metropolitan Chicagoland population density, the lowest of its peers, has negatively influenced Pace's service coverage measures, and will continue to do so in the future, as its riders are more dispersed, requiring Pace to offer more vehicle revenue hours and more vehicle revenue miles to capture its ridership. As one of two agencies to not raise fares in 2010, Pace bus remained below the peer average for each of the service level solvency measures related to fare revenues, although Pace did see a significant increase in capital funds expended per passenger trip compared to its peers.

Pace Vanpool outperformed the peer average for three measures: operating cost per vehicle revenue hour, operating cost per passenger trip, and fare revenue per passenger mile; however, each of these improvements resulted from reductions in service provided and consumed. Pace vanpool and its two most comparable peers, King County Metro and Houston Metro, each experienced significant service reductions in 2010 and lost ridership and fare revenues as a result.

Pace Demand-Response/ADA programs were examined as a combined service, with dial-a-ride (DAR) and ADA paratransit taken together, as well as ADA paratransit alone. These two sets of comparisons were undertaken because most of the agencies in the peer group report their statistics to NTD for the combined services of ADA and demand-response as a result of the overlap that exists between these services. Pace is unique in having set up a separate reporting structure to NTD exclusively for ADA paratransit. As a combined service, Pace ADA/DAR continued its strong performance that mirrored 2009 rankings for the most part, with some improvements seen for operating cost per vehicle revenue hour and operating cost per vehicle revenue mile that accompanied fare increases implemented in November 2009.

Notes

1. This analysis is based on 2010 published data from the National Transit Database (NTD), the most currently available data. The data submission by transit agencies is a requirement of receiving federal funding and thus follows guidelines and procedures established by the Federal Transit Administration.

2. The recovery ratio used in this report follows the NTD definition, which is the proportion of operating costs that are covered by fare revenues paid by passengers. The NTD recovery ratio differs from the RTA recovery ratio, which takes into account certain adjustments as enumerated in the RTA Act such as the exclusion of various costs, the treatment of depreciation, and the inclusion of in-kind services. The RTA recovery ratio also includes system-generated revenue other than fares in its formula calculation. Furthermore, the RTA Act requires that Pace ADA paratransit costs and revenues be separated from the RTA recovery ratio and meet its own statutorily set recovery ratio.

3. Service delivery measures such as on-time performance and complaints received are not reported to the NTD and thus are not available for peer agencies.

PEER AGENCIES BY MODE

Agency/Mode	Peer Group
CTA Urban Bus	**LA Metro**: Los Angeles Metropolitan Transportation Authority, Los Angeles **MBTA**: Massachusetts Bay Transportation Authority, Boston **NYCT**: Metropolitan Transit Authority, New York City Transit, New York **SEPTA**: Southeastern Pennsylvania Transportation Authority, Philadelphia **WMATA**: Washington Metropolitan Area Transit Authority, Washington DC
CTA Heavy Rail	**MARTA**: Metropolitan Atlanta Rapid Transit Authority, Atlanta **MBTA**: Massachusetts Bay Transportation Authority, Boston **NYCT**: Metropolitan Transit Authority, New York City Transit, New York **SEPTA**: Southeastern Pennsylvania Transportation Authority, Philadelphia **WMATA**: Washington Metropolitan Area Transit Authority, Washington DC
Metra Commuter Rail	**LIRR**: Metropolitan Transportation Authority, Long Island Rail Road, New York City metropolitan area/Long Island **MBTA**: Massachusetts Bay Transportation Authority, Boston **MNCR**: Metropolitan Transportation Authority, Metro-North Railroad, New York City metropolitan area/Connecticut **NJT**: New Jersey Transit, New York City metropolitan area/New Jersey **SEPTA**: Southeastern Pennsylvania Transportation Authority, Philadelphia
Pace Suburban Bus	**AC Transit**: Alamada-Contra Costa Transit, Oakland and East Bay communities **MTA LI Bus**: Metropolitan Transportation Authority, Long Island Bus, New York **OCTA**: Orange County Transportation Authority **SamTrans**: San Mateo County Transit District, San Francisco Bay Area **SMART**: Suburban Mobility Authority for Regional Transportation, Detroit area
Pace Vanpool	**DART**: Dallas Area Rapid Transit, Dallas **King County Metro**: King County Metro Transit, Seattle area **LA Metro**: Los Angeles Metropolitan Transportation Authority, Los Angeles **Madison County**: Madison County Transit, St. Louis area **Houston Metro**: Metropolitan Transit Authority of Harris County, Houston area
Pace Demand-Response/ADA	**MBTA**: Massachusetts Bay Transportation Authority, Boston **MTA**: Metropolitan Transit Authority, Baltimore **NYCT**: Metropolitan Transit Authority, New York City Transit, New York **SEPTA**: Southeastern Pennsylvania Transportation Authority, Philadelphia **WMATA**: Washington Metropolitan Area Transit Authority, Washington DC

DEFINITION OF TERMS AND MEASURES

Average Age of Fleet: the mean of the difference between year of manufacture and year under consideration for all vehicles in the active fleet.

Average Vehicle Passenger Capacity: the mean number of passengers that can be carried per revenue vehicle, computed by adding seating capacity plus standing capacity and dividing that number by the number of active vehicles in the fleet.

Average Speed: the miles that vehicles travel while in revenue service divided by the hours that vehicles travel while in revenue service.

Average Trip Length: the average distance ridden for an unlinked passenger trip.

Capital Funds Expended: the expenses related to the purchase of capital assets; it does not include capital funds transferred to cover operating expenses.

Capital Funds Expended per Passenger Trip: expenses related to the purchase of capital assets divided by the total number of unlinked passenger trips provided.

Directional Route Miles: the mileage in each direction over which public transportation vehicles travel while in revenue service.

Fare Recovery Ratio: the recovery ratio used in this report follows the NTD definition, which is the proportion of operating costs that are covered by fare revenue paid by passengers. The NTD recovery ratio differs from the RTA recovery ratio, which takes in to account other system-generated revenue and adjustments as enumerated in the RTA Act.

Fare Revenue: all income received directly from passengers, either paid in cash or through pre-paid tickets, passes, etc.

Fare Revenue per Passenger Mile: all income received from passengers divided by the total distance ridden by passengers.

Fare Revenue per Passenger Trip: all income received from passengers divided by the total number of unlinked passenger trips provided.

Miles between Major Mechanical Failures: the average number of miles that vehicles travel while in revenue service between failures of some mechanical element or a safety concern that prevents the vehicle from completing a scheduled trip or from starting the next scheduled trip.

Operating Cost: the expenses associated with the operation of the transit agency.

Operating Cost Components: the allocation of costs among specific categories of expenses:

- General administration: all costs associated with the general administration of the transit agency
- Vehicle maintenance: all costs associated with revenue and non-revenue service vehicle maintenance
- Non-vehicle maintenance: all costs associated with facility maintenance
- Vehicle operations: all costs associated with vehicle operations

Operating Cost per Passenger Mile: total operating cost divided by total number of miles traveled by passengers.

Operating Cost per Passenger Trip: total operating cost divided by total number of unlinked passenger trips taken on public transportation vehicles.

Operating Cost per Vehicle Revenue Hour: total operating cost divided by the total number of hours of transit service provided.

Passenger Miles: cumulative sum of the distances ridden by each passenger: average trip length multiplied by total passenger trips.

Passenger Trips: unlinked passenger trips reported as the number of passengers who board public transportation vehicles and are counted each time they board a vehicle used to travel from their origin to their destination.

Passenger Trips per Vehicle Revenue Hour: total number of unlinked passenger trips divided by the total number of hours of transit service provided.

Passenger Trips per Vehicle Revenue Mile: total number of unlinked passenger trips divided by total miles traveled by transit vehicles while in revenue service.

Peak to Base Ratio: a comparison of how many revenue vehicles are in service during peak hours versus non-peak hours.

Population: the population of the area served by the transit agency as reported to NTD by the agency.

Population Density: the service area population divided by the service area square miles.

Revenue Components of Trip Cost: the cost of a trip viewed as the percentage and actual dollar amounts covered by fare and non-fare revenue (system-generated revenue and other subsidies).

Service Area: number of square miles served by the transit agency.

Vehicle Revenue Hours: hours that vehicles travel while in revenue service.

Vehicle Revenue Miles: miles that vehicles travel while in revenue service, including layover/recovery time, but excluding deadhead time.

Vehicles Operated in Maximum Service: the revenue vehicle count during the peak season of the year, on the week and day that maximum service is provided; excludes atypical days or one-time special events.

URBAN BUS

The peers selected for urban bus are those that serve the nation's largest urbanized areas with the most extensive, well-developed transit systems. These cities – Boston, Los Angeles, New York, Philadelphia, and Washington, DC – rank within the top ten in the country for urbanized area population, number of transit trips taken, and number of transit trips taken per capita. They each also have both urban rail and bus services, which provide coordinated service throughout the metropolitan area. New York City Transit is the most analogous to CTA bus in that it has a service area largely defined by city boundaries. The bus systems serving the other cities also serve surrounding suburban areas, but are predominantly urban systems.

CTA Bus performed better than the peer average for every measure with the exception of capital fund expenditures per passenger trip, a solvency measure that had exceeded the peer average in 2008 and 2009. Improved rankings occurred for the service coverage measures of passenger trips per vehicle revenue hour and per vehicle revenue mile, although this was primarily the result of service reductions instituted in early 2010. An improved ranking also occurred for miles between major mechanical failures, from a sixth-place rank in 2008 to first place in 2010, as a result of CTA's bus fleet replacement program.

CTA Bus Peer Comparison		Performs better than peer average	
		2009	2010
Service Coverage	Passenger Trips per Vehicle Revenue Hour	**NO**	**YES**
	Passenger Trips per Vehicle Revenue Mile	**EQUAL**	**YES**
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	**YES**	**YES**
	Operating Cost per Passenger Mile	**YES**	**YES**
	Operating Cost per Passenger Trip	**YES**	**YES**
Service Maintenance and Capital Investment	Average Age	**YES**	**YES**
	Miles Between Major Mechanical Failures	**NO**	**YES**
Service Level Solvency	Fare Revenue per Passenger Trip	**YES**	**YES**
	Fare Revenue per Passenger Mile	**YES**	**YES**
	Fare Recovery Ratio	**YES**	**YES**
	Capital Funds Expended per Passenger Trip	**YES**	**NO**

'Equal' ranking denotes a value that is +/- one-tenth of one standard deviation from the peer average.

This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.

URBAN BUS

Peer Modal Characteristics

In comparison to its peers, CTA and NYCT operate the lowest amount of directional route miles, corresponding to service areas constrained by city boundaries. Both also operate in the most densely-populated service areas. CTA ranks third, behind NYCT and LA Metro, based on miles of service provided, passenger trips, and passenger miles.

Urban Bus Overview Modal Characteristics	CTA	MBTA	LA METRO	NYCT	SEPTA	WMATA
	Chicago	Boston	Los Angeles	New York	Philadelphia	Washington DC
Population	3,527,667	4,510,400	8,626,817	8,008,278	3,338,230	3,317,169
Service Area (square miles)	322	3,244	1,513	321	869	692
Population Density	10,955	1,390	5,702	24,948	3,841	4,794
Directional Route Miles	1,358	1,809	3,853	1,749	2,485	2,638
Vehicle Revenue Miles (millions)	56.8	24.7	87.1	97.3	40.1	38.6
Passenger Trips (millions)	306	108	366	829	178	128
Passenger Miles (millions)	707	276	1,487	1,835	525	400
Operating Cost (millions)	$711	$338	$946	$2,290	$550	$557
Fare Revenue (millions)	$272	$78	$251	$839	$157	$109
Capital Funds Expended (millions)	$39.6	$57	$251	$228	$110	$183
Average Speed (mph)	9.54	10.43	11.72	7.64	10.31	10.65
Average Trip Length (miles)	2.31	2.55	4.06	2.21	2.95	3.11
Average Vehicle Passenger Capacity	81.0	96.2	54.2	82.6	83.3	71.3
Average Vehicle Age (years)	4.3	6.7	8.4	8.0	7.7	7.7
Vehicles Operated in Maximum Service	1,707	795	2,234	3,885	1,222	1,280
Peak to Base Ratio	1.76	1.37	1.50	1.59	1.55	2.36

Directional Route Miles: Each agency reported fewer directional route miles for 2010 compared to 2009.

Vehicle Revenue Miles: Each agency reported fewer vehicle revenue miles for 2010 compared to 2009.

Passenger Trips: MBTA was the only agency to report increased passenger trips for 2010, with a nearly 7% increase over 2009, which MBTA attributes to an improved state economy and the implementation of ridership tools such as applications for smart phones.

Passenger Miles: as with passenger trips, only MBTA reported an increase in passenger miles for 2010.

Operating Cost: CTA was the only agency to report a reduction in annual operating costs in 2010, down over 9% from 2009 related to the implementation of service reductions in February 2010.

Fare Revenue: MBTA and NYCT saw fare revenue increases in 2010 although only NYCT had implemented a fare hike (2010 was the first full year with a 10% average fare increase).

Capital Funds Expended: Capital fund expenditures can and do vary greatly from one year to the next; CTA bus experienced an 83.9% decrease from 2009.

Average Speed: Average speeds remained largely unchanged from 2009 for each agency.

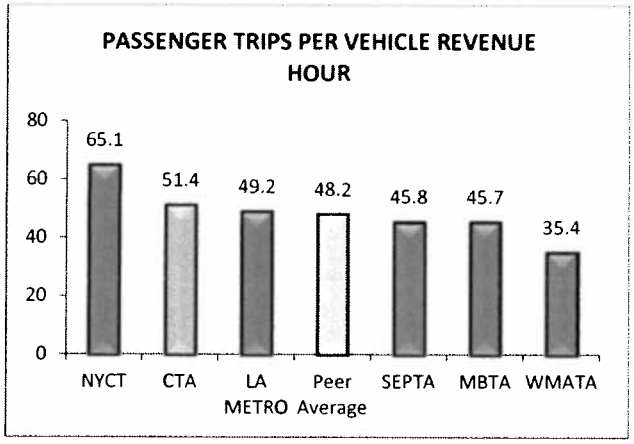
Average Trip Length: CTA was the only agency to report a slightly lower average trip length, down 0.5%, or one-hundredth of a mile. MBTA saw the largest increase, +11.4%, or 0.26 miles.

Average Vehicle Passenger Capacity: Each agency reported slightly larger average passenger capacities as compared to 2009. CTA operates the fourth-largest capacity buses, behind MBTA, SEPTA, and NYCT.

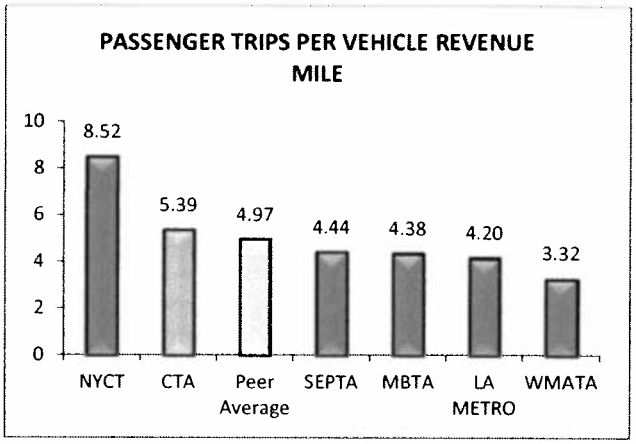
URBAN BUS

Service Coverage

CTA saw improved ratios for both service coverage measures, and moved up one rank position for the passenger trips per vehicle revenue hour indicator. These improvements resulted from the decreased vehicle revenue hours and vehicle revenue miles that accompanied service cuts in early 2010.



A 15% reduction in CTA's vehicle revenue hours, combined with a 4% reduction in passenger trips, resulted in a 13% gain for passenger trips per vehicle hour ratio. This improvement in service efficiency, the largest of the group, boosted CTA's ranking to second from its third-place rank in 2009.

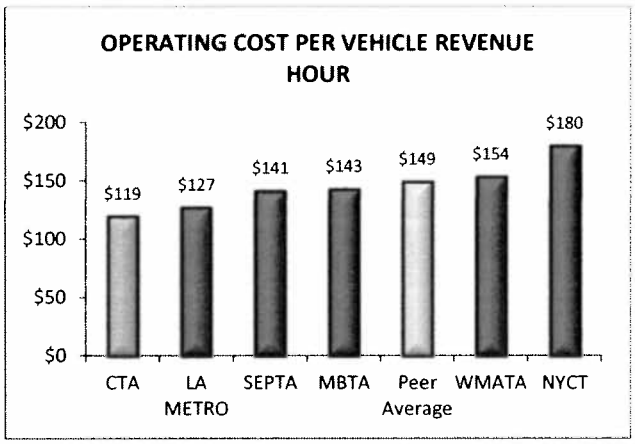


CTA's trips per vehicle revenue mile improved by 14% compared to 2009, resulting from a 16% reduction in vehicle revenue miles and 4% loss of passenger trips.

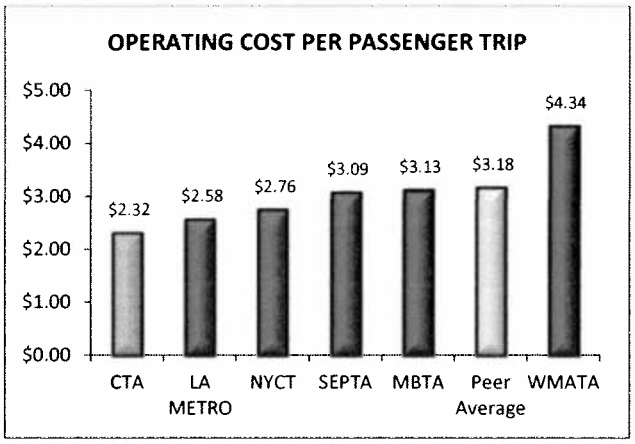
URBAN BUS

Service Efficiency and Effectiveness

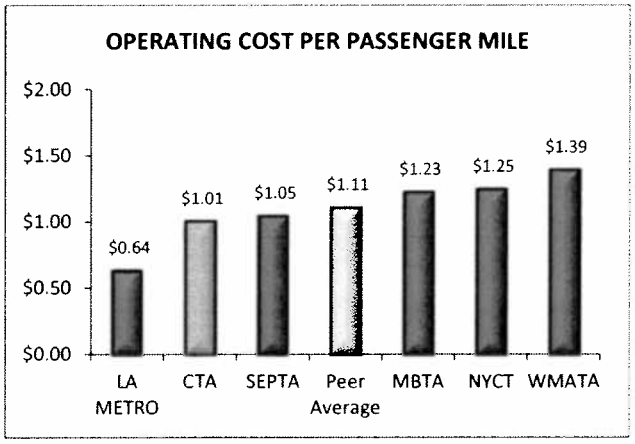
In 2010, CTA outperformed its peers for the service efficiency indicator of operating cost per vehicle revenue hour and the service effectiveness measure of operating cost per passenger trip, and also improved its rank position for operating cost per passenger mile. CTA was the only agency of the six to report a decrease in annual operating costs in 2010, down 10% from 2009.



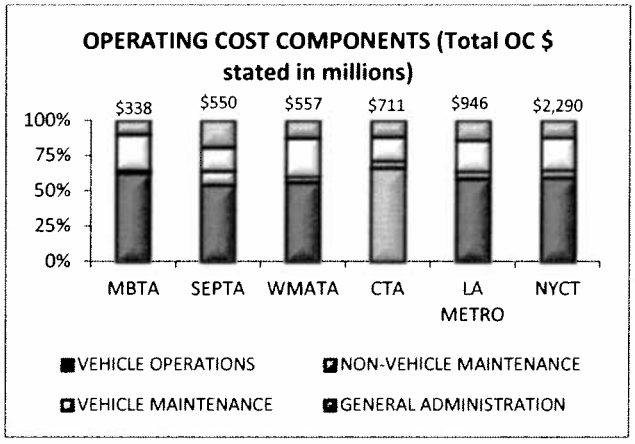
Every agency reported higher operating cost per hour compared to 2009, ranging from $0.34 (MBTA) to $19.42 (WMATA). CTA's cost rose $7.08 per hour (up 6% from 2009) and kept CTA's cost at nearly $30 below the average.



CTA's cost per trip decreased by $0.15 in 2010, a 6% reduction from 2009. Only one other agency, MBTA, saw a reduction in cost per trip (also 6%), which occurred as a result of a 7% increase in trips.



Only CTA and MBTA saw decreases in operating cost per passenger mile, down 6% and 16%, respectively, in 2010. CTA's decrease resulted from reduced operating costs whereas MBTA's reduction resulted from increased passenger miles, up 19% from 2009.

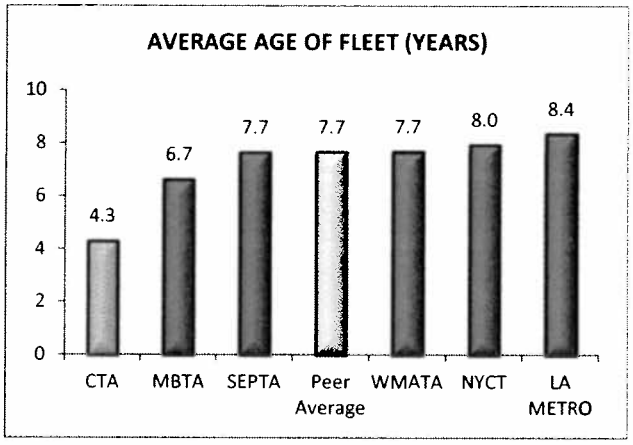


Of particular note for CTA was a 14% decrease in vehicle operations expenditures and a 17% decrease in vehicle maintenance costs compared to 2009. Compared to its peers, CTA spends the highest proportion of its operating costs on vehicle operations.

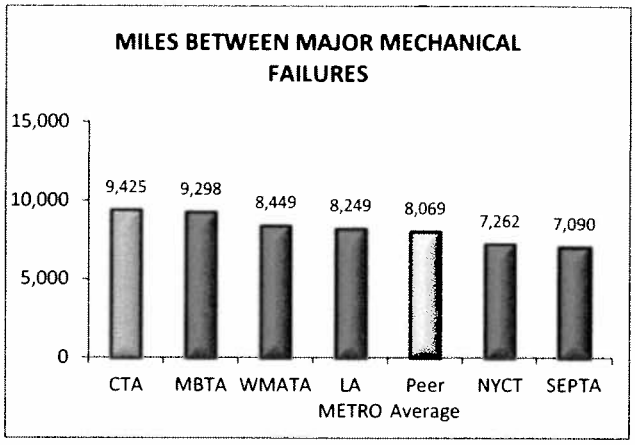
URBAN BUS

Service Maintenance & Capital Investment

In 2010, CTA took 274 vehicles out of service and was able to reduce its average fleet age by a half year compared to 2009. CTA maintained its number one position with the youngest fleet among its peers. The elimination of older vehicles also aided CTA in increasing the miles between major mechanical failures, boosting its position for this measure from fourth in 2009 to first in 2010.



Younger vehicles are less costly to maintain; CTA vehicle maintenance expenditures in 2010 constituted 16.9% of all operations costs, whereas LA Metro and NYCT expended 22.1% and 23.0% of their budgets on vehicle maintenance, respectively.

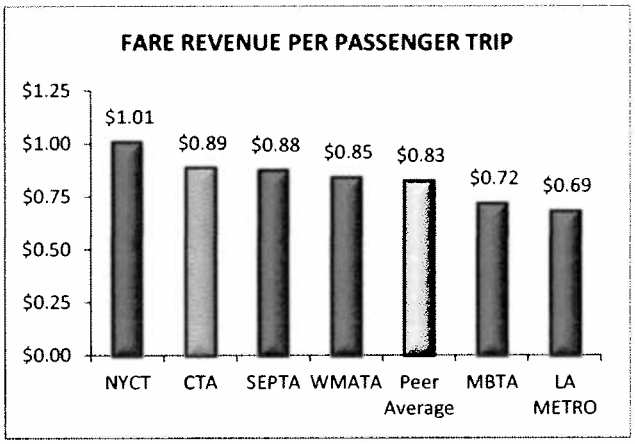


CTA saw a 17.5% increase in the miles between major mechanical failures in 2010, the largest increase among its peers. This improvement is another benefit of operating a younger bus fleet.

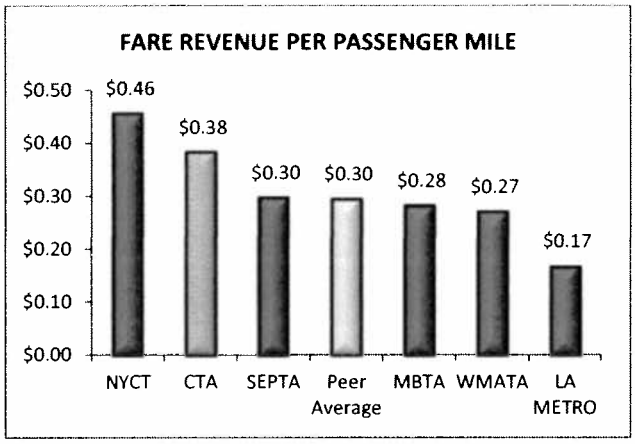
URBAN BUS

Service Level Solvency

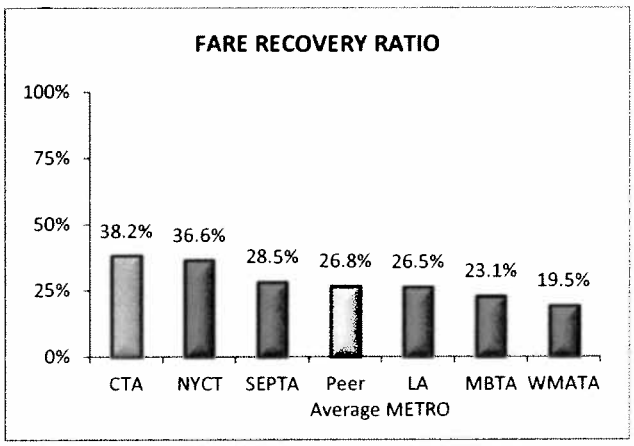
Compared to 2009, CTA improved its rankings for two solvency measures: fare revenue per passenger trip and fare recovery ratio, maintained its place for fare revenue per passenger mile, and declined from second place to sixth for capital funds expended per passenger trip.



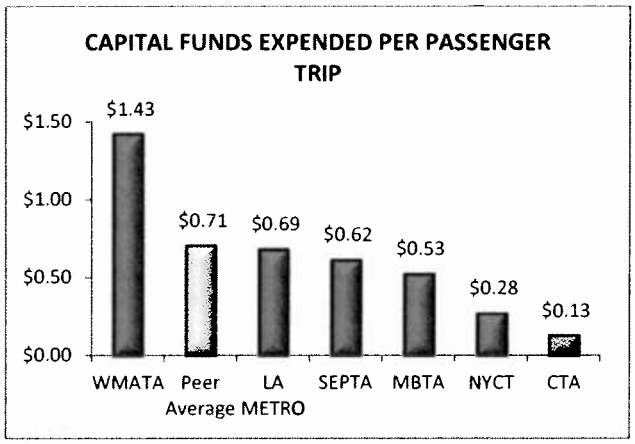
CTA Bus realized an increase of $0.02 per trip in 2010, a 2% increase from 2009. NYCT, which also ranked first in 2009, realized a 4% gain in fare revenue per trip for 2010.



CTA's fare revenue per passenger mile stayed at the same level as 2009 at $0.38. NYCT was the only agency to see a gain for this measure in 2010, with an increase of $0.01 per passenger mile.



CTA Bus moved up one ranking from 2009's 35.3% ratio to 38.2% in 2010, the highest fare recovery ratio and the highest year-over-year increase among its peers.



Capital fund availability varies considerably from year to year, and CTA, which had expended $0.77 per trip in 2009 for a second-place ranking, decreased to $0.13 per trip in 2010 for last place.

HEAVY RAIL

The peers selected for CTA heavy rail were chosen from the largest rapid transit systems in the country. The number of cities with urban rail systems is much smaller than those with bus systems, limiting the group of potential peers. NYCT, MBTA, and SEPTA are all natural peers as older rail systems serving the urban center of large metropolitan areas. MARTA and WMATA, although relatively newer heavy rail systems, were added as peers due to their large size and mostly urban setting.

In 2010, CTA operated better than or equal to its peers in five of the eleven measures examined, with the most favorable comparisons occurring in the service efficiency and effectiveness area. As it had in 2009, CTA ranked in the number one position for operating cost per vehicle revenue hour and performed significantly better than the peer average for miles between major mechanical failures despite having the oldest average fleet age among its peers. In 2010, CTA improved its ranking for fare recovery ratio, increasing by 3.2 percentage points, and now performs equal to the peer average for this measure. The largest rank change for CTA in 2010 occurred for the indicator capital funds expended per passenger trip, which lost three rank positions as expenditures fell by over $1.00 per trip.

CTA Heavy Rail Peer Comparison		Performs better than peer average	
		2009	2010
Service Coverage	Passenger Trips per Vehicle Revenue Hour	**NO**	**NO**
	Passenger Trips per Vehicle Revenue Mile	**NO**	**NO**
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	**YES**	**YES**
	Operating Cost per Passenger Mile	**YES**	**YES**
	Operating Cost per Passenger Trip	**NO**	**NO**
Service Maintenance and Capital Investment	Average Age	**NO**	**NO**
	Miles Between Major Mechanical Failures	**YES**	**YES**
Service Level Solvency	Fare Revenue per Passenger Trip	**YES**	**YES**
	Fare Revenue per Passenger Mile	**NO**	**NO**
	Fare Recovery Ratio	**NO**	**EQUAL**
	Capital Funds Expended per Passenger Trip	**YES**	**NO**

'Equal' ranking denotes a value that is +/- one-tenth of one standard deviation from the peer average.

This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.

HEAVY RAIL

Peer Modal Characteristics

CTA operates heavy rail in the nation's second-most densely populated area, after New York City. CTA ranks third among its peers for directional route miles, vehicle revenue miles, passenger trips, passenger miles, operating cost, fare revenue, and capital funds expended.

Heavy Rail Overview Modal Characteristics	CTA	MARTA	MBTA	NYCT	SEPTA	WMATA
	Chicago	Atlanta	Boston	New York	Philadelphia	Washington DC
Population	3,527,667	1,574,600	4,510,400	8,008,278	3,338,230	3,317,169
Service Area (square miles)	322	498	3,244	321	869	692
Population Density	10,955	3,162	1,390	24,948	3,841	4,794
Directional Route Miles	207.8	96.1	76.3	487.5	74.9	211.8
Vehicle Revenue Miles (millions)	65.0	22.1	23.1	350.2	16.8	66.7
Passenger Trips (millions)	211	78	139	2,439	95	287
Passenger Miles (millions)	1,296	493	483	9,710	422	1,636
Operating Cost (millions)	$451	$172	$306	$3,346	$166	$787
Fare Revenue (millions)	$239	$59	$153	$2,398	$85	$488
Capital Funds Expended (millions)	$161	$71	$130	$3,021	$110	$256
Average Speed (mph)	18.7	26.6	17.2	18.2	19.5	25.1
Average Trip Length (miles)	6.1	6.3	3.5	4.0	4.4	5.7
Average Vehicle Passenger Capacity	90.3	198.0	226.4	158.4	112.2	183.4
Average Vehicle Age (years)	26.3	21.2	22.4	17.1	17.7	19.9
Vehicles Operated in Maximum Service	980	188	342	5,354	284	850
Peak to Base Ratio	1.78	1.25	1.76	1.41	1.46	2.15

Directional Route Miles: the only change noted for 2009 was for New York, with 6.3 fewer directional route miles than in 2009.

Passenger Trips: CTA saw a gain of 4% in rail trips, the largest gain of its peers in 2010.

Vehicle Revenue Miles: One agency saw an increase in vehicle revenue miles (3%, MBTA), every other agency realized declines. CTA had 5% fewer vehicle revenue miles than it had in 2009, while WMATA and MARTA showed larger declines of -7% and -10%, respectively.

Passenger Miles: CTA was the only agency of the six to see an increase in passenger miles in 2010 and was up 8% from 2009. Other declines ranged from -0.2% (WMATA) to -15% (MBTA).

Operating Costs: CTA and WMATA were the only two rail systems to show reduced operating costs, both at -2%, in 2010. The other four agencies reported increases ranging from 1% (NYCT) to 5% (SEPTA).

Fare Revenue: Changes in fare revenues ranged from -5% (MBTA) to +17% (MARTA), with CTA fare revenues up 4% from 2009.

Capital Funds Expended: Each of the six peers saw double-digit percentage reductions in capital fund expenditures in 2010, from -13% (NYCT) to -58% (MARTA). CTA saw a 56% drop in capital funds, totaling $207.3 million.

Average Speed: CTA was the only agency to see an increased average speed, up 2% from 2009.

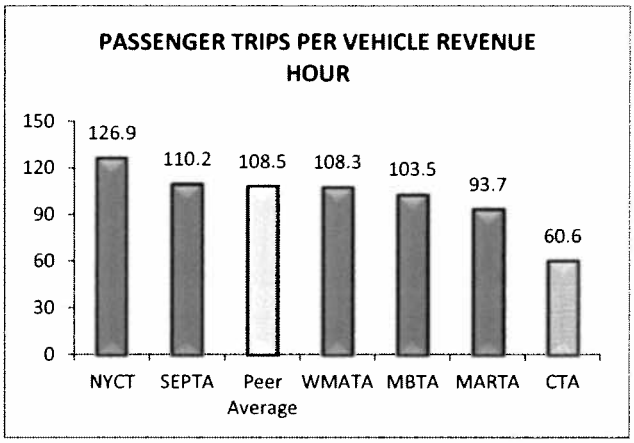
Average Trip Length: WMATA and CTA saw increases in average trip length, up 1% and 4%, respectively.

Average Vehicle Passenger Capacity: CTA cars are smaller in number of seats, length, and width than its peers due to its need to navigate tighter turns on the 'L' tracks. With an average passenger capacity of 90 per vehicle, CTA ranks last in capacity among the agencies under review, which have 24-151% more capacity than CTA.

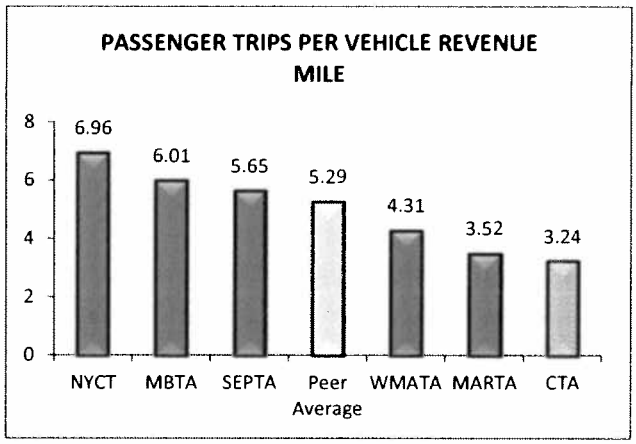
HEAVY RAIL

Service Coverage

Generally, CTA performance in the service coverage area falls below that of its peers. Smaller capacity rail cars (CTA's average capacity is 90 vs. a peer average of 176) account for most of the variance in performance, as CTA must run more cars to serve the same number of passengers. SEPTA, which has the second-smallest size car, carries nearly twice the passengers per hour that CTA does, but SEPTA does not operate 24-hour rail service or have as extensive a network of stations as CTA. These factors may lead to more trains that run with excess capacity at the CTA.



CTA gained 6.3 passenger trips per hour in 2010, an increase of 12%, which was the largest gain of the six agencies under review. The increase comes from the 7% reduction in vehicle revenue hours and a 4% gain in passenger trips.

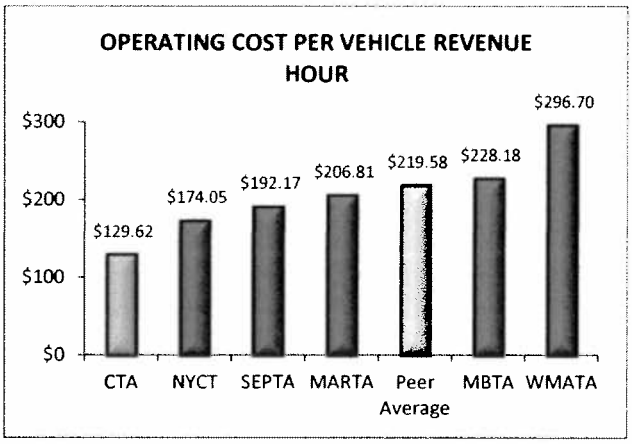


This measure reflects the effect of service cuts at CTA, which reduced vehicle revenue miles 5%, combined with a 4% increase in passenger trips, resulted in a 10% gain for trips per mile in 2010, the highest gain among its peers.

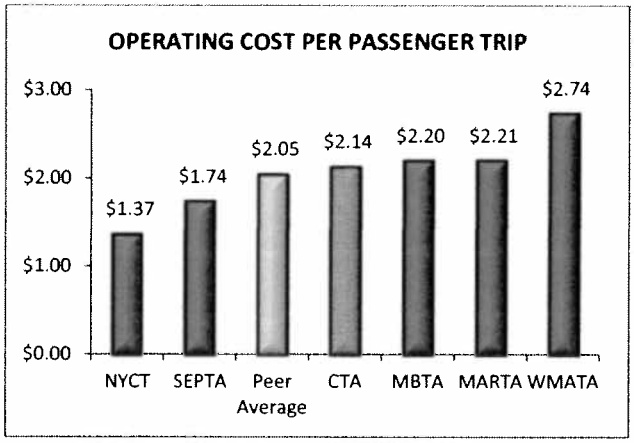
HEAVY RAIL

Service Efficiency and Effectiveness

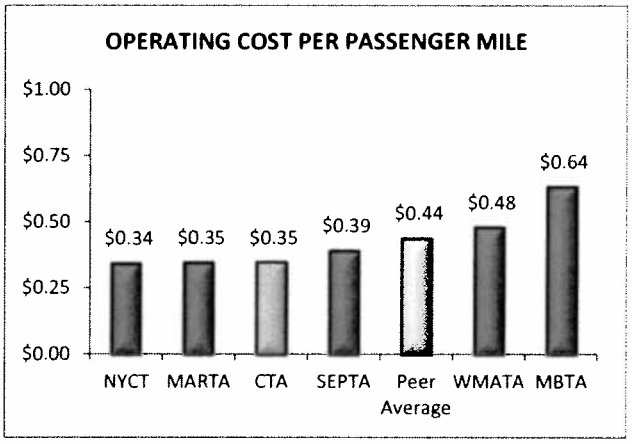
CTA performed well in service efficiency and effectiveness, maintaining its first place rank for lowest operating cost per vehicle revenue hour and moving up one rank position for operating cost per passenger mile and two rank positions for operating cost per passenger trip.



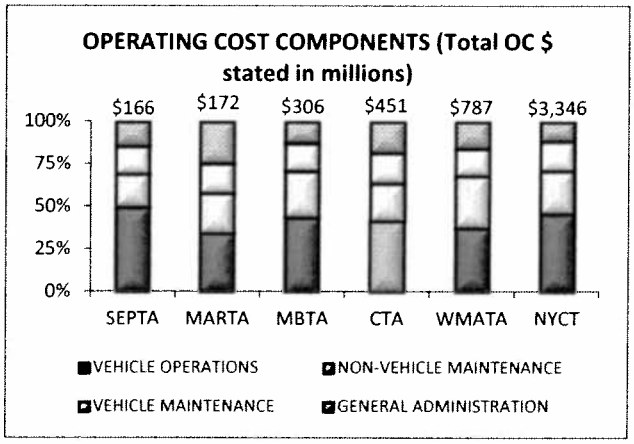
With a 2% reduction in operating cost and 7% reduction in vehicle revenue hours, CTA saw a 5% increase in cost per hour in 2010. MBTA, the only agency to see an increase in vehicle revenue hours for the year, was the only agency to see a decline for operating cost per vehicle revenue hour.



CTA and NYCT were the only two agencies to realize increased passenger trips in 2010, resulting in a lower operating cost per trip for the year. CTA experienced the largest drop in cost per trip (down $0.14, or 6%), allowing CTA to move up two rank positions.



CTA was the only agency to see an increase in passenger miles traveled (up 8% in 2010) which resulted in a 10% drop in operating cost per passenger mile, $0.03 lower than in 2009.

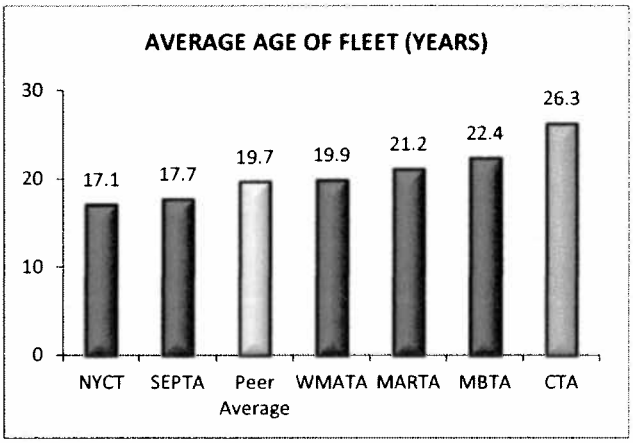


CTA expended 13% less of its 2010 operating costs on vehicle maintenance; however, CTA spent more proportionally on vehicle maintenance than any of its peers.

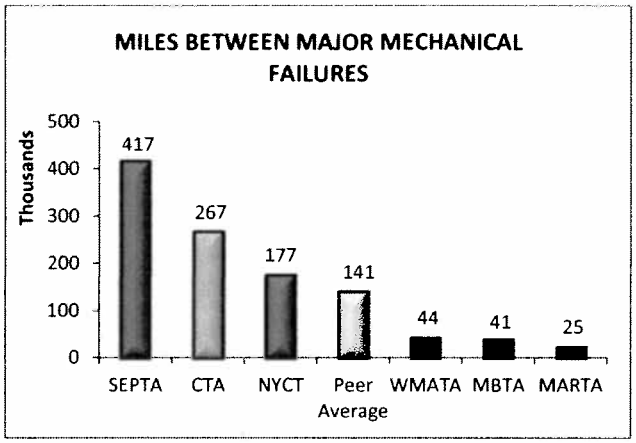
HEAVY RAIL

Service Maintenance & Capital Investment

With over seven hundred new rail cars to be put into service in the coming years, CTA's fleet in 2010 was the oldest among its peers.



NYCT continued its rail replacement program, putting another 202 new rail cars into service in 2010 and lowering its average fleet age from 2009 levels, the only agency to do so. CTA's average age went from 25.7 to 26.3, the highest average of its peers.

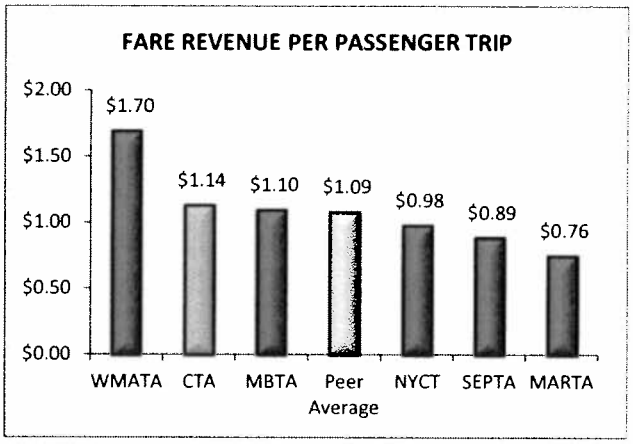


Despite having the oldest fleet among its peers, CTA rail cars experienced the second-highest mileage between major mechanical failures. It was outperformed only by SEPTA, which reported a 304% increase from 2009 resulting from a 75% decrease in major mechanical failures.

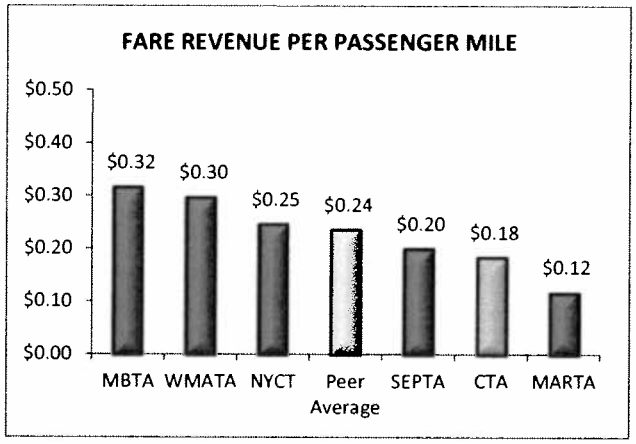
HEAVY RAIL

Service Level Solvency

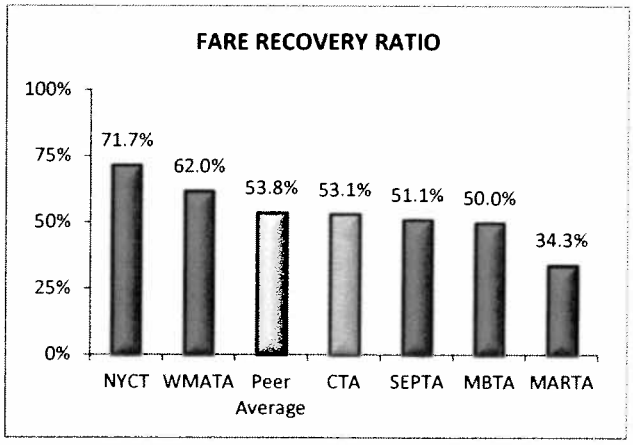
CTA's fare structure remained stable in 2010 and passenger trips increased at the same rate as fare revenues (+4%) while passengers traveled 8% more miles compared to 2009. Thus, CTA maintained its ranking for fare revenue per trip and per passenger mile. Solvency was reduced by the decline in capital fund expenditures, with $1.06 less expended on a per-trip basis in 2010, dropping CTA to sixth rank position for this indicator. However, CTA improved its ranking for fare recovery ratio, as it lowered overall operating costs by reducing service in 2010.



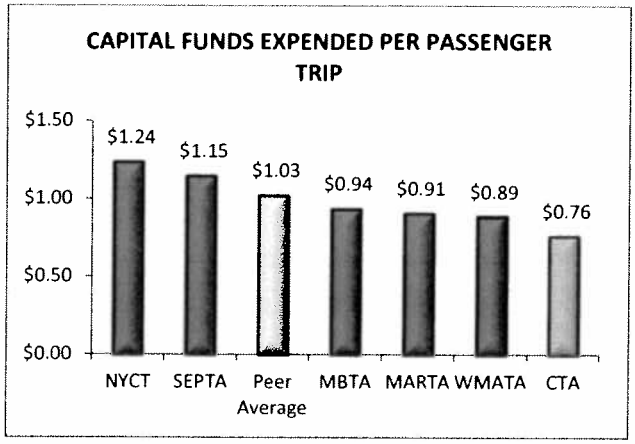
CTA was the only agency to see no change in fare revenue per passenger trip in 2010; its peers ranged from -$0.01 (WMATA) to +$0.16 (MARTA).



CTA realized a $0.01 decrease in fare revenue per passenger mile due to its 8% increase in passenger miles outpacing its 4% increase in fare revenue.



CTA moved up one rank position in 2010 for this measure, gaining 3.2 percentage points and approximating the peer average.



Each agency experienced double-digit percentage reductions for this measure in 2010; CTA's expenditures declined 58%, moving CTA from third to sixth place for this indicator.

COMMUTER RAIL

The peers selected for commuter rail represent the largest commuter rail systems in the United States; all are traditional systems that can trace their roots to rail passenger services that have operated since the late 19th century. Three of the peers provide service to New York City from the states of New York, New Jersey, and Connecticut. Boston and Philadelphia are the other major cities served. There are differences in the operating environment of each railroad affecting its service delivery and cost structure. Metra operates predominantly diesel services with one electric line and contends with more intermingling with freight operations than the other railroads. It benefits from the use of bi-level cars on all trains, enabling it to carry large passenger loads more cost-effectively. It also operates with a mix between directly-operated and contracted services. The New York peers have less interference with freight traffic, but confront greater capacity constraints and less operating flexibility because of the need to operate through tunnels or over bridges to New York City's center in Manhattan. SEPTA is unique in operating a fully electric service, which is more costly to operate than diesel.

Metra performs higher than the peer average for each of the measures in the service coverage and service efficiency and effectiveness measures. Metra also performs well in the service measure Miles between Major Mechanical Failures, where it ranks second among its peers despite having the second-oldest fleet, owing to its maintenance program and planned cycle of vehicle mid-life rehabilitations and end-of life rebuilds. As in 2009, Metra performed below the peer average for each service level solvency measure, which Metra will be addressing with a new fare schedule slated for February 2012. Overall, for each measure, Metra's performance remained the same compared to the peer average from 2009-2010.

Metra Commuter Rail Peer Comparison		Performs better than peer average	
		2009	2010
Service Coverage	Passenger Trips per Vehicle Revenue Hour	YES	YES
	Passenger Trips per Vehicle Revenue Mile	YES	YES
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	YES	YES
	Operating Cost per Passenger Mile	YES	YES
	Operating Cost per Passenger Trip	YES	YES
Service Maintenance and Capital Investment	Average Age	NO	NO
	Miles Between Major Mechanical Failures	EQUAL	EQUAL
Service Level Solvency	Fare Revenue per Passenger Trip	NO	NO
	Fare Revenue per Passenger Mile	NO	NO
	Fare Recovery Ratio	NO	NO
	Capital Funds Expended per Passenger Trip	NO	NO

'Equal' ranking denotes a value that is +/- one-tenth of one standard deviation from the peer average.

This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.

COMMUTER RAIL

Peer Modal Characteristics

While Metra operates the second-largest commuter rail system in the country as measured by directional route miles, the three agencies that service the New York area each provide more vehicle revenue miles, passenger trips, and passenger miles. The New York systems also spent the most operating dollars and collect more fare revenue. LIRR and NJT spent the most in capital expenses, with Metra and MNCR even for third place. The Boston and Philadelphia systems are the smallest of the peers.

Commuter Rail Overview Modal Characteristics	METRA	MBTA	LIRR	MNCR	NJT	SEPTA
	Chicago	Boston	New York			Philadelphia
Population	7,261,176	4,510,400	11,720,000	6,503,894	17,799,861	3,338,230
Service Area (square miles)	3,721	3,244	2,967	527	3,353	869
Population Density	1,951	1,390	3,950	12,341	5,309	3,841
Directional Route Miles	980.4	737.5	638.2	545.7	1,001.8	446.9
Vehicle Revenue Miles (millions)	43.1	23.5	63.8	57.8	64.3	17.5
Passenger Trips (millions)	71	37	98	81	82	37
Passenger Miles (millions)	1,608	749	2,218	1,978	2,032	518
Operating Cost (millions)	$563	$280	$1,075	$889	$839	$236
Fare Revenue (millions)	$236	$133	$523	$527	$427	$122
Capital Funds Expended (millions)	$265	$127	$388	$264	$601	$179
Average Speed (mph)	30.9	30.0	31.6	36.3	33.6	26.9
Average Trip Length (miles)	22.8	20.3	22.5	24.5	24.7	14.1
Average Vehicle Passenger Capacity	131.2	115.3	107.6	110.5	107.2	118.0
Average Vehicle Age (years)	27.9	20.7	8.7	19.3	15.3	34.8
Vehicles Operated in Maximum Service	1,057	418	1,014	1,075	1,291	325
Peak to Base Ratio	2.57	2.13	1.51	1.17	1.57	3.69

Directional Route Miles: NJT added five directional route miles in 2010; the other agencies remained the same.

Passenger Trips: Three of the six agencies (Metra, MBTA, and NJT) reported fewer passenger trips in 2010.

Vehicle Revenue Miles: Half the agencies reported a 2% reduction in vehicle revenue miles (MBTA, LIRR, MNCR), while Metra's was virtually unchanged from 2009. SEPTA and NJT saw increases of 3% and 8%, respectively.

Passenger Miles: Changes from 2009 ranged from -13% (NJT) to +13% (LIRR), with four of the six agencies reporting decreases.

Operating Cost: Only one agency, LIRR, reported decreased operating cost for 2010. Metra reported a 3% increase.

Fare Revenue: Metra's fare revenue remained stable in 2010, while its peers reported changes of -3% (MBTA) to +5% (MNCR).

Capital Funds Expended: Metra reported a 52% gain in this indicator, the second-largest increase from 2009. NJT had the largest increase at 56%.

Average Speed: Metra maintained its position with the second-highest average speed, at 30.8 miles per hour, 0.1 mile per hour faster than in 2009.

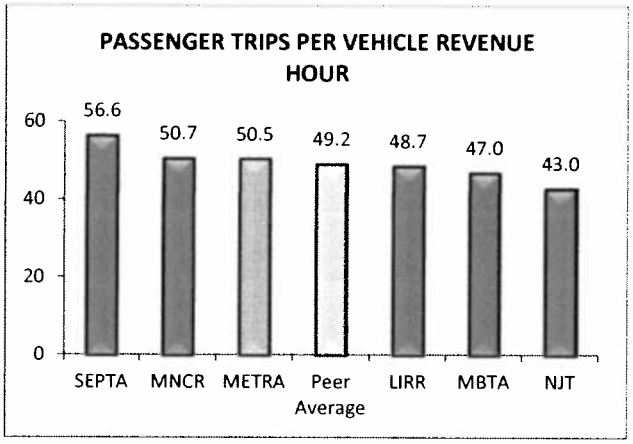
Average Trip Length: With an average trip length of 22.8 miles, Metra has the third-longest average trip length of the six agencies, and was 1% lower in 2010.

Average Vehicle Passenger Capacity: For the commuter rail mode, this comparison excludes standing passenger capacity to conform to industry standards and the expected provision of one seat per passenger. Metra, with its full fleet of double-decker cars, offers the highest average passenger capacity of its peers, with 10% more capacity than its closest peer.

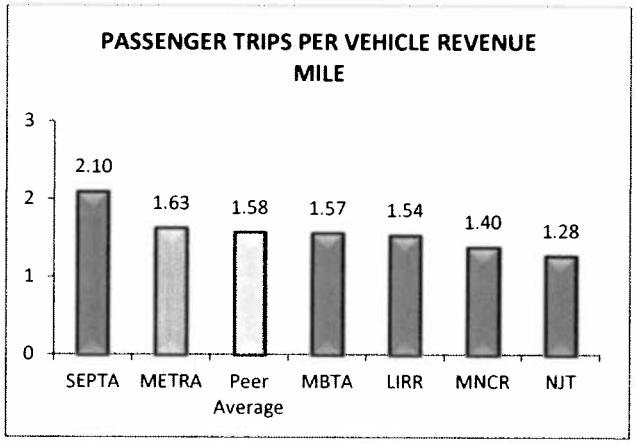
COMMUTER RAIL

Service Coverage

Metra performed better than the peer average for service coverage measures in 2010. With 2% fewer passenger trips in 2010, Metra dropped one position for passenger trips per vehicle revenue hour but gained one position for passenger trips per vehicle revenue mile despite having a lower ratio than in 2009.



Metra and MBTA were the only two agencies to see a decrease for this measure in 2010. Metra's decrease is due to fewer passenger trips without a change in vehicle hours, whereas MBTA reduced vehicle hours by 2% and experienced a 9% decline in passenger trips.

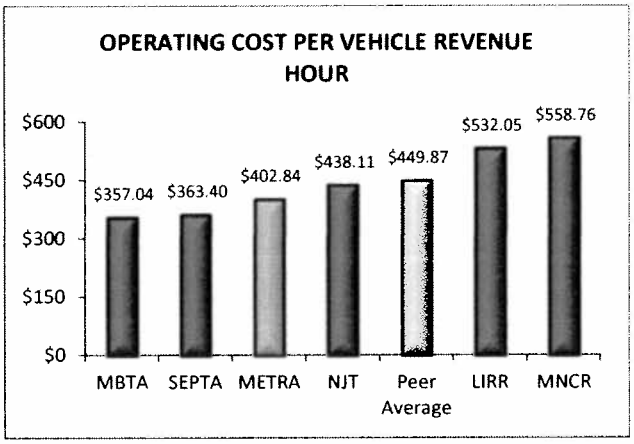


MBTA's 7% decline for this measure caused Metra to move up one rank position for this measure although Metra's passenger trips per vehicle revenue mile were 0.04 less than in 2009, slightly more than the peer average loss of 0.03 passenger trips per vehicle revenue mile.

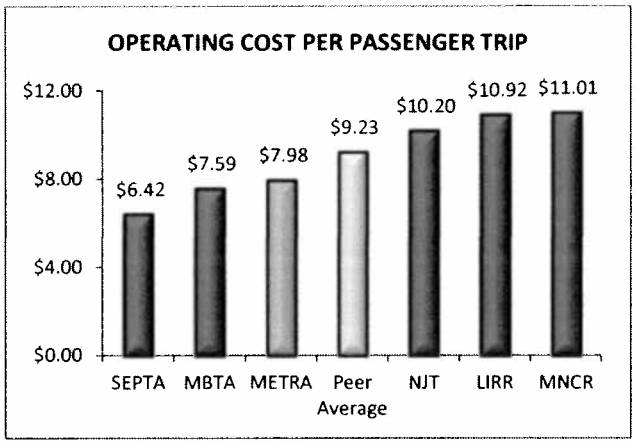
COMMUTER RAIL

Service Efficiency and Effectiveness

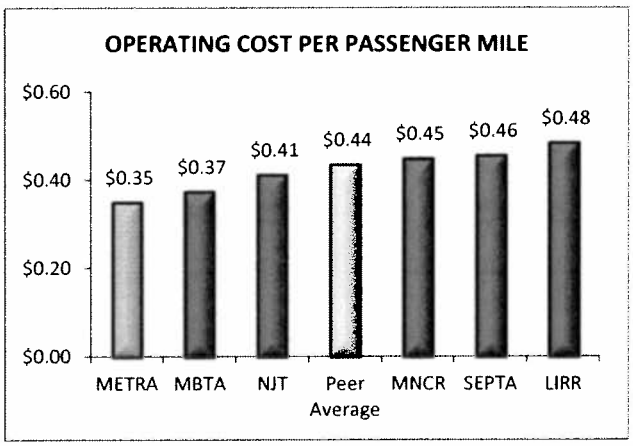
As it did in 2009, Metra performed well in the service efficiency and effectiveness category and maintained its third-place rank position for operating cost per vehicle hour and per passenger trip, and its top rank position for operating cost per passenger mile.



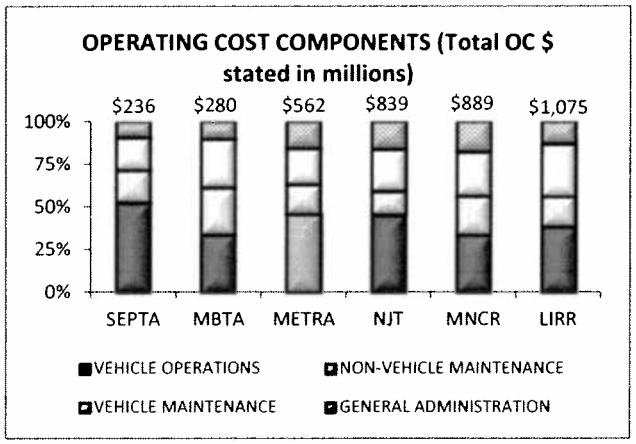
Each agency realized increased operating costs per vehicle revenue hour in 2010, ranging from 2% (Metra) to 9% (NJT). Metra maintained its third-place rank for this measure.



Metra's operating cost rose $0.34 per passenger trip in 2010, a 4% gain that was the second-largest increase among its peers, which ranged from -4% (LIRR) to +11% (MBTA).



Metra has the lowest operating cost per passenger mile, $0.08 below the peer average. Only LIRR saw a reduction for this measure, down 14% from 2009, achieved with a 13% increase in passenger miles.

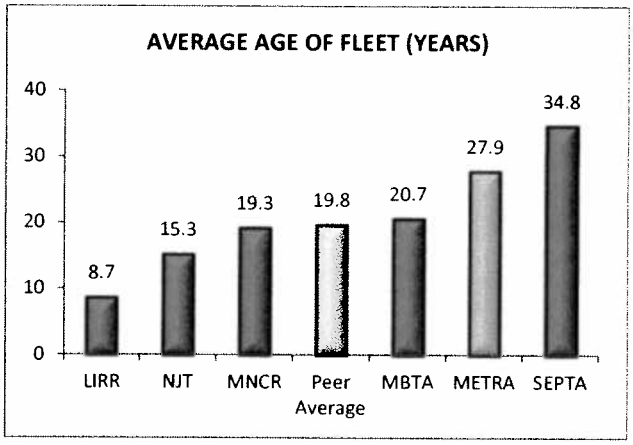


Metra expends 46.2% of its budget on vehicle operations, 6.4 percentage points less than SEPTA, which expends the most for this cost component. Among its peers, Metra spends the second-lowest proportion (21.2%) on vehicle maintenance, notable given its older fleet.

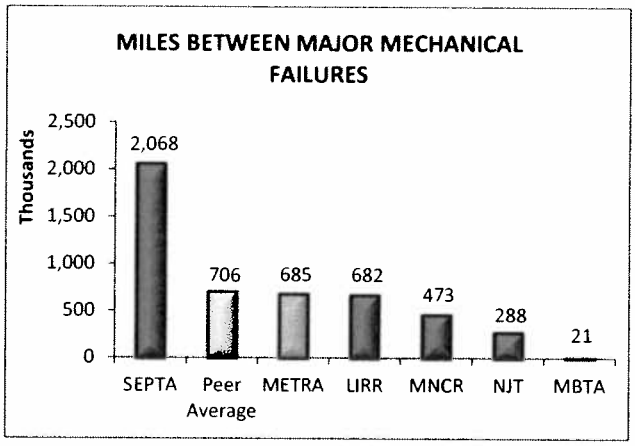
COMMUTER RAIL

Service Maintenance & Capital Investment

Metra operates the second-oldest fleet among its peers, surpassed only by SEPTA. Vehicle mid-life rehabilitation and end-of-life rebuild schedules have enabled Metra to maintain their older fleet in a relative state of good repair. These schedules require ongoing capital funding resources, which can vary significantly from year to year. For 2010, Metra saw capital funds expenditures increase by over $90 million, an increase of nearly 52%.



With the second-oldest vehicle fleet at 27.9 years, Metra exceeds the peer average for this measure by over eight years. Each agency reported a higher average fleet age in 2010. SEPTA, with the oldest fleet, announced plans to replace over one-third of its rail cars beginning in 2011.

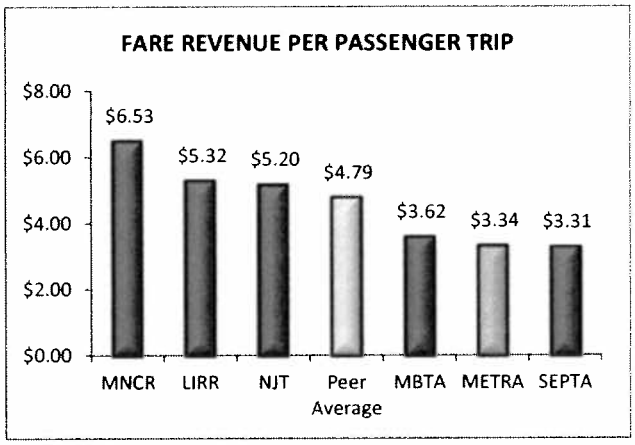


Metra reported the second-highest number of miles between major mechanical failures despite allocating a smaller proportion of its operating costs to vehicle maintenance, 21.2% versus the peer average of 25.7%.

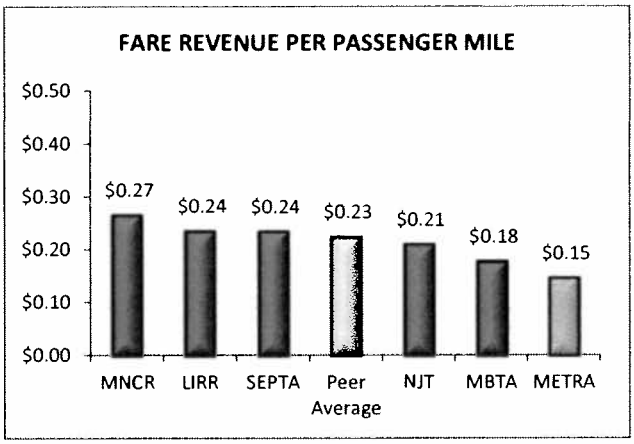
COMMUTER RAIL

Service Level Solvency

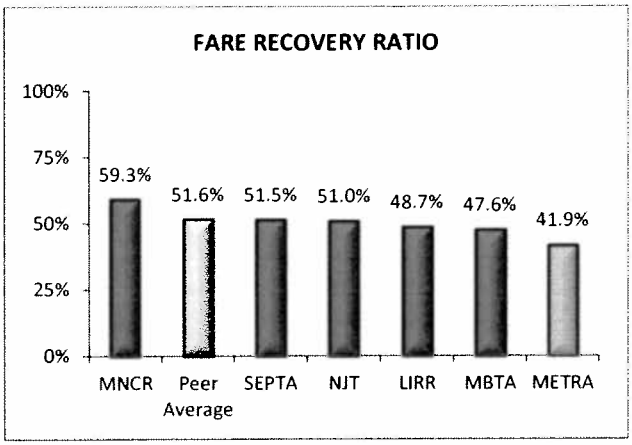
Metra ranked below its peer average for each service level solvency measure, but did improve its rank position for fare revenue per passenger trip as well as improve its fare revenue per passenger mile by $0.01. With increased operating costs and flat fare revenues, Metra's fare recovery ratio decreased 1.1 percentage points. However, increased capital fund expenditures of $1.32 per trip resulted in Metra moving from its last-rank position in 2009 to fourth place in 2010.



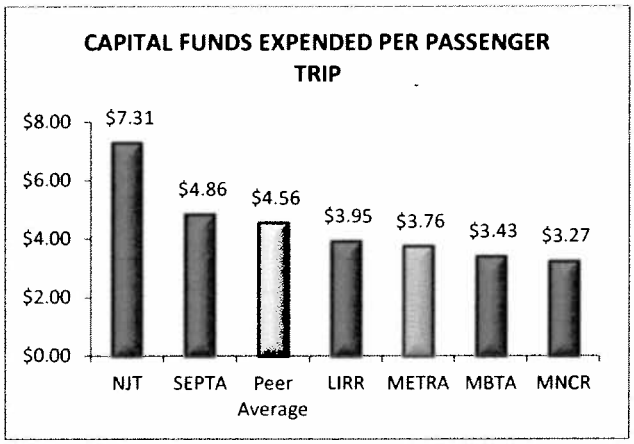
Having experienced the largest gain in passenger trips for the year in addition to a reduction in fare revenue, SEPTA displaced Metra from its last-place rank in 2009. Metra realized a $0.05 gain in fare revenue per trip in 2010 resulting from its 2% loss of passenger trips while fare revenue held steady.



NJT, which implemented an average 25% fare increase in May 2010, saw a 2% gain in fare revenue and 13% loss of passenger miles, causing an 18% increase in fare revenue per passenger mile. Metra, with no fare increase in 2010 and 3% decline in passenger miles, realized a 3% gain in this measure.



As determined by NTD definitions, Metra had the lowest fare recovery ratio among its peers.



Metra expended 54% more capital funds per trip in 2010, and moved up two rank positions.

SUBURBAN BUS

The peers selected for Pace bus include relatively large bus systems that operate in predominantly suburban areas. They each operate adjacent to a major city with urbanized area (UZA) populations ranging from three million in San Francisco to 18 million in New York. The peers differ in the extent to which they may provide some urban service within their service mix. None is the primary service provider for the major metropolitan area to which they are adjacent, although some have smaller cities (populations 300,000 to 400,000) within their service regions such as Oakland, served by AC Transit, and Anaheim, served by OCTA. However, both AC Transit and OCTA have peak fleet sizes comparable to Pace (500-600 buses) and a somewhat flatter peak to base ratio as does Pace. SMART, MTA LI Bus and SamTrans match Pace more closely in the overall suburban character of their service area, but operate smaller fleets (200-300 buses) and, in the case of SMART and LI Bus, have higher peak to base ratios.

Pace bus operations performed most favorably in the areas of service efficiency and effectiveness (ranking first for operating cost per vehicle revenue hour and operating cost per passenger mile) and service maintenance and capital investment. Pace experienced significant improvement in the average age indicator, moving up two rank positions from 2009, and performed 22% better than the peer average for miles between major mechanical failures. Service coverage measures continue to present challenges for Pace, which has more than triple the service area of the closest peer. In the service level solvency category, Pace lost one rank position for the three fare revenue indicators (fare revenue per passenger trip, fare revenue per passenger mile, and fare recovery ratio) as three of its peers raised fares. With a 32% increase in capital funds expenditures in 2010, Pace gained one rank position and equaled the peer average, which was heavily weighted by high capital expenditures at SamTrans.

Pace Suburban Bus Peer Comparison		Performs better than peer average	
		2009	2010
Service Coverage	Passenger Trips per Vehicle Revenue Hour	NO	NO
	Passenger Trips per Vehicle Revenue Mile	NO	NO
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	YES	YES
	Operating Cost per Passenger Mile	YES	YES
	Operating Cost per Passenger Trip	NO	EQUAL
Service Maintenance and Capital Investment	Average Age	YES	YES
	Miles Between Major Mechanical Failures	YES	YES
Service Level Solvency	Fare Revenue per Passenger Trip	NO	NO
	Fare Revenue per Passenger Mile	NO	NO
	Fare Recovery Ratio	NO	NO
	Capital Funds Expended per Passenger Trip	YES	EQUAL

'Equal' ranking denotes a value that is +/- one-tenth of one standard deviation from the peer average.

This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.

SUBURBAN BUS

Peer Modal Characteristics

Pace Suburban Bus provides service to a much larger population than its peers spread over a far broader network, as evidenced by having the largest service area and the lowest population density of its peers. While Pace operates the most directional route miles, it does so with the third-most vehicle revenue miles, and experiences the fourth-highest number of passenger trips.

Suburban Bus Overview Modal Characteristics	PACE	SMART	OCTA	MTA LI BUS	SAMTRANS	AC TRANSIT
	Suburban Chicago	Suburban Detroit	Suburban Los Angeles	Suburban New York	San Mateo County	Suburban San Francisco
Population	5,199,319	3,167,075	3,069,683	1,360,000	737,100	1,415,129
Service Area (square miles)	3,516	1,074	465	287	97	364
Population Density	1,479	2,949	6,601	4,739	7,599	3,888
Directional Route Miles	4,058.5	1,644.1	2,330.3	743.0	950.0	1,274.2
Vehicle Revenue Miles (millions)	20.0	10.7	20.6	10.8	6.9	21.6
Passenger Trips (millions)	29	11	53	31	14	61
Passenger Miles (millions)	190	81	235	159	72	174
Operating Cost (millions)	$150	$79	$193	$126	$99	$300
Fare Revenue (millions)	$27	$13	$47	$45	$18	$53
Capital Funds Expended (millions)	$31	$9.2	$3.2	$0	$62	$8.2
Average Speed (mph)	13.8	16.6	12.4	11.0	11.3	11.6
Average Trip Length (miles)	6.5	7.1	4.4	5.1	5.0	2.8
Average Vehicle Passenger Capacity	47.6	46.2	71.2	54.6	60.2	70.6
Average Vehicle Age (years)	6.3	7.6	6.1	6.3	9.5	7.5
Vehicles Operated in Maximum Service	579	237	522	266	255	532
Peak to Base Ratio	1.23	2.1	1.48	2.03	1.59	1.6

Directional Route Miles: Pace's routes cover 74% more miles than its nearest peer, OCTA. Each agency reported fewer directional route miles compared to 2009, from 1% (SMART) to 22% (MTA LI Bus).

Passenger Trips: Pace provides the fourth-highest number of passenger trips, less than half of the first-place AC Transit, and remained mostly unchanged from 2009.

Vehicle Revenue Miles: Each agency reported fewer vehicle revenue miles in 2010, with OCTA experiencing the sharpest decline of 13%.

Passenger Miles: MTA LI Bus was the only peer to show an increase for this indicator in 2010; Pace experienced a 6% decline from 2009, which was the smallest reported by peers.

Operating Cost: OCTA, which implemented extensive service cuts in 2010, reported a 10% decrease in operating costs for the year. Pace, SMART, and AC Transit each posted cost increases of 1% for the year.

Fare Revenue: Fare increases at AC Transit, SamTrans, and SMART resulted in improvements in fare revenues in 2010. Pace realized a 1% loss in fare revenue for the year.

Capital Funds Expended: Pace expended the second-highest amount of capital funds in 2010, an increase of 32% over 2009, but half the amount expended by SamTrans.

Average Speed: Pace had the second-highest average speed at 13.8 miles per hour, 0.2 miles per hour less than in 2009.

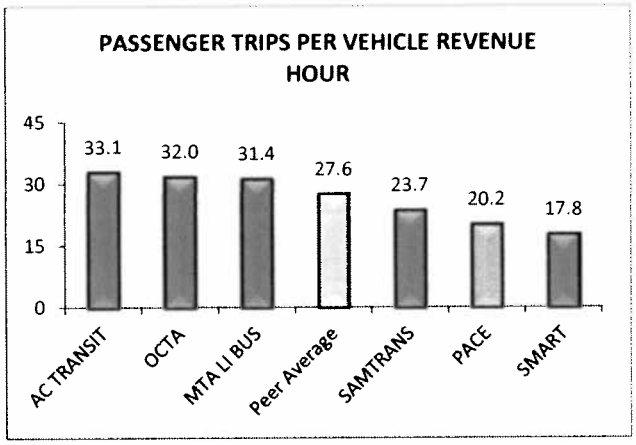
Average Trip Length: Pace bus riders rode an average 6.5 miles per trip, the second-longest average trip length among the peers, which ranged from 2.8 (AC Transit) to 7.1 (SMART) miles.

Average Vehicle Passenger Capacity: Pace buses have an average passenger capacity of 47.6, which is 3% less than 2009. Pace has the second-smallest vehicles among its peers, which range from 46.2 (SMART) to 71.2 (OCTA).

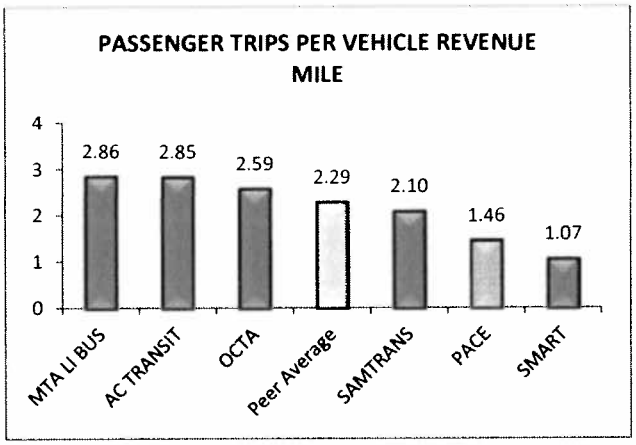
SUBURBAN BUS

Service Coverage

After suffering significant 15.5% ridership losses in 2009, Pace's 2010 ridership was stable, and Pace retained its fifth-place ranking for passenger trips per vehicle revenue hour and passenger trips per vehicle revenue mile. Pace's service coverage ratios are hampered by its large geographic service area and low population density.



Pace's passenger trips per hour rate increased 2% as a result of stable ridership despite decreased vehicle revenue hours. AC Transit, which also implemented a 2% reduction in vehicle revenue hours, moved up two rank positions as the agency experienced a 2% rise in ridership, resulting in the largest gain (+4%) for this measure among the peers.

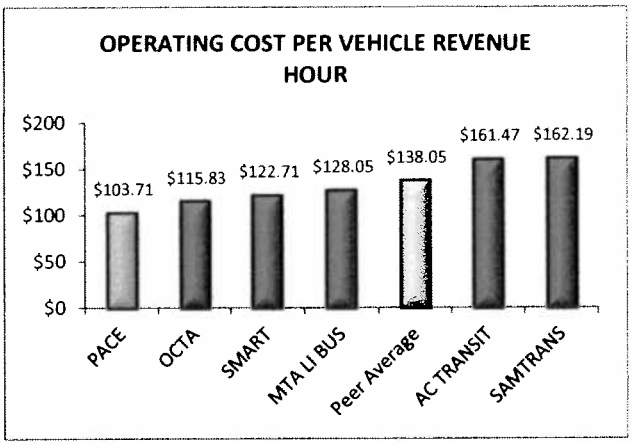


A 3% reduction in Pace's vehicle revenue miles, combined with stable ridership, resulted in an increase from 1.42 in 2009 to 1.46 for this measure. MTA LI Bus, with triple the population density of Pace, experienced a passenger trip per mile rate that was about double Pace's. There were no ranking changes for this measure in 2010.

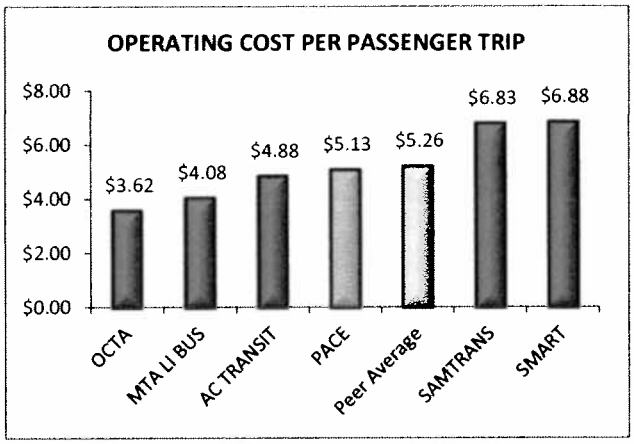
SUBURBAN BUS

Service Efficiency and Effectiveness

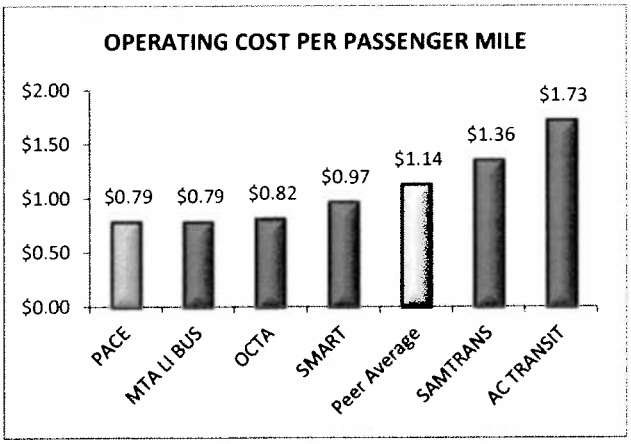
Pace was one of three agencies to hold operating cost increases to 1% in 2010 (with SMART and AC Transit), enabling Pace to hold its lead for operating cost per vehicle revenue hour and operating cost per passenger mile. Pace maintained its fourth-place rank for operating cost per passenger trip and improved its position from ranking below the peer average in 2009 to roughly equaling it in 2010. The implementation of route restructuring and service reductions as well as administrative cost reductions helped Pace keep costs low.



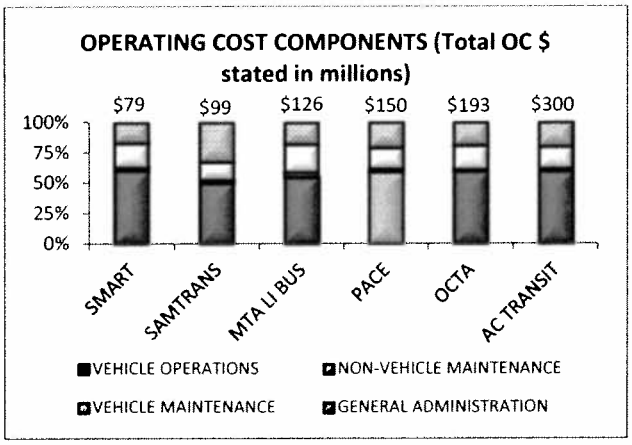
Each agency realized increased operating cost per vehicle revenue hour in 2010, ranging from 2% (SMART and OCTA) to 5% (MTA LI Bus). With an increase of 3%, Pace maintained the lowest cost per hour, beating its closest peer by 10%.



Each agency reported increases for this measure in 2010, from $0.01 (AC Transit) to $0.78 (SMART), with the peer average increasing $0.33. Pace had one of the lowest increases, a net $0.03, compared to 2009.



Pace maintained its top position among peers despite a $0.05, or 7%, gain in operating cost per passenger mile. While Pace's costs were contained at a 1% increase, passenger miles declined by 6% compared to 2009.

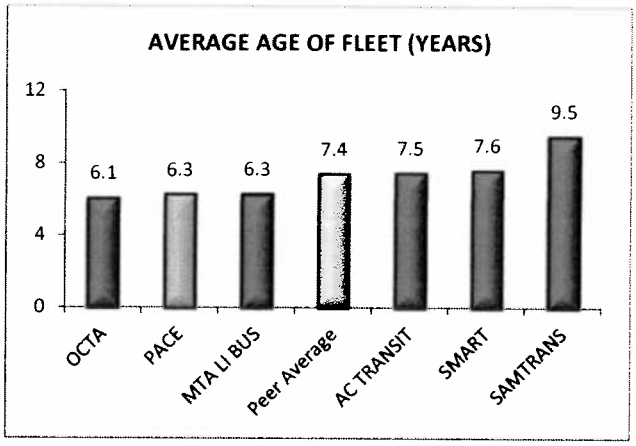


Pace does not spend disproportionate amounts among any of the operating cost components compared to its peers.

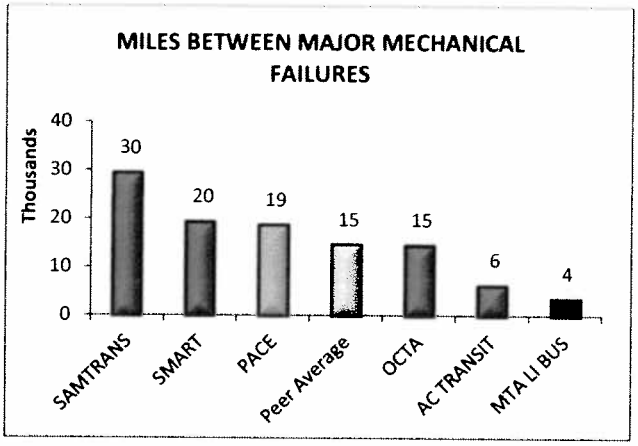
SUBURBAN BUS

Service Maintenance & Capital Investment

With the acquisition of new buses and the retirement of some older buses, Pace decreased the average age of its fleet by 0.6 years and improved its rank by two positions in 2010. However, Pace lost one rank position for the indicator miles between major mechanical failures as it experienced a 7% decline from 2009, the second-largest decline among its peers.



Half of the agencies reported decreased average fleet age. In 2010 Pace retired 61 older vehicles and placed 38 new buses into service, reducing its average fleet age from 6.9 years in 2009 to 6.3 years in 2010.

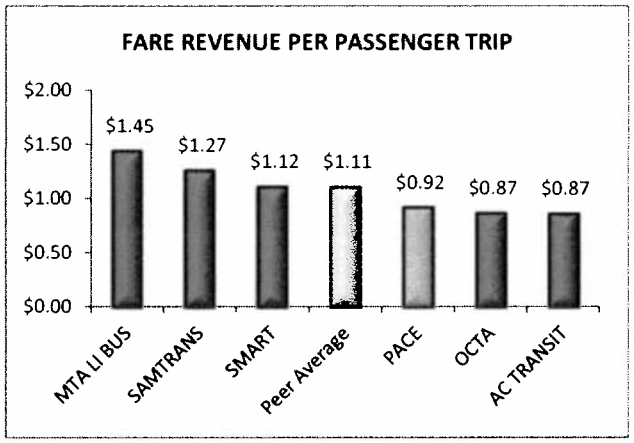


In 2009 Pace reported 20,298 miles between major mechanical failures, which decreased to 18,913 in 2010, a 7% decline resulting from a 4% decrease in total annual vehicle miles combined with a 3% increase in the number of failures.

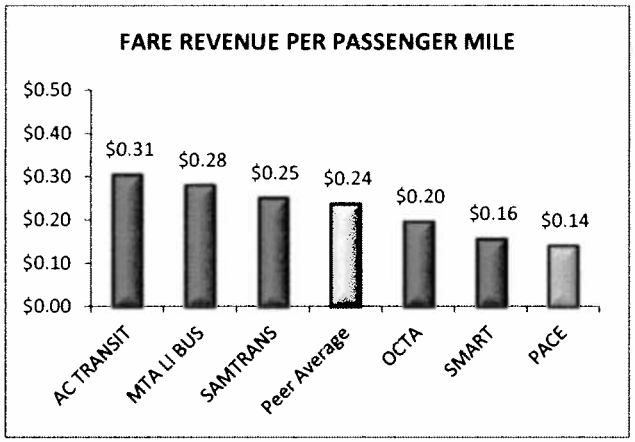
SUBURBAN BUS

Service Level Solvency

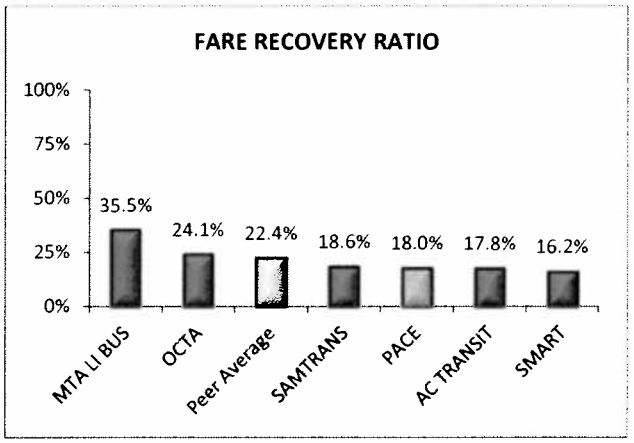
Pace and MTA LI Bus had implemented fare increases in 2009, and AC Transit, SamTrans, and SMART followed suit in 2010. With a 1% reduction in fare revenues, Pace fell one rank position for three service level solvency measures: fare revenue per passenger trip, fare revenue per passenger mile, and fare recovery ratio. However, Pace gained one rank position for capital funds expenditures per passenger trip, with a gain of $0.46 from 2009 levels.



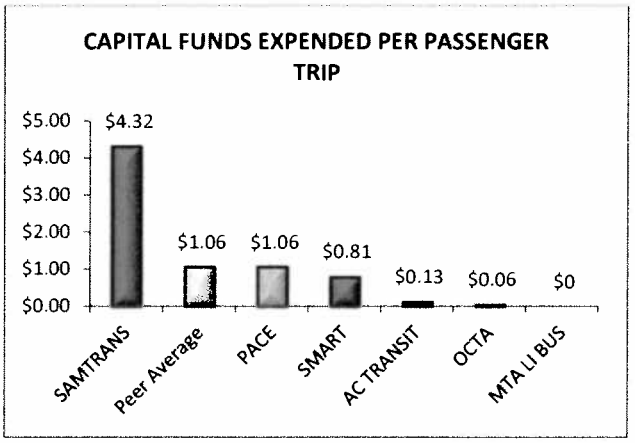
Fare revenue reductions of 1%, paired with flat ridership, resulted in the loss $0.01 of fare revenue per trip for Pace, while each of its peers saw increases ranging from $0.01 (AC Transit) to $0.19 (SMART) per trip.



Pace's fare revenue per passenger mile remained at $0.14, even with 2009, significantly below the peer average of $0.24 and placing Pace in the last place position for 2010.



With no fare increase in 2010, Pace and MTA were the only two agencies to see decreases for this measure, down 0.3% and 0.5%, respectively.



With a 32% increase in capital funds expenditures, Pace moved up one rank position while SamTrans and SMART each moved up three positions.

VANPOOL

For Pace vanpool service, peers were chosen from the largest vanpool providers in the country since Pace operates one of the nation's largest programs. Agencies that provided fixed-route bus service along with their vanpool operations were considered and those that were operated by either the region's Metropolitan Planning Organization (MPO) or Department of Transportation (DOT) were excluded.

The Pace vanpool program's overall 2010 performance was similar to 2009, with strong performance relative to its peers for the service efficiency and effectiveness measures operating cost per vehicle revenue hour and operating cost per passenger trip. However, Pace vanpool has experienced declines in each aspect of service coverage: vehicle revenue hours, vehicle revenue miles, passenger trips, and passenger miles. Operating cost increases that exceeded inflation rates, coupled with decreased service indicators, resulted in declines in performance for each of the service efficiency and effectiveness measures. Vanpool service, which is based on work-trip travel, is suffering from the loss of jobs in the region.

Pace Vanpool Peer Comparison		Performs better than peer average	
		2009	2010
Service Coverage	Passenger Trips per Vehicle Revenue Hour	**NO**	**NO**
	Passenger Trips per Vehicle Revenue Mile	**NO**	**NO**
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	**YES**	**YES**
	Operating Cost per Passenger Mile	**EQUAL**	**NO**
	Operating Cost per Passenger Trip	**YES**	**YES**
Service Maintenance and Capital Investment	Average Age	**NO**	**NO**
	Miles Between Major Mechanical Failures	**NO**	**NO**
Service Level Solvency	Fare Revenue per Passenger Trip	**NO**	**NO**
	Fare Revenue per Passenger Mile	**EQUAL**	**YES**
	Fare Recovery Ratio	**NO**	**NO**

'Equal' ranking denotes a value that is +/- one-tenth of one standard deviation from the peer average.

This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.

VANPOOL

Peer Modal Characteristics

The Pace vanpool program covers the largest service area and serves the second-largest population of its peers but remains the fourth-largest program as determined by fleet size, passenger trips, passenger miles, operating expenditures, and fare revenue.

Vanpool Overview Modal Characteristics	PACE	DART	HOUSTON METRO	LA METRO	KING COUNTY METRO	MADISON COUNTY
	Chicago	Dallas	Houston	Los Angeles	Seattle	St. Louis
Population	5,199,319	2,396,650	2,887,323	8,626,817	1,931,249	232,298
Service Area (square miles)	3,516	689	1,285	1,513	2,134	189
Population Density	1,479	3,478	2,247	5,702	905	1,229
Vehicle Revenue Miles (millions)	9.3	3.5	10.0	20.6	11.4	2.0
Passenger Trips (thousands)	1,751	925	2,423	2,725	2,850	309
Passenger Miles (millions)	37.5	36.8	67.3	124.2	58.1	12.1
Operating Cost (millions)	$6.8	$2.2	$11.6	$9.9	$9.1	$1.9
Fare Revenue (thousands)	$3,579	$595	$6,629	$10,889	$8,728	$470
Capital Funds Expended (millions)	$3.1	$0	$0	$0	$2.1	$0
Average Speed (mph)	32.0	40.0	32.8	45.7	38.5	41.2
Average Trip Length (miles)	21.4	39.8	27.8	45.6	20.4	39.2
Average Vehicle Passenger Capacity	9.5	13.2	11.0	8.9	8.9	14.2
Average Vehicle Age (years)	3.6	0.0	2.4	N/A	5.0	4.1
Vehicles Operated in Maximum Service	605	177	738	907	1,154	98

Passenger Trips: While Pace realized a 3% loss of vanpool ridership in 2010, LA Metro continued to expand and posted a 10% gain. DART was the only other vanpool service to report ridership gains (+5%) for the year.

Vehicle Revenue Miles: Four agencies reported fewer vehicle revenue miles traveled in 2010, including Pace, which had a 3% decrease. DART and LA Metro reported increases in service.

Vehicles Operated in Maximum Service: LA Metro experienced significant expansion in 2010, adding 101 new vanpools to its program. DART and King County also expanded their programs, whereas Pace and Houston reported decreases of 38 and 28 vanpools, respectively.

Passenger Miles: Four of the six agencies reported reduced passenger miles compared to 2009, including Pace, which experienced the largest reduction of 14%. DART and LA Metro reported gains in passenger miles.

Operating Cost: Each agency except Houston Metro reported increased operating cost in 2010. Houston, which had reported a 215% gain in 2009, declined by 20% in 2010 resulting from overall program reductions as well as the completion of its advertising and branding program, which had inflated costs for 2009. Pace's operating costs rose 8% in 2010, the second-highest increase noted among its peers.

Fare Revenue: DART and LA Metro were the only agencies to realize gains in fare revenue for 2010 (up 12% and 18%, respectively). Pace's fare revenue dropped 7% as ridership decreased.

Average Speed: Pace reported the lowest average speed of its peers, at 32.0 miles per hour, which was, however, up 6% from 2009.

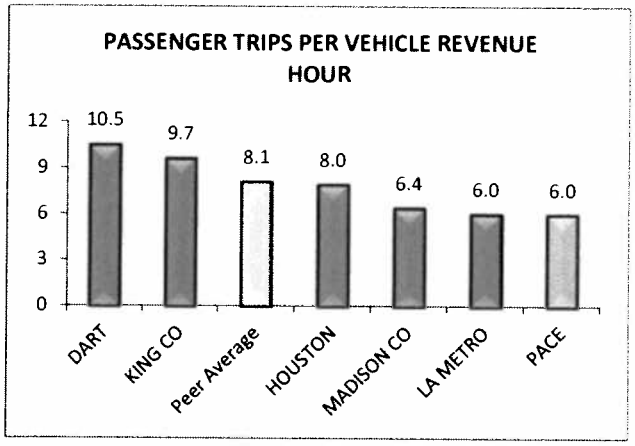
Average Trip Length: With peer trip lengths ranging from 20.4 to 45.6, Pace's average of 21.4 is the second-shortest and is 11% shorter than in 2009.

Average Passenger Capacity: Pace vanpools operate a mix of vehicle types, from minivans to 14-passenger maxivans, with an overall average capacity of 9.5 passengers.

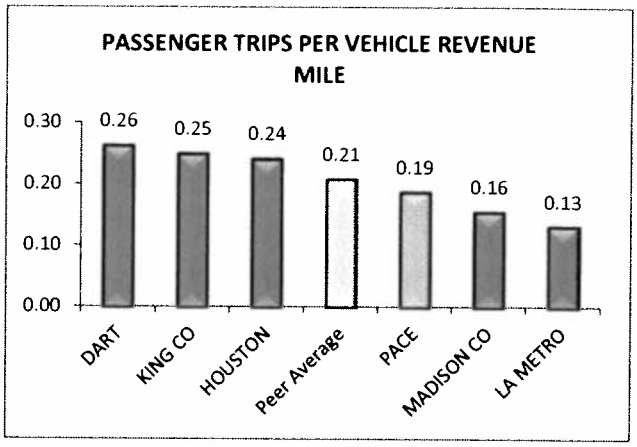
VANPOOL

Service Coverage

Four of the six agencies saw decreased passenger trips in 2010, including Pace, whose service coverage rankings remained the same as in 2009 and below the peer averages. DART and LA Metro experienced ridership growth in 2010. LA Metro continues to experience double-digit increases in each service coverage measure, as it is in the third year of a five-year, $19 million program to encourage vanpooling enrollment and participation by offering subsidies of $400 per month.



Four of Pace's peers had lower passenger trips per vehicle revenue hour ratios in 2010 while King County and Pace's ratios improved. Pace's passenger trips decreased 3% in 2010, and vehicle revenue hours decreased 9%, resulting in an improved ratio of trips per hour, going from 5.7 in 2009 to 6.0.

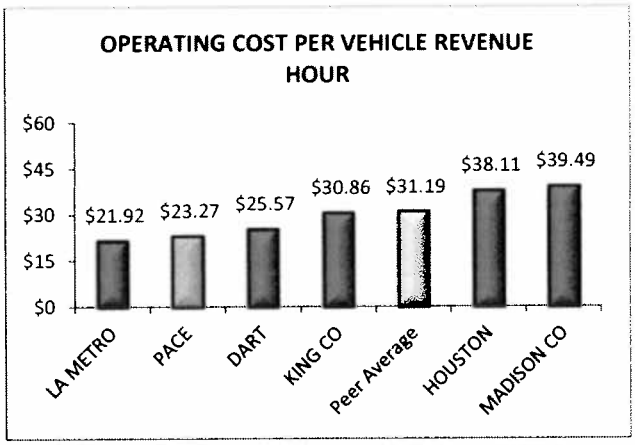


Each of its peer agencies showed declines for passenger trips per vehicle revenue mile in 2010, but Pace remained at the same level with 0.19 trips per mile. The only position changes occurred between DART, which is expanding service hours and experiencing improved ridership, and King County, which lost ridership and decreased service in the year.

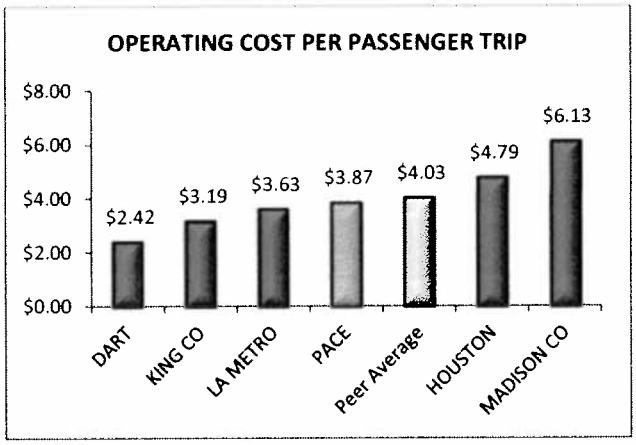
VANPOOL

Service Efficiency and Effectiveness

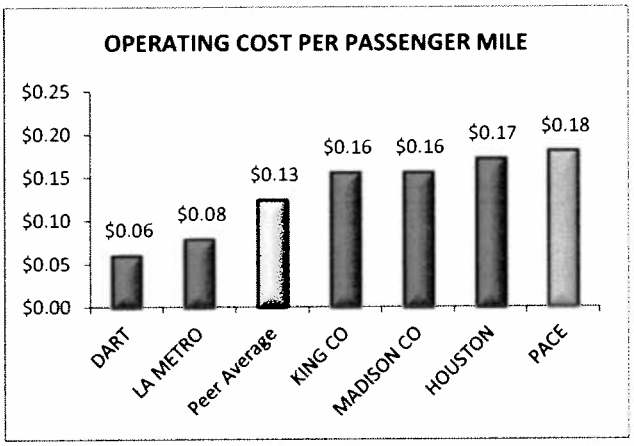
Pace's vanpool program experienced reductions in service hours, passenger trips, and fare revenue in 2010, as was the case for Houston Metro and King County Metro – three of the top four largest vanpool programs. Decreases in these factors led to some declines in Pace's performance relative to peers.



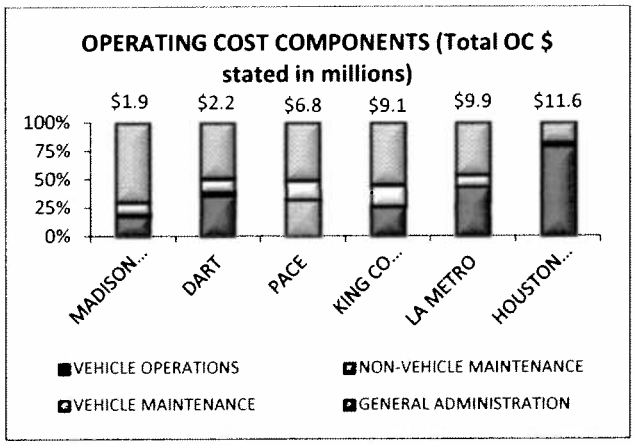
Pace's vanpool cost per vehicle revenue hour rose $3.53 in 2010, an 18% increase, due to a 9% reduction in vehicle revenue hours and 8% increase in operating costs. Pace lost its first-place rank to LA Metro, whose operating cost per vehicle revenue hour rose $0.02 from 2009.



Each agency saw increases for this measure except for Houston Metro, which realized a 13% decrease ($0.72). Pace's operating cost per passenger trip increased by $0.40, resulting from a 3% decline in vanpool trips and 8% increase in operating costs.



With the largest decline in passenger miles (14%), Pace experienced the largest increase in operating cost per passenger mile for 2010 and dropped from third to sixth place.

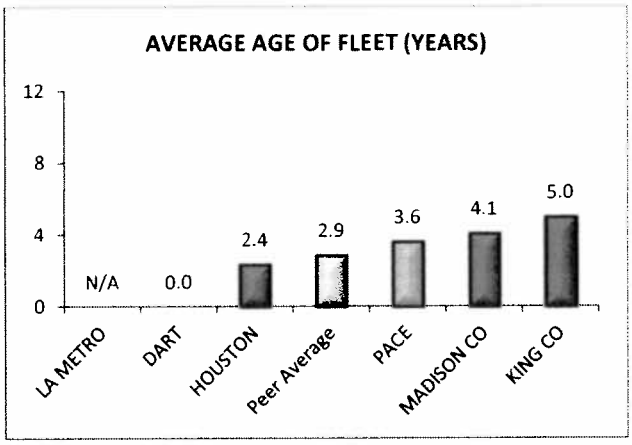


Pace's operating cost components are on par with DART and King County Metro, the other two directly-operated vanpool programs.

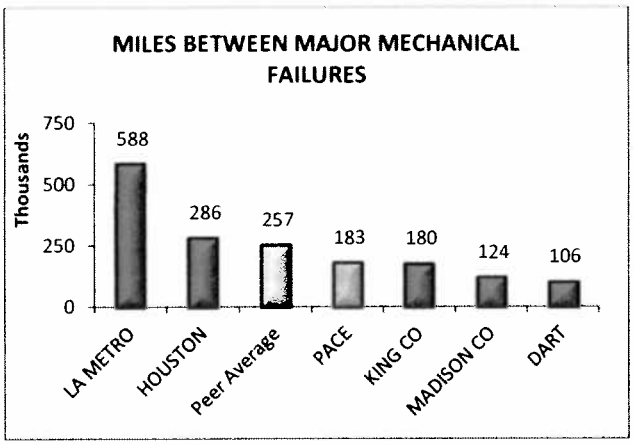
VANPOOL

Service Maintenance & Capital Investment

Pace maintained its rank positions for both service maintenance and capital investment indicators. The average Pace vanpool vehicle age rose from 3.3 in 2009 to 3.6 in 2010. The number of mechanical failures increased by 19 over 2009, reducing the miles between mechanical failures from 300,490 to 182,644, a 39% reduction.



DART replaced all but one of its vanpool vehicles in 2010, reducing their average age to zero. With average ages of 4.1 and 5.0, respectively, Madison County and King County exceeded the FTA-defined useful life for vans at four years. Pace, with an average age of 3.6 years, is approaching the end of useful life for its fleet of vans.

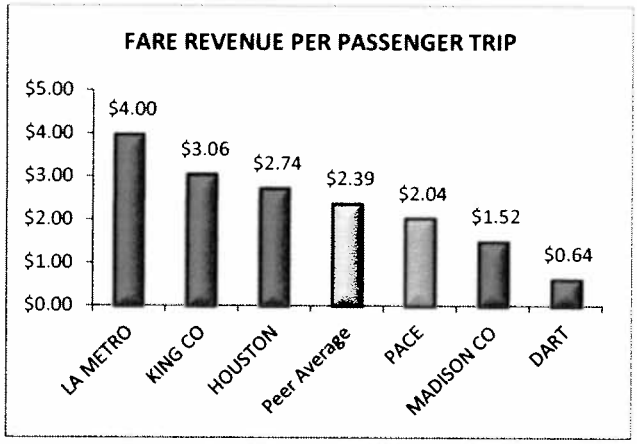


LA Metro, with nearly double the total annual vehicle miles traveled of its closest peer, ranked first for miles between major mechanical failures. Pace experienced a 39% decline for this ratio due to a 59% increase in major mechanical failures during the year.

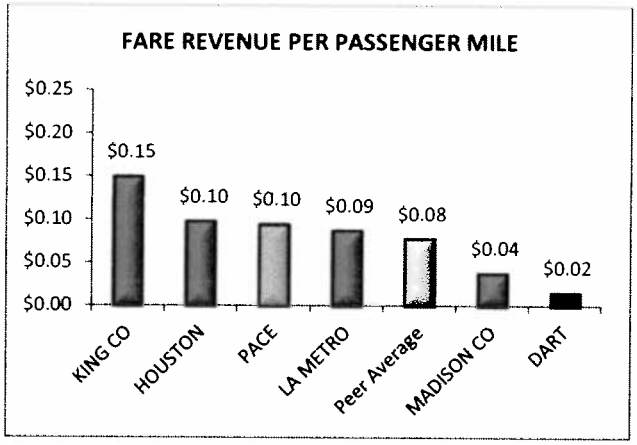
VANPOOL

Service Level Solvency

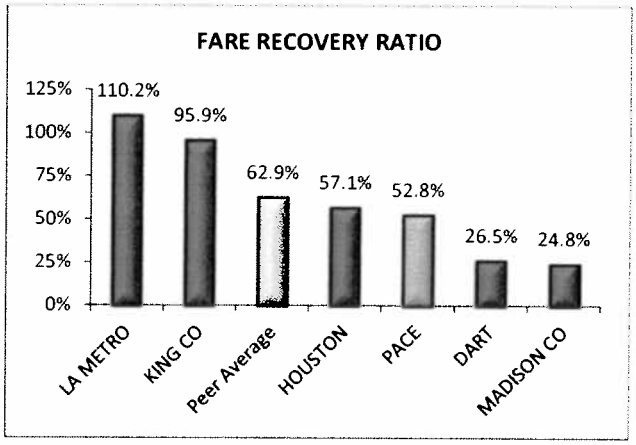
Pace maintained its ranking for the solvency indicators fare revenue per passenger trip and fare revenue per passenger mile although it realized a 7% loss in fare revenue, 3% decline in passenger trips, and 14% reduction in passenger miles in 2010. Similar declines were seen for King County and Houston Metro.



Changes in fare revenue per passenger trip ranged from -12% at Houston to 8% at LA Metro. Pace realized a $0.08 (4%) loss of fare revenue per passenger trip in 2010.



There were no ranking changes for this measure compared to 2009. At $.10 fare revenue per passenger mile, Pace saw an increase of $0.01 compared to last year, remaining above the peer average of $0.08.



Pace's rank for fare recovery ratio fell two positions as the agency realized a loss of 8.4 percentage points compared to 2009. Loss of fare revenue, combined with increased operating cost, produced the change. King County took the deepest hit, dropping more than 11 percentage points despite holding operating cost increases to 1%.

DEMAND-RESPONSE/ADA

The peers selected for Pace demand-response/ADA were chosen from systems that provide region-wide complementary ADA service for a fixed-route system of similar size and complexity to the combination of Pace and CTA services that exists in Chicago. Fixed-route systems that provided both bus and heavy rail service were examined and as a result, the peers for ADA service closely mirror the CTA peers. The MTA in Baltimore was included because it is a region-wide provider of ADA service for a multi-modal fixed-route system.

The NTD category 'demand-response' includes services that are initiated through a passenger request. These services encompass ADA paratransit programs, which are operated on smaller vehicles and use a reservation system. The demand-response category also includes programs such as Pace's dial-a-ride program, which is a pre-arranged trip service not restricted to ADA-certified passengers, but supporting similar goals of communities to provide fuller transportation access. Most transit agencies combine reporting of all their demand-response programs to NTD. Pace, however, reports its ADA paratransit data as a separate entity. Therefore, two types of comparison were conducted for Pace's demand-response services: one reporting ADA paratransit service and one reporting combined ADA and dial-a-ride (DAR) service.

Pace's ADA program continued to perform well compared to its peers for each of three measures of service level solvency and two of three measures in the service efficiency and effectiveness category. Again, Pace outperformed its peers for the passenger trips per vehicle revenue hour and average age measures. When Pace's ADA and DAR services are combined and compared to peers, their performance is even stronger compared to peers for each measure other than the fare-related solvency measures.

Pace Demand-Response/ADA Peer Comparison		Performs better than peer average			
		ADA		ADA/DAR	
		2009	2010	2009	2010
Service Coverage	Passenger Trips per Vehicle Revenue Hour	YES	YES	YES	YES
	Passenger Trips per Vehicle Revenue Mile	NO	NO	EQUAL	EQUAL
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	NO	EQUAL	NO	NO
	Operating Cost per Passenger Mile	NO	YES	YES	EQUAL
	Operating Cost per Passenger Trip	YES	YES	YES	YES
Service Maintenance and Capital Investment	Average Age	YES	YES	YES	YES
	Miles Between Major Mechanical Failures	EQUAL	NO	EQUAL	NO
Service Level Solvency	Fare Revenue per Passenger Trip	YES	YES	YES	YES
	Fare Revenue per Passenger Mile	YES	YES	YES	YES
	Fare Recovery Ratio	YES	YES	YES	YES

'Equal' ranking denotes a value that is +/- one-tenth of one standard deviation from the peer average.

This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.

DEMAND-RESPONSE/ADA

Peer Modal Characteristics

The following section separates out Pace ADA paratransit service as a separate entity and also provides a combination of ADA and dial-a-ride (DAR) services, which may be more comparable to the selected peer agencies. Pace offers the second-largest demand-response service amongst its peers in terms of vehicle revenue miles, passenger trips, operating cost and fare revenue, even if dial-a-ride service is excluded from consideration.

Demand-Response Overview Modal Characteristics	PACE ADA	PACE ADA/DAR	MTA	MBTA	NYCT	SEPTA	WMATA
	Chicago		Baltimore	Boston	New York	Philadelphia	Washington, DC
Population	6,268,972		2,077,667	4,510,400	8,008,278	3,338,230	3,317,169
Service Area (square miles)	1,321		1,795	3,244	321	869	692
Population Density	4,746		1,157	1,390	24,948	3,841	4,794
Vehicle Revenue Miles (millions)	25.4	31.1	11.4	16.7	62.7	9.8	23.0
Passenger Trips (thousands)	2,769	4,035	1,489	2,096	5,957	1,778	2,377
Passenger Miles (millions)	23	30	10	25	66	12	19
Operating Cost (millions)	$115	$135	$59	$87	$464	$48	$98
Fare Revenue (thousands)	$8,498	$10,165	$1,306	$3,505	$14,097	$6,182	$4,277
Average Speed (mph)	14.4	14.7	11.9	13.7	11.6	10.0	10.9
Average Trip Length (miles)	8.3	7.5	7.0	12.0	11.2	6.5	8.0
Average Vehicle Passenger Capacity	8.4	8.4	9.8	6.7	4.7	9.1	5.3
Average Vehicle Age (years)	2.1	2.1	4.3	3.5	3.1	2.5	3.0
Vehicles Operated in Maximum Service	792		354	587	2,348	358	1,071

Passenger Trips: Pace ADA and SEPTA reported 0.6% and 1.1% ridership declines, respectively, in 2010 while WMATA recorded a second year of double-digit gains with a 13% increase over 2009.

Vehicle Revenue Miles: Pace DAR and WMATA saw gains of 16% and 17%, respectively, owing to the new NTD requirement for 2010 to report demand-response taxi vehicle revenue miles; Pace's taxi service provides more than 10% of its vehicle revenue miles, and WMATA's taxi service provides more than 13% of its vehicle revenue miles. MBTA had a 9% increase in vehicle revenue miles without the taxi service component, rather, its increase reflects true program growth from 2009.

Vehicles Operated in Maximum Service: Since Pace ADA and DAR programs share vehicles, one figure is reported. Each agency reported having more vehicles in operation for maximum service compared to 2009, ranging from 3% (SEPTA) to 12% (MTA).

Passenger Miles: Pace dial-a-ride was the only agency to record a decrease in passenger miles in 2010, down 4% from 2009.

Operating Cost: Pace ADA costs remained relatively flat in 2010, but DAR services saw a 5% gain over 2009. MBTA, which re-negotiated contracts for its demand-response service, experienced a 32% gain in operating costs from 2009.

Fare Revenue: Pace ADA fares, which had ranged from $2.25 - $3.00 depending on the service area, were amended on November 15, 2009 to a flat $3.00 region-wide fare, resulting in an 18% fare revenue increase in 2010 in spite of ridership losses of 0.6%. WMATA had fare revenue increases of 21% resulting from increased ridership and a temporary fare increase from March – June which was implemented to reduce their FY2009 funding gap.

Average Speed: Pace posted the highest average speeds of its peers – 16.1 miles per hour for DAR and 14.4 miles per hour for ADA.

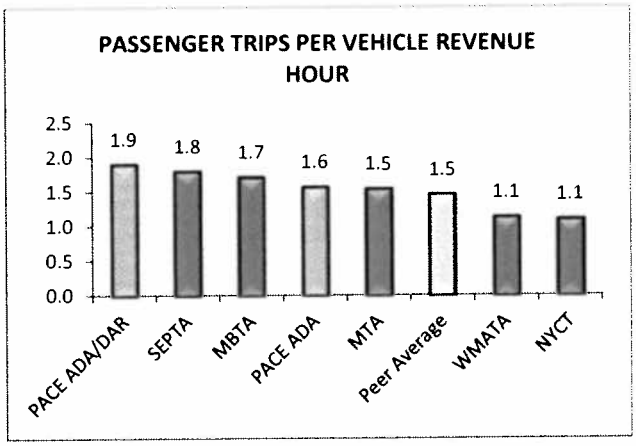
Average Passenger Capacity: Pace dial-a-ride operates the largest capacity vehicles, with an average of seating capacity of 15. Pace's ADA program uses the third-largest capacity vehicles with an average capacity of 8.4 passengers, down from the 8.8 passenger capacity average of 2009.

DEMAND-RESPONSE/ADA

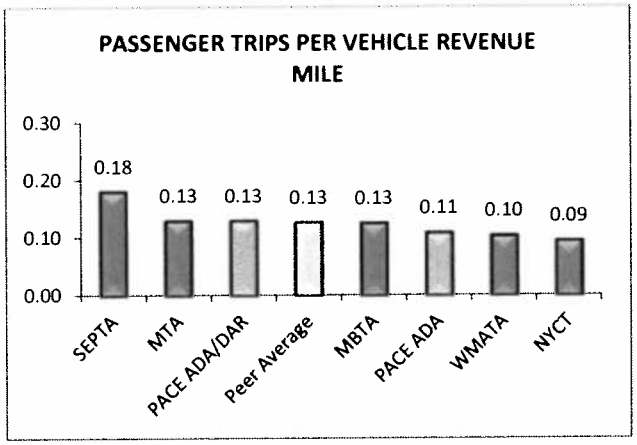
Service Coverage

Pace ADA reported slight ridership losses of 0.6% in 2010, which, when correlated to its 3% reduction in vehicle revenue hours, resulted in a higher passenger trips per vehicle revenue hour ratio and a one-rank position improvement over 2009. The combined ADA/DAR service ranked in first place compared to its peers for trips per hour. Passenger trips per vehicle revenue mile remained identical to 2009 levels, at 0.13 for ADA/DAR and 0.11 for ADA services; however, declining passenger trips per vehicle revenue mile for WMATA caused it to swap rank position with Pace ADA.

Note: Two types of comparison were conducted with peers for Pace's demand-response services. One reports only Pace ADA paratransit service. The second combines Pace ADA with Pace dial-a-ride (DAR) service since the peer agencies report these services together to NTD.



Pace's ADA program saw a 3% increase in passenger trips per hour, from 1.54 in 2009 to 1.58 in 2010. Factoring in dial-a-ride service, passenger trips per vehicle revenue hour went from 1.88 to 1.91. MBTA experienced a significant 10% increase for this measure, resulting from a 6% increase in passenger trips and 4% reduction in vehicle revenue hours.

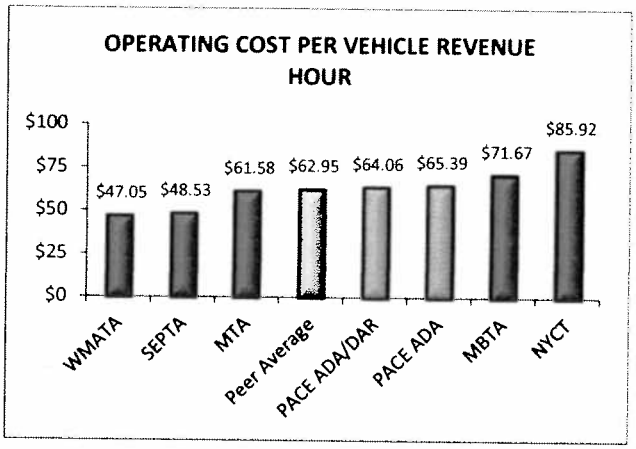


While Pace's performance for this measure remained stable from 2009, MTA and NYCT were the only two of its peers to report increases (5% and 6%, respectively) in passenger trips per vehicle revenue mile.

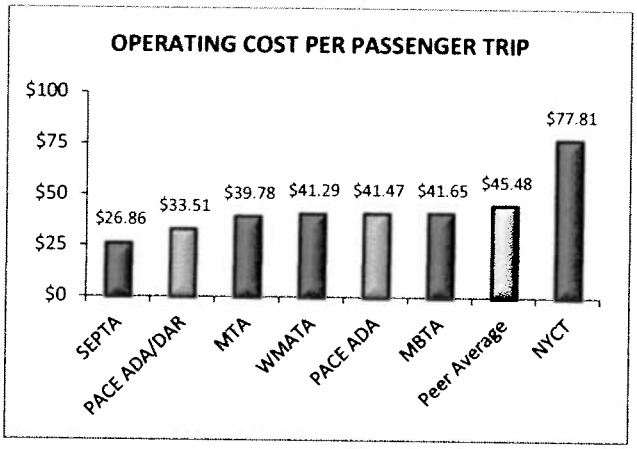
DEMAND-RESPONSE/ADA

Service Efficiency and Effectiveness

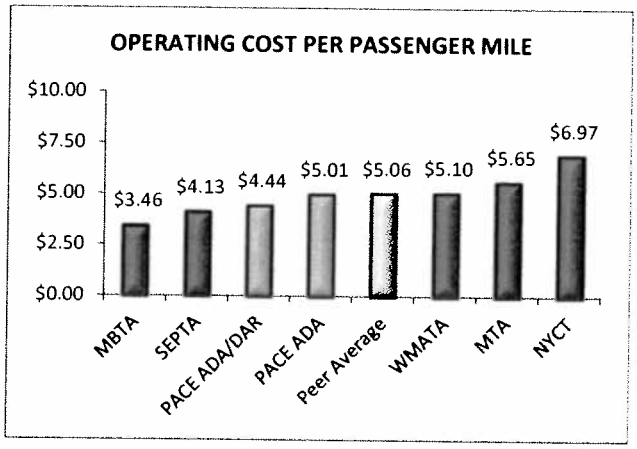
Relative stability in Pace's vehicle revenue hours, vehicle revenue miles, and ridership has resulted in service efficiency and effectiveness ratios that are largely unchanged from 2009.



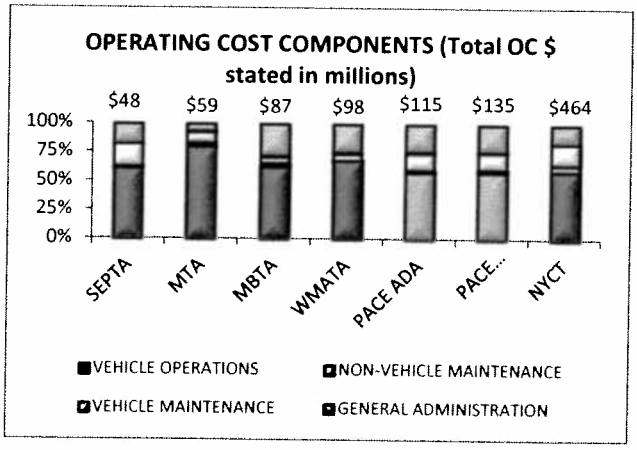
Three percent reductions in ADA vehicle revenue hours resulted in a 3% increased operating cost per vehicle revenue hour for ADA service and 2% increase for the combined ADA/DAR service. MBTA experienced a significant increase of $19.63 due to their renegotiated carrier contracts.



Pace ADA operating cost per passenger trip increased 1%, or $0.34, while the combined ADA/DAR cost per trip rose $0.18, also a 1% increase. SEPTA and MTA each saw declines in costs per trip of 2% and 4%, respectively, but only MTA accomplished this by reducing operating costs and increasing passenger trips.



Increased passenger miles for Pace ADA riders in 2010 resulted in operating cost reductions of $0.10 and $0.27 for ADA/DAR and ADA services, respectively.

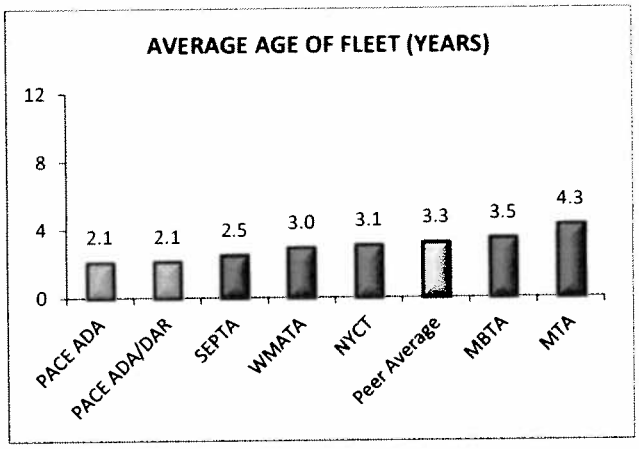


In comparison to its peers, Pace ADA service expends the lowest proportion of its budget on vehicle operations and near the peer average for each other cost component.

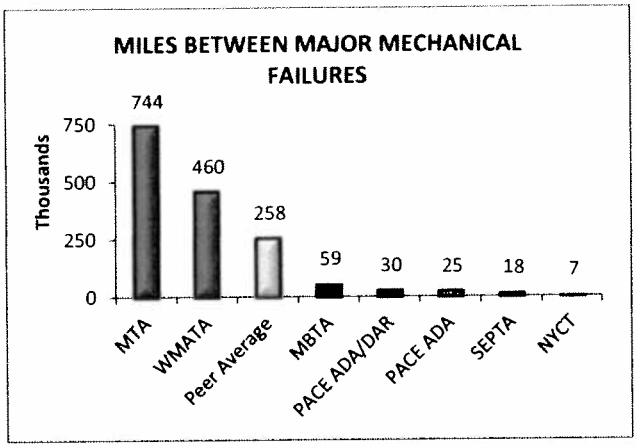
DEMAND-RESPONSE/ADA

Service Maintenance & Capital Investment

Pace continued to have the youngest fleet of its peers; however, a significant increase in the number of major mechanical failures for ADA service resulted in its rank change from the third position to fifth.



Pace retained its position of having the youngest fleet of the agencies under review. With the exception of seven buses dedicated to dial-a-ride services, Pace ADA and DAR programs share vehicles, so the combined average age of the vehicles is the same.

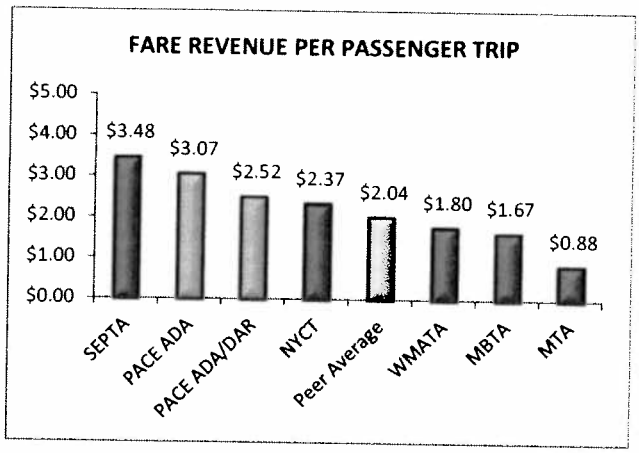


Each agency reported a significantly different total number of major mechanical failures in 2010, as compared to 2009, with Pace experiencing the most variability at -78% (DAR) to +226% (ADA), for a combined increase of 147%.

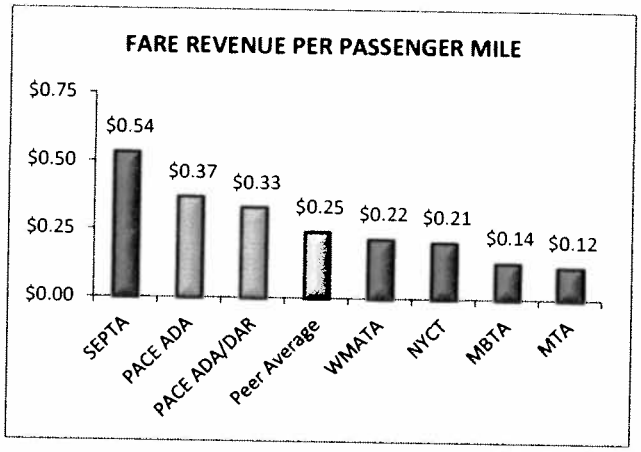
DEMAND-RESPONSE/ADA

Service Level Solvency

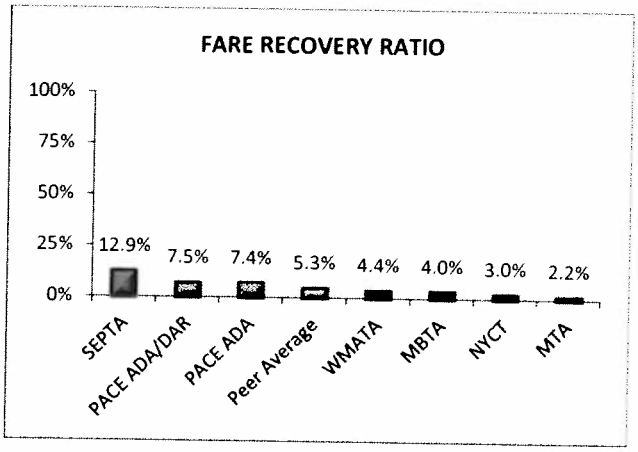
Pace performed better than the peer average and places in the second position behind SEPTA for each of the service level solvency measures, as it had in 2009. Again, SEPTA performed significantly better than the peer average for all three measures; however, Pace ADA, NYCT, and WMATA narrowed the gap by instituting fare increases that affected 2010 solvency performance.



There were no rank changes from 2009 for this measure. Pace ADA fare revenue per trip rose by $0.49, the largest increase among its peers; the peer average fare revenue increased $0.04 per passenger trip.



Pace ADA and ADA/DAR services maintained their rankings for this measure although ADA gained $0.04 per passenger mile whereas the peer average remained at the 2009 level.



Pace ADA's 1.1% improvement in its fare recovery ratio was the largest change from 2009 for all the peers and Pace remains above the peer average for this measure, although SEPTA maintained more than a 5% lead over Pace ADA.

109c

2011

Sub-Regional Peer Report

AC Transit
CTA
DART
Houston Metro
King County Metro
LA Metro
LI Bus
LIRR
MARTA
MBTA
MCT
Metra
MNCR
MTA
NJT
NYCT
OCTA
Pace
SamTrans
SEPTA
SMART
WMATA

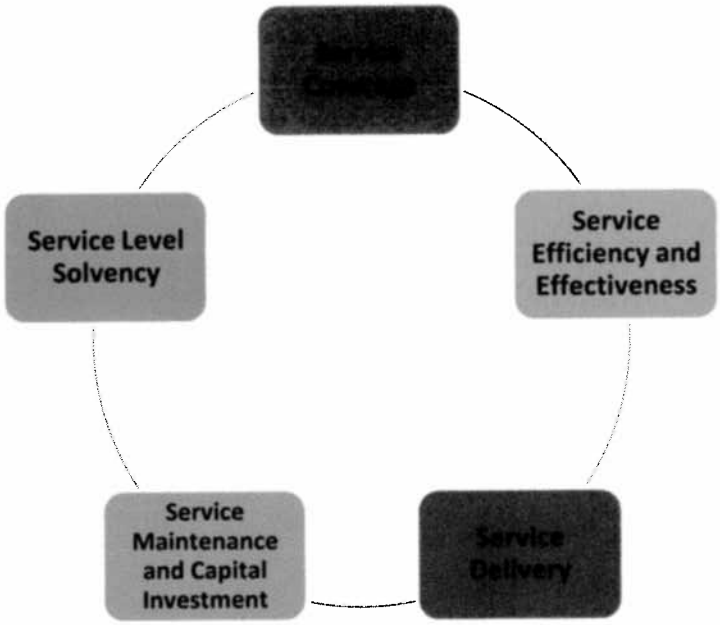
Regional Transportation Authority

Prepared by the Department of Finance and Performance Management
Division of Budget, Performance & Business Analysis
February 2013

REGIONAL PERFORMANCE MEASURES

2011 Sub-Regional Peer Report

RTA staff has undertaken the development of a performance measurement and reporting program to evaluate the impact and effectiveness of public transit in Northeastern Illinois. Overall regional performance is a function of five major areas:



- **Service Coverage** - monitors both how much service is available to people in the region (in terms of population and square miles) and how much of that service capacity is used.

- **Service Efficiency and Effectiveness** - evaluates the level of resources spent on delivering service in relation to the level of service provided and the extent to which passengers are using that service.

- **Service Delivery** - reflects the quality of the service delivered.

- **Service Maintenance and Capital Investment** - indicates the allocation of capital funds and the replacement and maintenance of infrastructure components on a schedule consistent with their life expectancy.

- **Service Level Solvency** - assesses financial condition to ensure that there are sufficient resources to meet current and ongoing budgetary needs (both operating and capital).

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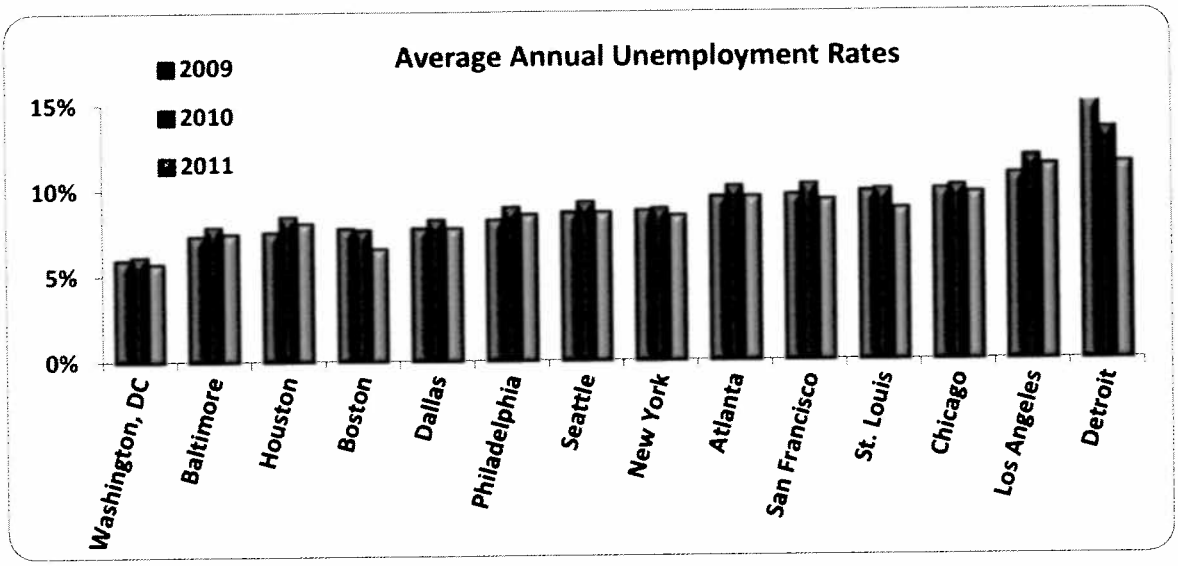
EXECUTIVE SUMMARY

The Sub-Regional Peer Report has been developed by the RTA as part of its oversight function to support the evaluation and management of the region's public transportation system. Examination of each service mode and comparison of its performance to the performance of a set of meaningful peers allows for the identification of potential improvement areas. The selection of appropriate peers was carefully performed to allow for the closest possible match of operating characteristics. For each service mode operated in the RTA region – urban bus, heavy rail, commuter rail, suburban bus, vanpool, and ADA/dial-a-ride (DAR) – a peer group of five agencies has been chosen. The report is based on published data from the National Transit Database (NTD) for calendar year 2011 -- the most currently available data released in November 2012 -- to ensure as much comparability between agencies in definition and collection of data elements as possible.

The primary selection criteria for the peer agencies included: size of metropolitan area served, urban versus suburban character of the service area, size of the transit system, and operating characteristics such as speed, trip length, and whether bus services were operated in conjunction with rapid transit service. While the urban/suburban split of service is fairly clear in the Chicago region, in other areas the split is not so well-defined. In selecting appropriate peer groups, properties that were primarily urban were considered for comparison to CTA while those that were primarily suburban were considered for comparison to Pace. Demand response service in the Chicago region is also well-defined, with ADA service having its own NTD reporting entity, but this distinction is not so clearly delineated by peers. Therefore, to allow for meaningful comparisons among those service modes, this report shows one figure for ADA paratransit service and one figure that combines ADA paratransit with dial-a-ride services.

Although much care was used in selecting meaningful peers, no two transit agencies are perfectly comparable. Each agency has unique circumstances and a unique operating environment, and those differences should be kept in mind when making comparisons. Since there are no federal or industry standards for transit performance metrics, peer comparisons provide the best way to benchmark performance and identify best practices. The goal of the performance measurement program is to point towards areas of potential improvement; further research can then be conducted to gain a better understanding of the factors contributing to observed levels of performance.

Overall, the Chicago agencies performed well in 2011 in comparison to their peers. The Chicago operators are consistently among the largest of their peers, not surprising given the area's geographic breadth and large population. As in prior years' reports, special strengths were noted across modes in the service efficiency and effectiveness category and in service reliability (as measured by miles between major mechanical failures). These results are indicative of the success the RTA agencies have had at running efficient, safe operations and indicate that scarce operating dollars are being used well.



The economic recession that began in 2008 began to turn around in 2011, as evidenced by lower average annual unemployment rates for every region included in this report. As seen in the chart above, the average unemployment rate for the Chicago metropolitan area peaked in 2010, as it did for nearly every region, and fell slightly in 2011. Accordingly, the RTA system as a whole posted a ridership increase of 3% for the year: CTA realized a gain of 2.9%, Metra increased 2.6%, and Pace had a 5.7% gain.

CTA Bus continued to perform well in comparison to its peer group, rating above the peer average for ten of eleven measures. CTA bus continued to have particularly strong performance for service efficiency and effectiveness measures, achieving the top rank for two measures and second rank for the third. CTA has the youngest bus fleet of its peers and had the highest farebox recovery ratio in 2011.

CTA Rail continued to show strong performance for service efficiency and effectiveness, maintaining its top-ranked position for operating cost per vehicle revenue hour and moving up two rank positions by having the lowest operating cost per passenger mile. Significant growth of 5.1% in passenger trips contributed to the improvement in this measure. CTA rail also was top-ranked for miles between major mechanical failures despite having the oldest vehicle fleet.

Metra Commuter Rail performed better than the peer average for all service coverage and service efficiency and effectiveness measures and for miles between major mechanical failures despite having the second-oldest fleet. Metra ranks below its peers for each service level solvency measure related to fares, which was addressed with fare increases in early 2012. Metra's capital fund expenditures moved up three rank positions to first, coincidental to the purchase of new railcars in 2011.

Pace Suburban Bus exhibited strong performance for each service efficiency and effectiveness indicator, maintaining its top-ranked position for operating cost per vehicle revenue hour and

operating cost per passenger mile. With strong ridership gains this year, Pace saw a reduction in operating cost per passenger trip, performing better than the peer average. Pace bus dropped two rank positions as its fleet aged; three peer agencies saw significant age reductions, which in turn lowered the peer average as well. And although Pace saw improvements in the three solvency indicators that include fare components, Pace ranked below its peers for each service level solvency measure.

Pace Vanpool outperformed the peer average for operating cost per vehicle revenue hour and operating cost per passenger mile and equaled the peer average for fare revenue per passenger mile. After losing 3.2% of its ridership in 2010, Pace vanpool ridership rebounded and ended up 1.6% higher for 2011. Passenger miles increased by an even greater rate of 8.9%.

Pace Demand-Response/ADA programs were evaluated as a combined service, with dial-a-ride (DAR) and ADA paratransit taken together, as well as ADA paratransit alone. These two sets of comparisons were undertaken because most of the agencies in the peer group report their statistics to NTD for the combined services of ADA and demand-response as a result of the overlap that exists between these services. Pace is unique in having set up a separate reporting structure to NTD exclusively for ADA paratransit. Pace demand-response/ADA continued its favorable performance, equaling or exceeding its peers in seven of ten performance measures and with particular strength in the service level solvency indicators.

NOTES/METHODOLOGY

1. This analysis is based on 2011 published data from the National Transit Database (NTD), the most currently available data. The data submission by transit agencies is a requirement of receiving federal funding and thus follows guidelines and procedures established by the Federal Transit Administration.

2. The recovery ratio used in this report follows the NTD definition, which is the proportion of operating costs that are covered by fare revenues paid by passengers. The NTD recovery ratio differs from the RTA recovery ratio, which takes into account certain adjustments as enumerated in the RTA Act such as the exclusion of various costs, the treatment of depreciation, and the inclusion of in-kind services. The RTA recovery ratio also includes system-generated revenue other than fares in its formula calculation. Furthermore, the RTA Act requires that Pace ADA paratransit costs and revenues be separated from the RTA recovery ratio and meet its own statutorily set recovery ratio.

3. Service delivery measures such as on-time performance and complaints received are not reported to the NTD and thus are not available for peer agencies.

4. CTA changed its methodology for counting vehicle revenue hours and vehicle revenue miles in 2011. Through 2010, CTA counted a significant share of non-revenue service (pull-outs, pull-ins, and deadheads) as revenue service. The FTA asked CTA to stop including that service for the 2011 submittal. Although 2011 bus vehicle revenue miles and vehicle revenue hours were already lower than in 2010, the change in methodology will exaggerate this reduction significantly. Under the old methodology, the decline in CTA bus vehicle revenue miles would have been -2.6% but is herein reported as -7.8%. Vehicle revenue hours would have been reported as -1.7% compared to 2010 under the old methodology but is reported herein as -5.3%.

PEER AGENCIES BY MODE

Agency/Mode	Peer Group
CTA Urban Bus	**LA Metro**: Los Angeles Metropolitan Transportation Authority, Los Angeles **MBTA**: Massachusetts Bay Transportation Authority, Boston **NYCT**: Metropolitan Transit Authority-New York City Transit, New York **SEPTA**: Southeastern Pennsylvania Transportation Authority, Philadelphia **WMATA**: Washington Metropolitan Area Transit Authority, Washington DC
CTA Heavy Rail	**MARTA**: Metropolitan Atlanta Rapid Transit Authority, Atlanta **MBTA**: Massachusetts Bay Transportation Authority, Boston **NYCT**: Metropolitan Transit Authority-New York City Transit, New York **SEPTA**: Southeastern Pennsylvania Transportation Authority, Philadelphia **WMATA**: Washington Metropolitan Area Transit Authority, Washington DC
Metra Commuter Rail	**LIRR**: Metropolitan Transportation Authority-Long Island Rail Road, New York City metropolitan area/Long Island **MBTA**: Massachusetts Bay Transportation Authority, Boston **MNCR**: Metropolitan Transportation Authority-Metro-North Railroad, New York City metropolitan area/Connecticut **NJT**: New Jersey Transit, New York City metropolitan area/New Jersey **SEPTA**: Southeastern Pennsylvania Transportation Authority, Philadelphia
Pace Suburban Bus	**AC Transit**: Alameda-Contra Costa Transit, Oakland and East Bay communities **MTA LI Bus**: Metropolitan Transportation Authority-Long Island Bus, New York **OCTA**: Orange County Transportation Authority **SamTrans**: San Mateo County Transit District, San Francisco Bay Area **SMART**: Suburban Mobility Authority for Regional Transportation, Detroit area
Pace Vanpool	**DART**: Dallas Area Rapid Transit, Dallas **King County Metro**: King County Metro Transit, Seattle area **LA Metro**: Los Angeles Metropolitan Transportation Authority, Los Angeles **Madison County**: Madison County Transit, St. Louis area **Houston Metro**: Metropolitan Transit Authority of Harris County, Houston area
Pace Demand-Response/ADA	**MBTA**: Massachusetts Bay Transportation Authority, Boston **MTA**: Metropolitan Transit Authority, Baltimore **NYCT**: Metropolitan Transit Authority-New York City Transit, New York **SEPTA**: Southeastern Pennsylvania Transportation Authority, Philadelphia **WMATA**: Washington Metropolitan Area Transit Authority, Washington DC

DEFINITION OF TERMS AND MEASURES

Average Age of Fleet: the mean of the difference between year of manufacture and year under consideration for all vehicles in the active fleet.

Average Vehicle Passenger Capacity: the mean number of passengers that can be carried per revenue vehicle, computed by adding seating capacity plus standing capacity and dividing that number by the number of active vehicles in the fleet.

Average Speed: the miles that vehicles travel while in revenue service divided by the hours that vehicles travel while in revenue service.

Average Trip Length: the average distance ridden for an unlinked passenger trip.

Capital Funds Expended: the expenses related to the purchase of capital assets; it does not include capital funds transferred to cover operating expenses.

Capital Funds Expended per Passenger Trip: expenses related to the purchase of capital assets divided by the total number of unlinked passenger trips provided.

Directional Route Miles: the mileage in each direction over which public transportation vehicles travel while in revenue service.

Fare Recovery Ratio: the recovery ratio used in this report follows the NTD definition, which is the proportion of operating costs that are covered by fare revenue paid by passengers. The NTD recovery ratio differs from the RTA recovery ratio, which takes into account other system-generated revenue and adjustments as enumerated in the RTA Act.

Fare Revenue: all income received directly from passengers, either paid in cash or through pre-paid tickets, passes, etc.

Fare Revenue per Passenger Mile: all income received from passengers divided by the total number of miles traveled by passengers.

Fare Revenue per Passenger Trip: all income received from passengers divided by the total number of unlinked passenger trips provided.

Miles between Major Mechanical Failures: the average number of miles that vehicles travel while in revenue service between failures of some mechanical element or a safety concern that prevents the vehicle from completing a scheduled trip or from starting the next scheduled trip.

Operating Cost: the expenses associated with the operation of the transit agency.

Operating Cost Components: the allocation of costs among specific categories of expenses:

- General administration: all costs associated with the general administration of the transit agency
- Vehicle maintenance: all costs associated with revenue and non-revenue service vehicle maintenance
- Non-vehicle maintenance: all costs associated with facility maintenance
- Vehicle operations: all costs associated with vehicle operations

Operating Cost per Passenger Mile: total operating cost divided by the total number of miles traveled by passengers.

Operating Cost per Passenger Trip: total operating cost divided by the total number of unlinked passenger trips taken on public transportation vehicles.

Operating Cost per Vehicle Revenue Hour: total operating cost divided by the hours that vehicles travel while in revenue service.

Passenger Miles: cumulative sum of the distances ridden by each passenger: average trip length multiplied by total passenger trips.

Passenger Trips: unlinked passenger trips reported as the number of passengers who board public transportation vehicles, counted each time they board a vehicle used to travel from their origin to their destination.

Passenger Trips per Vehicle Revenue Hour: total number of unlinked passenger trips divided by the total number of hours of transit service provided.

Passenger Trips per Vehicle Revenue Mile: total number of unlinked passenger trips divided by the hours that vehicles travel while in revenue service.

Peak to Base Ratio: a comparison of how many revenue vehicles are in service during peak hours versus non-peak hours.

Population: the population of the area served by the transit agency as reported to NTD by the agency.

Population Density: the service area population divided by the service area square miles.

Revenue Components of Trip Cost: the cost of a trip viewed as the percentage and actual dollar amounts covered by fare and non-fare revenue (system-generated revenue and other subsidies).

Service Area: number of square miles served by the transit agency.

Vehicle Revenue Hours: hours that vehicles travel while in revenue service.

Vehicle Revenue Miles: miles that vehicles travel while in revenue service, including layover/recovery time, but excluding deadhead time.

Vehicles Operated in Maximum Service: the revenue vehicle count during the peak season of the year, on the week and day that maximum service is provided; excludes atypical days or one-time special events.

URBAN BUS

The peers selected for urban bus are those that serve the nation's largest urbanized areas with the most extensive, well-developed transit systems. These cities – Boston, Los Angeles, New York, Philadelphia, and Washington, DC – rank within the top ten in the country for urbanized area population, number of transit trips taken, and number of transit trips taken per capita. They each also have both urban rail and bus services, which provide coordinated service throughout the metropolitan area. New York City Transit is the most analogous to CTA bus in that it has a service area largely defined by city boundaries. The bus systems serving the other cities also serve surrounding suburban areas, but are predominantly urban systems.

CTA Bus performed better than the peer average for every measure with the exception of capital fund expenditures per passenger trip, a solvency measure that had exceeded the peer average in 2008 and 2009. CTA maintained its second-place rankings for the service coverage measures of passenger trips per vehicle revenue hour and per vehicle revenue mile. CTA performed well in the service efficiency and effectiveness area, with top rankings for operating cost per vehicle revenue hour and operating cost per passenger trip, and second-place for operating cost per passenger mile. While maintaining its position with the youngest fleet, CTA bus miles between failures dropped three rank positions with a 6.3% decline in performance. CTA continued its strong performance for service level solvency, improving fare revenue per passenger trip and fare revenue per passenger mile by $0.01 each and maintaining its 38.2% fare recovery ratio, the highest among its peers. Capital fund expenditures remained at $0.13 per passenger trip, the same level as in 2010 and the lowest among its peers.

CTA Bus Peer Comparison		Performs better than peer average	
		2010	2011
Service Coverage	Passenger Trips per Vehicle Revenue Hour	YES	YES
	Passenger Trips per Vehicle Revenue Mile	YES	YES
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	YES	YES
	Operating Cost per Passenger Mile	YES	YES
	Operating Cost per Passenger Trip	YES	YES
Service Maintenance and Capital Investment	Average Age	YES	YES
	Miles Between Major Mechanical Failures	YES	YES
Service Level Solvency	Fare Revenue per Passenger Trip	YES	YES
	Fare Revenue per Passenger Mile	YES	YES
	Fare Recovery Ratio	YES	YES
	Capital Funds Expended per Passenger Trip	NO	NO

'Equal' ranking denotes a value that is +/- one-tenth of one standard deviation from the peer average.

This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.

URBAN BUS

Peer Modal Characteristics

In comparison to its peers, CTA and NYCT operate the lowest amount of directional route miles, corresponding to service areas constrained by city boundaries. Both also operate in the most densely-populated service areas. CTA ranks third, behind NYCT and LA Metro, based on miles of service provided, passenger trips, and passenger miles.

Urban Bus Overview Modal Characteristics	CTA	MBTA	LA METRO	NYCT	SEPTA	WMATA
	Chicago	Boston	Los Angeles	New York	Philadelphia	Washington DC
Service Area Population	3,535,501	4,181,019	8,626,817	8,008,278	3,331,558	3,719,567
Service Area (square miles)	325	3,244	1,513	321	868	950
Population Density	10,878	1,289	5,702	24,948	3,838	3,915
Directional Route Miles	1,356	1,806	3,762	1,804	2,520	2,614
Vehicle Revenue Miles (millions)	52.4	24.5	81.5	95.1	40.3	39.5
Vehicle Revenue Hours (millions)	5.64	2.39	7.08	12.33	3.95	3.77
Passenger Trips (millions)	310	110	357	800	183	131
Passenger Miles (millions)	713	286	1,493	1,786	546	388
Operating Cost (millions)	$732	$347	$957	$2,407	$570	$543
Fare Revenue (millions)	$279	$79	$275	$868	$171	$135
Capital Funds Expended (millions)	$41	$45	$212	$242	$138	$193
Average Speed (mph)	9.29	10.24	11.50	7.71	10.20	10.46
Average Trip Length (miles)	2.30	3.65	4.13	2.23	2.98	2.97
Average Vehicle Passenger Capacity	81.0	96.2	54.9	81.6	86.2	68.0
Average Vehicle Age (years)	5.3	7.6	8.3	7.9	7.1	7.2
Vehicles Operated in Maximum Service	1,527	804	2,033	3,727	1,169	1,303
Peak to Base Ratio	1.73	1.37	1.48	1.60	1.34	2.39

Directional Route Miles: Four agencies, including CTA, reported fewer directional route miles for 2011 compared to 2010.

Vehicle Revenue Miles: Of the six agencies being reported, CTA showed the largest decline in vehicle revenue miles in 2011, down 7.8% from 2010, when it also posted the largest decline for this measure with a 16% drop from 2009 (following service cuts). The drop in 2011 is largely due to a reporting change (see note 4, page 4).

Passenger Trips: CTA saw a 1.4% increase in passenger trips for the year, one of four agencies to see gains over 2010 ridership.

Passenger Miles: as with passenger trips, four agencies saw increased passenger miles compared to 2010, including CTA with a 0.8% gain.

Operating Cost: CTA saw an operating cost increase of 3.0%, matching the average operating cost increase among its peers.

Fare Revenue: each of the bus agencies reviewed experienced increased fare revenues in comparison to 2010; CTA's gain of 2.9% was the lowest increase reported.

Capital Funds Expended: Following a sharp decline from 2009 to 2010, CTA saw a 1% gain in capital funds expended per trip in 2011, one of four agencies to see an increase for this metric.

Average Speed: CTA saw a 2.6% decline in average speed in 2011, the largest decline noted among its peers.

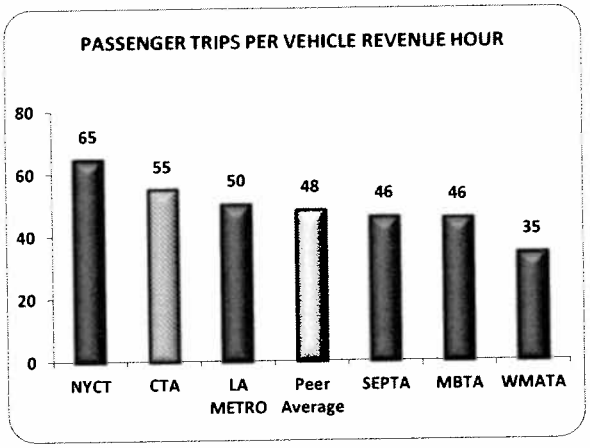
Average Trip Length: Although CTA saw increases in both passenger trips and passenger miles for the year, the agency saw a 0.6% decrease in average trip length in 2011.

Average Vehicle Passenger Capacity: CTA's average vehicle passenger capacity remained unchanged for the year. Average capacity varies considerably among the agencies, from 54.9 (LA Metro) to 96.2 (MBTA); CTA's passenger capacity falls into mid-range at 81.

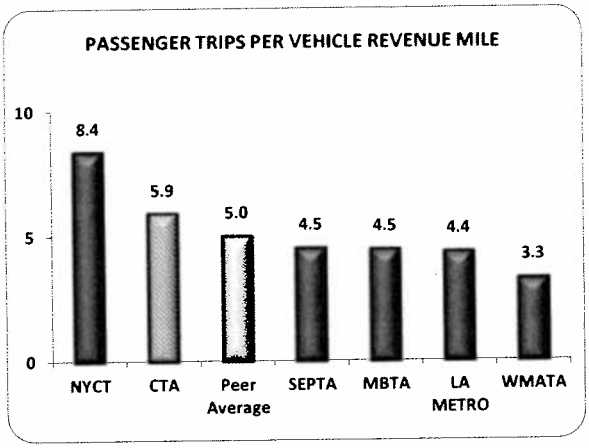
URBAN BUS

Service Coverage

CTA bus saw improved ratios for passenger trips per vehicle revenue hour and passenger trips per vehicle revenue mile, and held its rank position for both service coverage indicators. These improvements resulted from an increase in passenger trips occurring in conjunction with decreases to vehicle revenue hours and vehicle revenue miles. However, these reductions are somewhat exaggerated as CTA changed its methodology for counting vehicle revenue hours and vehicle revenue miles in 2011 (see note 4, page 4).



A 5.3% reduction in CTA's vehicle revenue hours, combined with a 1.4% increase in passenger trips, resulted in a 7.1% gain for the passenger trips per vehicle hour ratio. There were no rank changes among the peers for this indicator.

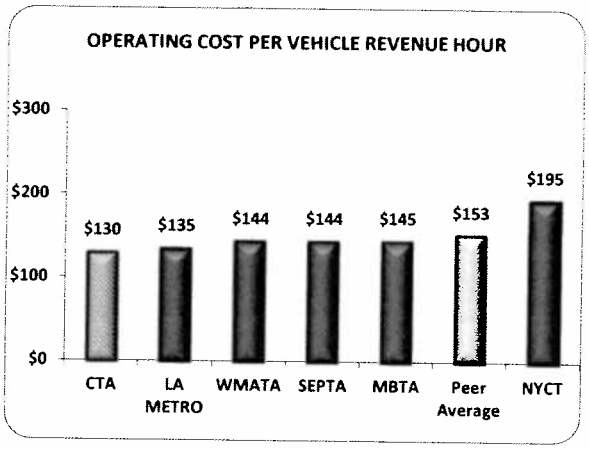


CTA's trips per vehicle revenue mile improved by 10% compared to 2010, resulting from a 7.8% reduction in vehicle revenue miles and a 1.4% gain in passenger trips. There were no rank changes among the peers for this indicator.

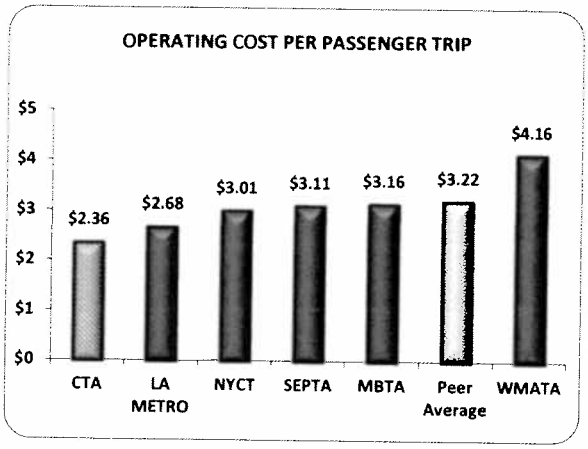
URBAN BUS

Service Efficiency and Effectiveness

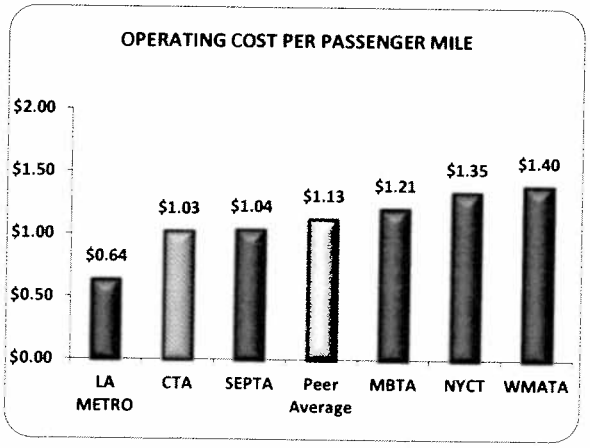
As it had in 2010, CTA outperformed its peers for the service efficiency indicator of operating cost per vehicle revenue hour and the service effectiveness measure of operating cost per passenger trip, and maintained its second-place position for operating cost per passenger mile.



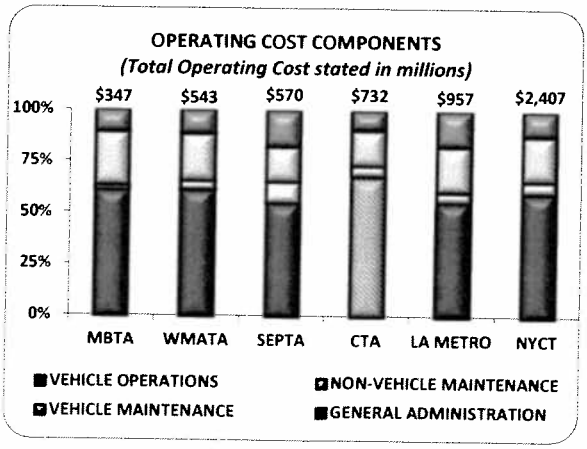
Every agency except WMATA reported higher operating cost per hour compared to 2010, with increases ranging from $2 (MBTA) to $15 (NYCT). CTA's cost per hour rose $10 (up 8.8% from 2010); CTA maintained a nearly $25 favorable variance to the peer average.



CTA's cost per trip increased by $0.04 in 2011, or 1.5%. WMATA was the only agency to see a reduction, following a year of significant outlays to rehabilitate and retrofit its bus fleet, which resulted in a considerable reduction in its vehicle maintenance budget.



Increases in CTA's passenger miles traveled in 2011 did not fully offset increased operating costs; CTA's operating cost per passenger mile increased $0.02, which matched the average annual increase of its peers.

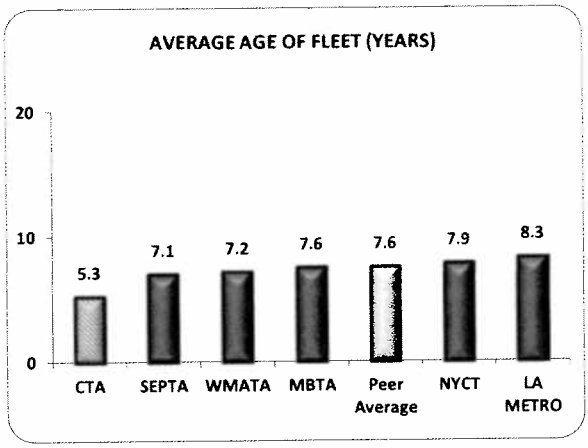


Of particular note for CTA was an 18% decrease in general administration expenditures, the largest decrease of its peers for any of the cost component categories. Compared to its peers, CTA spends the highest proportion of its operating costs on vehicle operations.

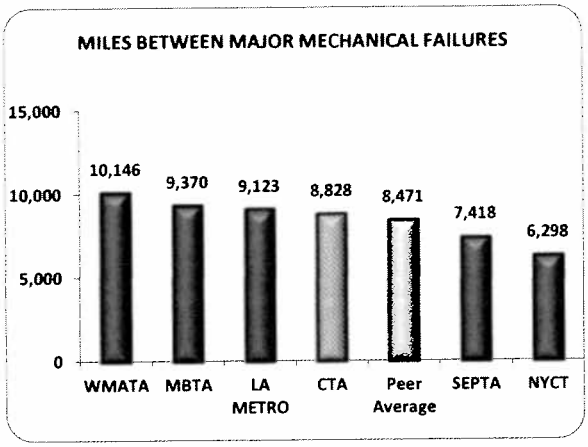
URBAN BUS

Service Maintenance & Capital Investment

CTA maintained its position as having the youngest bus fleet, but lost some ground in its rank position for miles between major mechanical failures.



CTA has the youngest fleet of its peers with an average age of 5.3 years and no vehicles in service beyond their useful life. In contrast, roughly 10% of its peers' buses are in service beyond their useful life and are on average two years older than the CTA fleet.

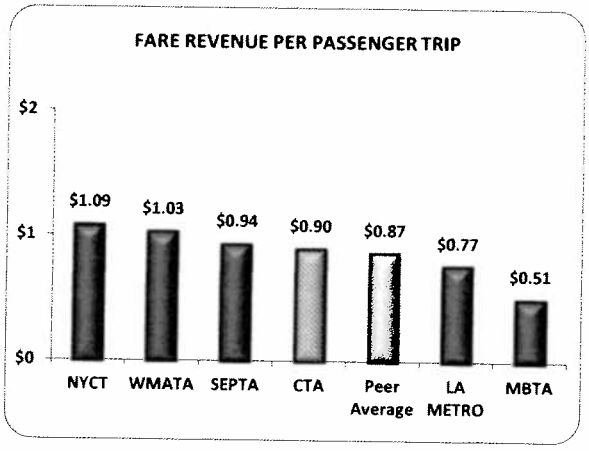


CTA reported a 4% increase in the number of major mechanical failures in 2011, leading to a 6.3% decline in the miles between major mechanical failures for the year and causing CTA to drop from first to fourth place rank for this measure.

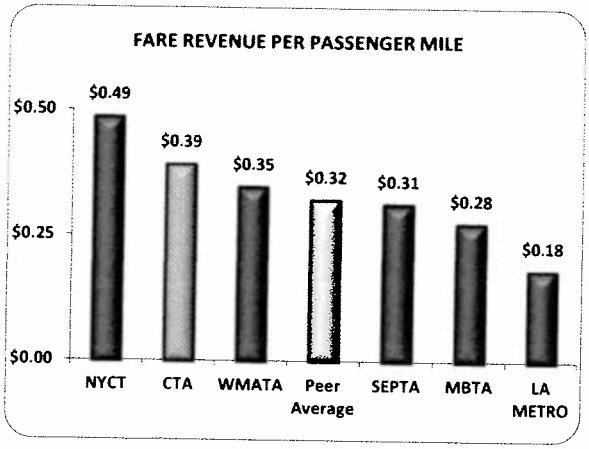
URBAN BUS

Service Level Solvency

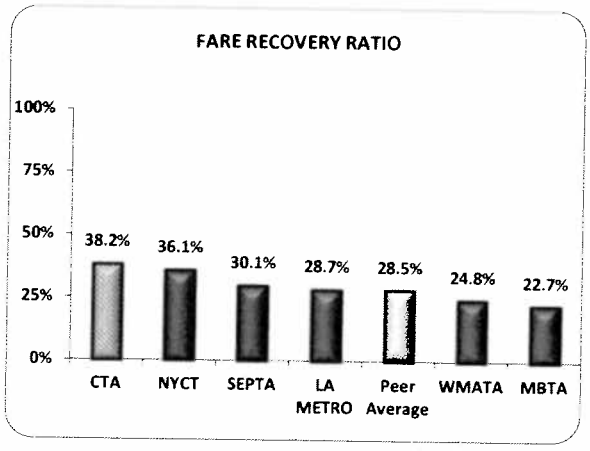
Compared to 2010, CTA maintained its first place ranking for fare recovery ratio and second place ranking for fare revenue per passenger mile.



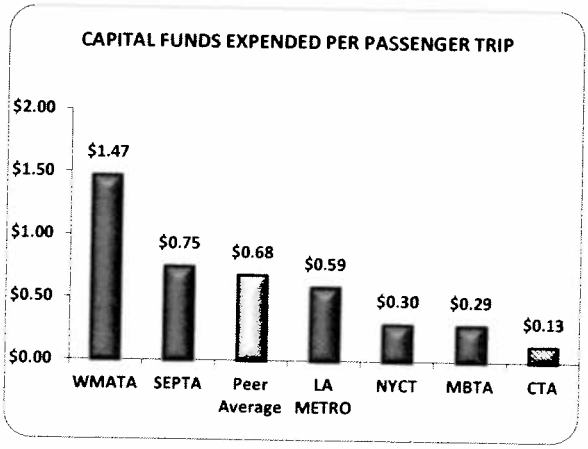
Although CTA bus experienced an increase of $0.01 or 1.4% for this measure. Following fare increases in the latter half of 2010, WMATA and SEPTA saw gains of 22% and 6%, respectively, displacing CTA's rank by two positions.



For CTA, a $0.01 increase in fare revenue per passenger mile signaled a 2.1% improvement over 2010. The peer average increased $0.02, with each agency seeing improvement for this measure except for MBTA, which remained flat.



Each of the peers had increased fare revenues in 2011; three had fare increases that exceeded operating cost increases, thus improving their recovery ratios. CTA, which had identical percentage fare revenue and operating cost increases, maintained its 38.2% fare recovery ratio, and outperformed its closest peer by more than two whole percentage points.



Capital fund availability varies considerably from year to year, and CTA, which had expended $0.77 per trip in 2009 for a second-place ranking, decreased to $0.13 per trip in 2010 for last place. This amount and position ranking were repeated in 2011.

HEAVY RAIL

The peers selected for CTA heavy rail were chosen from the largest rapid transit systems in the country. The number of cities with urban rail systems is much smaller than those with bus systems, limiting the group of potential peers. NYCT, MBTA, and SEPTA are all natural peers as older rail systems serving the urban center of large metropolitan areas. MARTA and WMATA, although relatively newer heavy rail systems, were chosen as peers due to their large size and mostly urban setting.

In 2011, CTA operated better than or equal to its peers in three of the eleven measures examined, down from five in 2010. CTA's most favorable comparisons again occurred in the service efficiency and effectiveness area. As it had in 2010, CTA was at the top-ranked position for operating cost per vehicle revenue hour and improved to first place rank for operating cost per passenger mile. CTA outperformed all of its peers for miles between major mechanical failures despite having the oldest average fleet age among its peers. CTA performed below the peer average for each of the service level solvency indicators in 2011, with downward movement in its rankings for two measures as increases in passenger trips and operation costs outpaced fare revenue increases.

CTA Heavy Rail Peer Comparison		Performs better than peer average	
		2010	2011
Service Coverage	Passenger Trips per Vehicle Revenue Hour	NO	NO
	Passenger Trips per Vehicle Revenue Mile	NO	NO
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	YES	YES
	Operating Cost per Passenger Mile	YES	YES
	Operating Cost per Passenger Trip	NO	NO
Service Maintenance and Capital Investment	Average Age	NO	NO
	Miles Between Major Mechanical Failures	YES	YES
Service Level Solvency	Fare Revenue per Passenger Trip	YES	NO
	Fare Revenue per Passenger Mile	NO	NO
	Fare Recovery Ratio	EQUAL	NO
	Capital Funds Expended per Passenger Trip	NO	NO

'Equal' ranking denotes a value that is +/- one-tenth of one standard deviation from the peer average.

This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.

HEAVY RAIL

Peer Modal Characteristics

CTA operates heavy rail in the nation's second-most densely populated area, after New York City. CTA ranks third among its peers for directional route miles, vehicle revenue miles, passenger trips, passenger miles, operating cost, fare revenue, and capital funds expended.

Heavy Rail Overview Modal Characteristics	CTA	MARTA	MBTA	NYCT	SEPTA	WMATA
	Chicago	Atlanta	Boston	New York	Philadelphia	Washington DC
Service Area Population	3,535,501	1,574,600	4,181,019	8,008,278	3,331,558	3,719,567
Service Area (square miles)	325	498	3,244	321	868	950
Population Density	10,878	3,162	1,289	24,948	3,838	3,915
Directional Route Miles	207.8	96.1	76.3	487.5	74.9	211.8
Vehicle Revenue Miles (millions)	64.3	18.6	23.4	342.6	17.2	67.2
Vehicle Revenue Hours (millions)	3.50	0.71	1.42	18.86	0.88	2.73
Passenger Trips (millions)	222	76	154	2,498	101	287
Passenger Miles (millions)	1,409	488	562	10,317	448	1,625
Operating Cost (millions)	$481	$178	$305	$3,525	$180	$844
Fare Revenue (millions)	$250	$64	$157	$2,699	$94	$571
Capital Funds Expended (millions)	$153	$74	$143	$2,481	$74	$375
Average Speed (mph)	18.4	26.3	10.2	18.2	19.5	24.6
Average Trip Length (miles)	6.4	6.4	4.2	4.1	4.4	5.7
Average Vehicle Passenger Capacity	90.0	198.0	229.6	158.2	112.2	183.4
Average Vehicle Age (years)	27.3	21.8	23.0	17.9	18.7	20.9
Vehicles Operated in Maximum Service	972	188	342	5,240	285	860
Peak to Base Ratio	1.73	1.11	1.62	1.43	1.57	2.12

Directional Route Miles: there were no changes among any of the peers for this metric.

Passenger Trips: CTA saw a gain of 5.1% in rail trips, one of four agencies to see an increase in ridership for 2011.

Vehicle Revenue Miles: Three of the six agencies reported increased vehicle revenue miles for 2011; CTA had 1.1% fewer vehicle revenue miles than it had in 2010.

Passenger Miles: In contrast to 2010, when CTA was the only agency to see increased passenger miles traveled, four agencies showed improvement for this indicator in 2011 (including CTA with an 8.7% gain).

Fare Revenue: Every agency reported increased fare revenues for 2011. CTA's increase of 4.6% was the second-lowest increase and resulted from increased ridership, not a fare increase.

Capital Funds Expended: In contrast to 2010, during which every agency saw double-digit declines in capital fund expenditures, three agencies realized increases in 2011. CTA saw a 5.4% decline in capital funds expended, which translates to a 10% loss on a per-trip basis.

Average Speed: CTA saw a loss in average speed of 1.8% in 2011, one of five agencies to see a decline for this measure. SEPTA's average speed matched its performance for 2010.

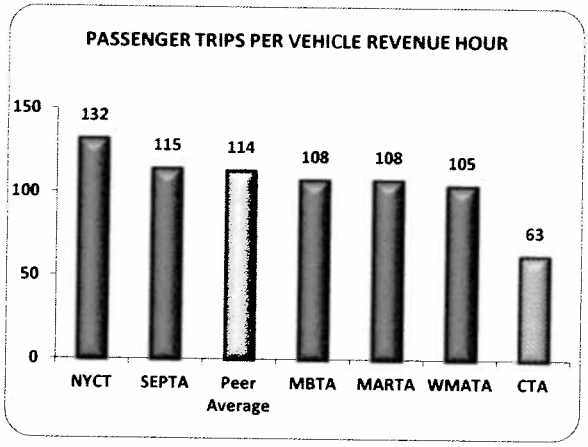
Average Trip Length: Following a 4% increase for this measure in 2010, CTA saw another 3.4% gain in 2011. WMATA was the only agency to see a decline in average trip length and was down 0.4% for the year.

Average Vehicle Passenger Capacity: CTA cars are smaller in number of seats, length, and width than its peers due to its need to navigate tighter turns on the 'L' tracks. With an average passenger capacity of 90 per vehicle, CTA ranks last in capacity among the agencies under review, which have 20-155% more capacity per vehicle than CTA.

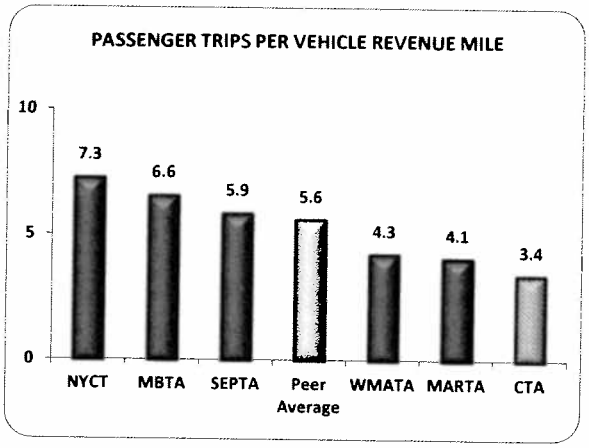
HEAVY RAIL

Service Coverage

Generally, CTA performance in the service coverage area falls below that of its peers. Smaller capacity rail cars (CTA's average capacity is 90 vs. a peer average of 176) account for most of the variance in performance, as CTA must run more cars to serve the same number of passengers. SEPTA, which has the second-smallest size car, carries nearly twice the passengers per hour that CTA does, but CTA operates 24-hour rail service and has a more extensive network of stations compared to SEPTA.



Five of the six agencies saw improvement for this measure in 2011, including CTA with a 4.4% increase to 63.2 passenger trips per vehicle revenue hour. This is notable given the 12% increase observed in 2010 when many CTA bus passengers switched to rail service after sizable service cuts.

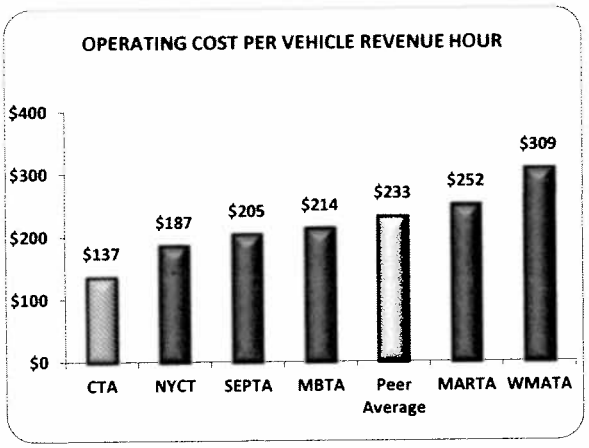


A significant 5.1% increase in rail ridership in 2011, combined with a 1.1% decrease in vehicle revenue miles, produced a 6.2% gain for CTA for this metric. This improvement adds onto the 10% gain realized in 2010.

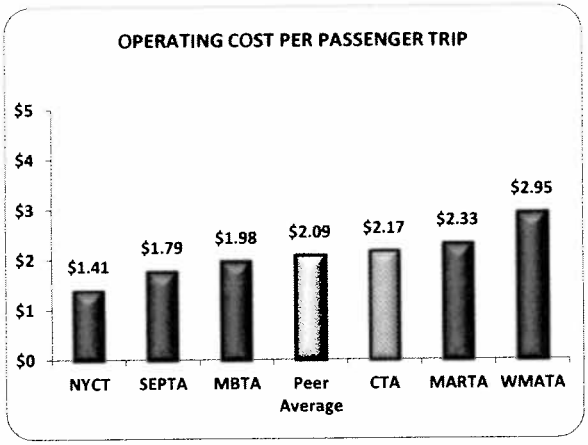
HEAVY RAIL

Service Efficiency and Effectiveness

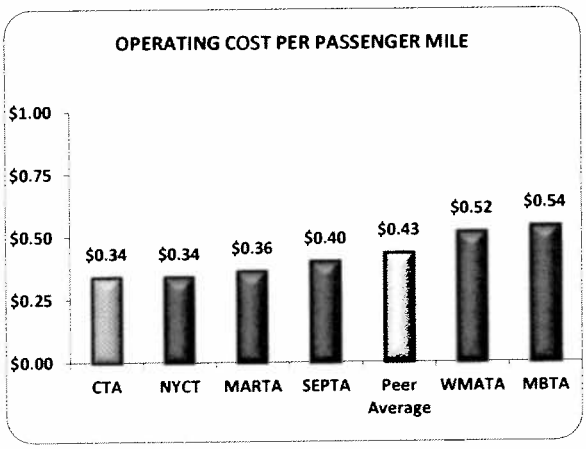
CTA performed well in service efficiency and effectiveness, maintaining its first place rank for lowest operating cost per vehicle revenue hour and moving up to the top rank position for operating cost per passenger mile. Smaller vehicles contribute to CTA's relative strength in the cost per vehicle hour measure as costs are spread over a higher number of vehicles.



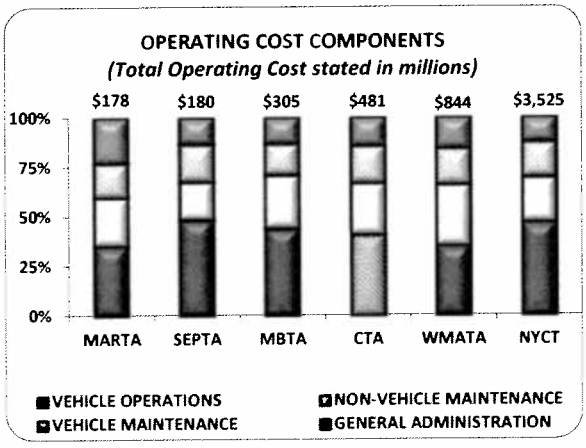
With a 6.6% increase in operating cost and 0.7% increase in vehicle revenue hours, CTA saw a 5.9% (about $7) increase in operating cost per hour in 2011 yet maintained its top ranking for this measure.



Five of the six agencies saw increased operating cost per passenger trip, including CTA, which had the smallest increase at 1.5%, or $0.03, compared to 2010. The average peer increase for this measure was $0.04.



Following a 7.9% increase in 2010, CTA had another 8.7% gain for passenger miles traveled in 2011, resulting in a $0.01 savings in operating cost per passenger mile and putting CTA in the top rank position.

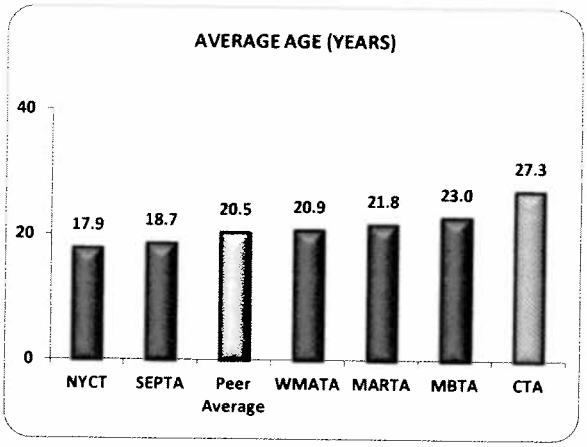


In 2011 CTA decreased expenditures for general administration by nearly 15% and increased the non-vehicle maintenance category by 25% compared to 2010, the largest increase of its peers for this component of operating cost.

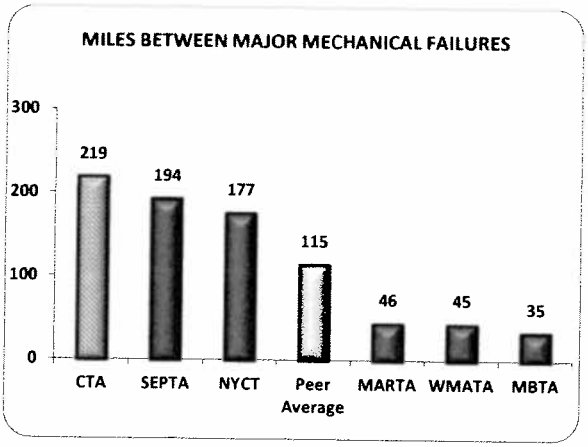
HEAVY RAIL

Service Maintenance & Capital Investment

During 2011 CTA took possession of 48 new rail vehicles but did not place them into the active fleet by year-end, keeping CTA in last place among its peers for oldest fleet. With over seven hundred new rail cars to be put into service in the coming years the average age will experience a significant shift downward.



Each agency experienced an increased average fleet age in 2011, indicative of no significant influx of new heavy rail vehicles for the year. CTA will be replacing 50-60% of its rail fleet by year-end 2014, which will significantly lower its average fleet age.

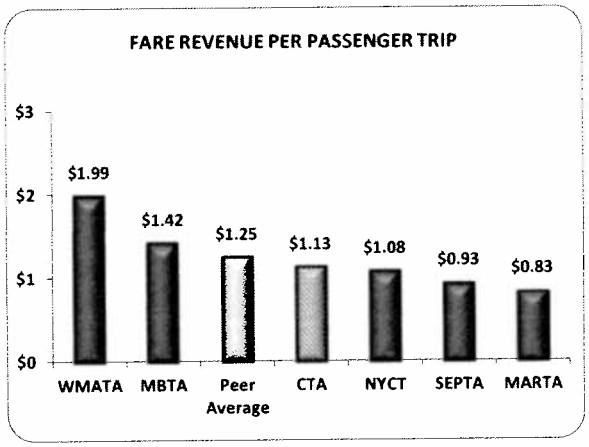


Despite having the oldest fleet among its peers, CTA achieved the top-rank position for mileage between major mechanical failures, nearly doubling the peer average performance for this measure.

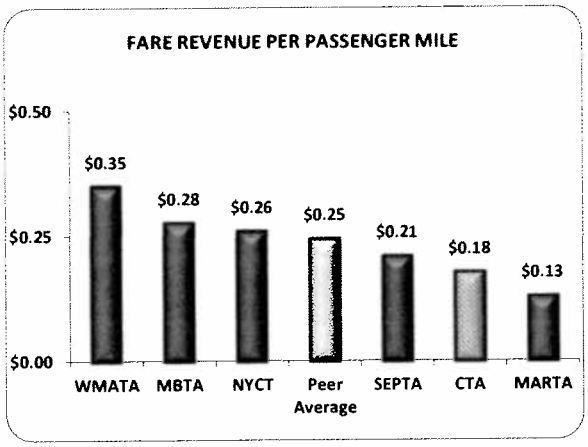
HEAVY RAIL

Service Level Solvency

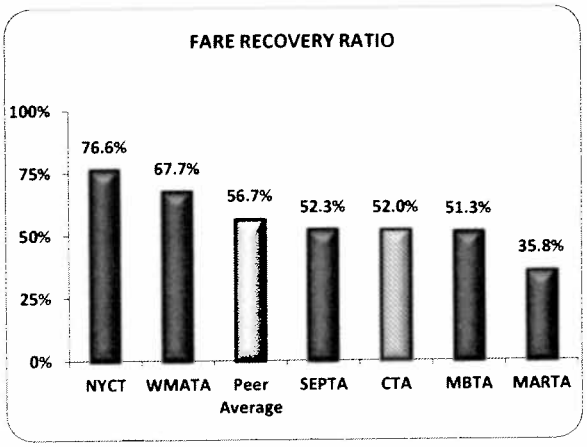
CTA's fare revenues rose 4.6% in 2011; however, larger percentage increases in passenger trips (up 5.1%) and operating costs (up 6.6%) resulted in declines in rank positions for two solvency measures for the year.



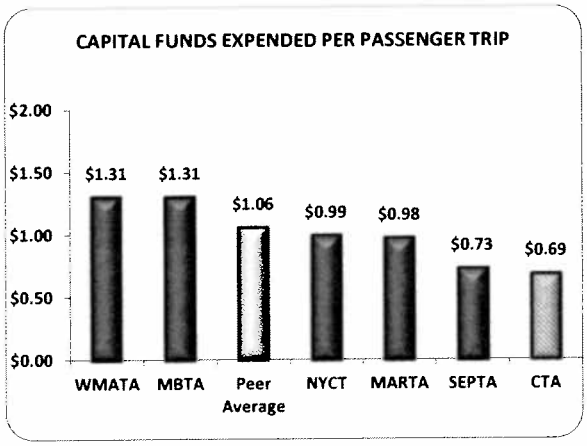
CTA was the only agency of the six to see a decline in fare revenue per passenger trip, a 0.5% decrease that equaled a one cent per trip revenue loss.



CTA's fare revenue per passenger mile stayed at $0.18 in 2011, matching the 2010 rate, and kept CTA in the fifth-ranked position.



CTA moved down one rank position in 2011 for this measure, losing 1.1 percentage points and falling farther from the peer average.



Following 2010's 58% decline in capital funds expended per trip, CTA lost another 10% in 2011, keeping it in sixth place for this measure. At $0.69, CTA's capital fund expenditure per passenger trip is roughly half of first-ranked WMATA's, and will increase dramatically over the next few years as CTA replaces over half of its rail fleet.

COMMUTER RAIL

The peers selected for commuter rail represent the largest commuter rail systems in the United States; all are traditional systems that can trace their roots to rail passenger services that have operated since the late 19th century. Three of the peers provide service to New York City from the states of New York, New Jersey, and Connecticut. Boston and Philadelphia are the other major cities served. There are differences in the operating environment of each railroad affecting its service delivery and cost structure. Metra operates predominantly diesel services with one electric line and contends with more intermingling with freight operations than the other railroads. It benefits from the use of bi-level cars on all trains, enabling it to carry large passenger loads more cost-effectively. It also operates with a mix between directly-operated and contracted services. The New York peers have less interference with freight traffic, but confront greater capacity constraints and less operating flexibility because of the need to operate through tunnels or over bridges to New York City's center in Manhattan. SEPTA is unique in operating a fully electric service, which has yielded cost savings during times of high diesel prices.

Metra performs better than the peer average for each of the measures in the service coverage and service efficiency and effectiveness measures. Metra also performs well in the service measure Miles between Major Mechanical Failures, where it ranks second among its peers despite having the second-oldest fleet, owing to its maintenance program and planned cycle of vehicle mid-life rehabilitations and end-of life rebuilds. As in 2009 and 2010, Metra performed below the peer average for each fare revenue measure, which Metra addressed by implementing a general fare increase in February 2012. Metra experienced a significant 34% gain in capital fund expenditures per trip related to the purchase of new rail cars and accordingly moved up three rank positions for that measure.

Metra Commuter Rail Peer Comparison		Performs better than peer average	
		2010	2011
Service Coverage	Passenger Trips per Vehicle Revenue Hour	YES	YES
	Passenger Trips per Vehicle Revenue Mile	YES	YES
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	YES	YES
	Operating Cost per Passenger Mile	YES	YES
	Operating Cost per Passenger Trip	YES	YES
Service Maintenance and Capital Investment	Average Age	NO	NO
	Miles Between Major Mechanical Failures	EQUAL	YES
Service Level Solvency	Fare Revenue per Passenger Trip	NO	NO
	Fare Revenue per Passenger Mile	NO	NO
	Fare Recovery Ratio	NO	NO
	Capital Funds Expended per Passenger Trip	NO	YES

'Equal' ranking denotes a value that is +/- one-tenth of one standard deviation from the peer average.

This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.

COMMUTER RAIL

Peer Modal Characteristics

While Metra operates the second-largest commuter rail system in the country as measured by directional route miles, the three agencies that service the New York area each provide more vehicle revenue miles, passenger trips, and passenger miles. The New York systems also spent the most operating dollars and collected more fare revenue. Metra expended the most capital funds in 2011, outspending its closest peer by over $100 million. The Boston and Philadelphia systems are the smallest of the peers.

Commuter Rail Overview Modal Characteristics	METRA	MBTA	LIRR	MNCR	NJT	SEPTA
	Chicago	Boston	New York			Philadelphia
Service Area Population	7,261,176	4,181,019	18,351,295	6,503,894	18,351,295	3,331,558
Service Area (square miles)	3,721	3,244	2,967	527	3,450	868
Population Density	1,951	1,289	6,185	12,341	5,319	3,838
Directional Route Miles	980.4	737.5	638.2	545.7	1,001.8	446.9
Vehicle Revenue Miles (millions)	42.9	22.9	62.0	58.1	63.0	17.8
Vehicle Revenue Hours (millions)	1.39	0.78	2.01	1.58	1.87	0.66
Passenger Trips (millions)	72	36	96	82	80	38
Passenger Miles (millions)	1,645	749	2,088	2,613	1,995	539
Operating Cost (millions)	$596	$302	$1,070	$910	$839	$239
Fare Revenue (millions)	$242	$135	$572	$568	$496	$135
Capital Funds Expended (millions)	$365	$146	$256	$181	$5	$154
Average Speed (mph)	30.8	29.4	30.9	36.7	33.6	26.9
Average Trip Length (miles)	22.7	20.7	21.6	31.9	25.1	14.2
Average Vehicle Passenger Capacity	131.2	113.0	100.1	110.2	104.5	117.5
Average Vehicle Age (years)	28.9	21.7	10.1	19.1	15.7	33.2
Vehicles Operated in Maximum Service	1,052	406	1,003	1,109	1,276	327
Peak to Base Ratio	2.62	2.00	1.51	1.17	1.57	3.72

Directional Route Miles: There were no changes to directional route miles for any of the agencies in 2011.

Passenger Trips: Half of the agencies reported increased ridership, including Metra, which experienced a 2.6% gain in passenger trips.

Vehicle Revenue Miles: four agencies reported fewer vehicle revenue miles for the year, including Metra, which posted a 0.6% decline compared to 2010.

Passenger Miles: Metra was one of three agencies to report increased passenger miles for 2011, citing a 2.3% increase over 2010.

Operating Cost: Metra's operating cost increased 5.9% over 2010, the second-highest increase among the six agencies, as the agency experienced sizable increases for diesel fuel and health insurance premiums compared to 2010. Only Long Island Rail Road reported lower operating costs, corresponding to the largest reduction in vehicle revenue miles reported for the year.

Fare Revenue: Each agency realized increased fare revenue in 2011, ranging from 1.4% at MBTA to 16.1% at NJT (following a substantial fare increase). Metra reported a 2.5% increase compared to 2010.

Capital Funds Expended: Following a 52% increase in capital funds expended for 2010, Metra recorded a 37.7% gain ($99.8 million) in 2011 and was one of two agencies to see an increase for the year. Most of Metra's capital outlays were for milestone payments for the acquisition of new highliner rail cars. New Jersey Transit had anomalous capital expenditures in 2011, due to a cancelled capital project that resulted in a one-time write-down of over $256 million.

Average Speed: After holding steady in 2010, Metra's average speed dropped 0.4% in 2011.

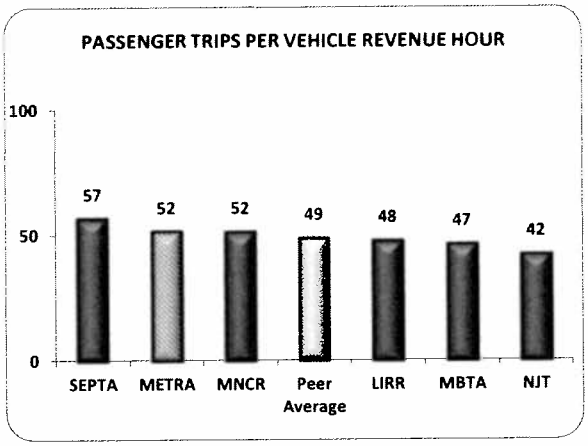
Average Trip Length: Metra's average trip length was down 0.2% for the year as the 2.6% increase in passenger trips outpaced the 2.3% increase in passenger miles.

Average Vehicle Passenger Capacity: For the commuter rail mode, this comparison excludes standing passenger capacity to conform to industry standards and the expected provision of one seat per passenger. Metra, with its full fleet of double-decker cars, offers the highest average passenger capacity of its peers, with over 10% more capacity than its closest peer.

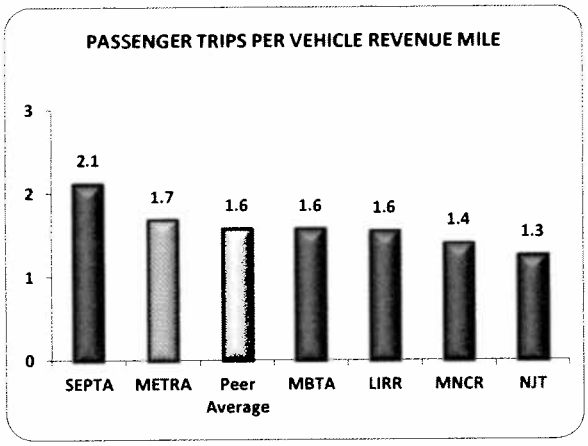
COMMUTER RAIL

Service Coverage

As it had in 2010, Metra performed better than the peer average for service coverage measures in 2011. With 2.6% more passenger trips in 2011 combined with fewer vehicle revenue hours and fewer vehicle revenue miles, Metra advanced one rank position for passenger trips per vehicle revenue hour and maintained its position for passenger trips per vehicle revenue mile, with favorable performance for both indicators.



Metra realized the most significant improvement among the peer group for this indicator, with an increase of 2.7% compared to 2010. This improvement is mostly due to the increase in ridership, which was up 2.6% for the year, and was only slightly affected by a decline in vehicle revenue hours.

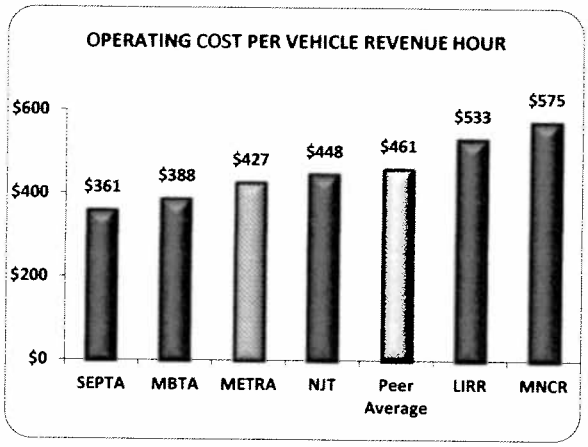


With a 0.6% decline in vehicle revenue miles and increased ridership, Metra's performance for this measure also had the most significant increase among the agencies at 3.2%, although its second-place ranking was unchanged.

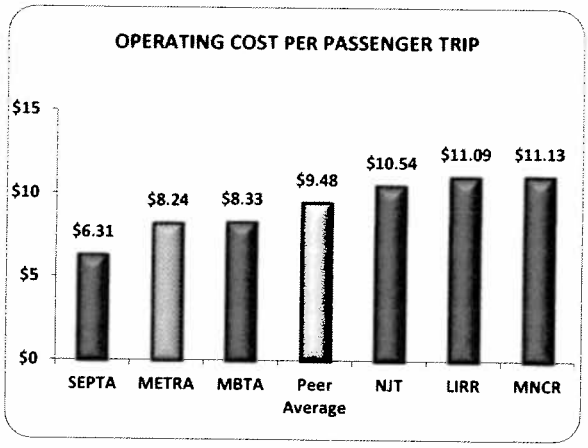
COMMUTER RAIL

Service Efficiency and Effectiveness

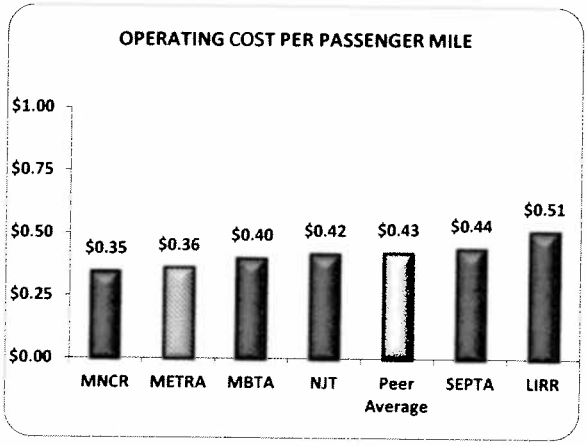
Compared to its peers, Metra performed well in the service efficiency and effectiveness category, improving one rank position for operating cost per passenger trip although experiencing the second-highest rate of operating cost increases for the year.



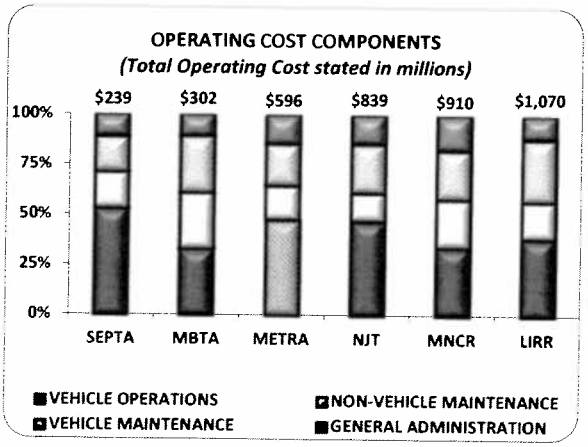
Compared to 2010, four agencies had higher operating cost per vehicle revenue hour, including Metra, which had an increase of 6.1% or $25 per hour, related to significant increases in fuel and health insurance expenditures.



Metra's operating cost per passenger trip increased $0.26 comparable to the peer average increase of $0.25; with an offset due to increased ridership, Metra moved up one rank position for this measure.



Metra dropped one rank position despite an operating cost per passenger mile increase of only $0.01. MNCR moved up three positions in 2011 after experiencing its highest passenger miles traveled in twenty years.

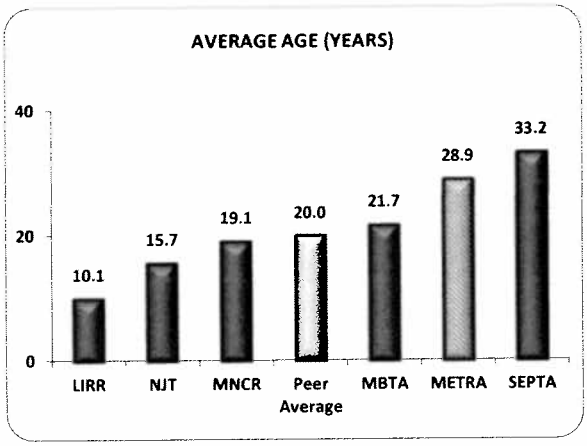


Vehicle operations make up the largest portion of each peer agency budget; this totaled 47.5% of Metra's 2011 budget. Metra's next-highest expense is vehicle maintenance at 20.8%; although it has the second-oldest fleet, Metra expends 62% less than LIRR, which has the youngest average fleet age among the peers.

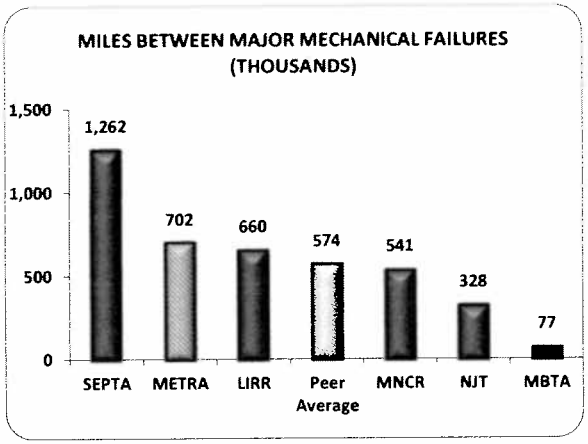
COMMUTER RAIL

Service Maintenance & Capital Investment

Metra operates the second-oldest fleet among its peers, surpassed only by SEPTA. Vehicle mid-life rehabilitation and end-of-life rebuild schedules have enabled Metra to maintain their older fleet in a relative state of good repair. These schedules require ongoing capital funding resources, which can vary significantly from year to year.



With the second-oldest vehicle fleet at 28.9 years, Metra exceeds the peer average for this measure by almost nine years. Metra used $223.4 million of its capital funds for the acquisition or major rehabilitation of its revenue vehicles, $40 million more than the next closest peer, NJT. Metra's average fleet age will decrease in the next few years with the introduction of 175 new rail cars.

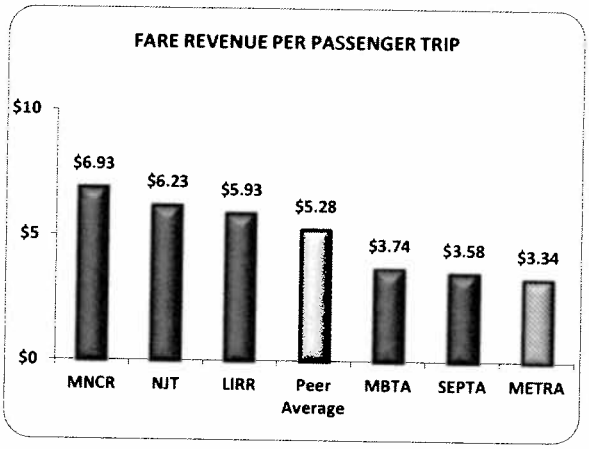


Metra maintained its second-place ranking for the number of miles between major mechanical failures despite its older average fleet age and allocating a smaller proportion of its operating costs to vehicle maintenance, 20.8% versus the peer average of 25.2%.

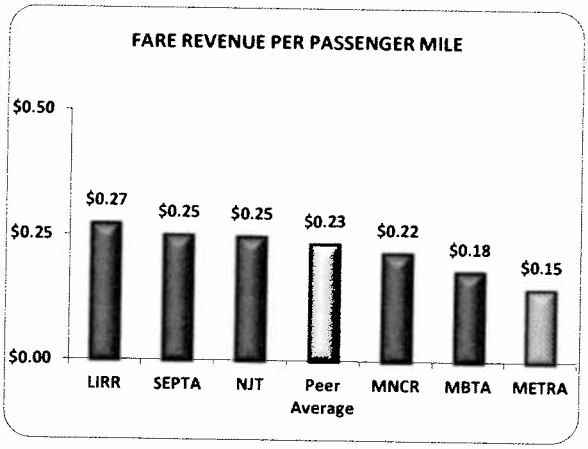
COMMUTER RAIL

Service Level Solvency

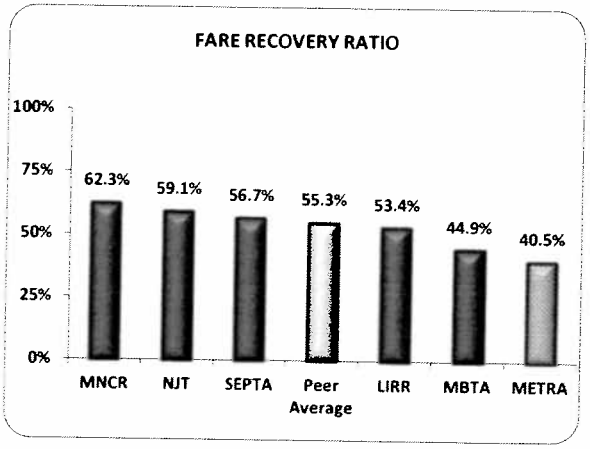
Metra ranked below its peers for each service level solvency measure that incorporates fare revenue. With operating cost increases of 5.9% versus fare revenue increases of 2.5%, Metra's fare recovery ratio decreased 1.4 percentage points. However, capital fund expenditures increased by $1.32 per trip in 2010 and $1.28 per trip in 2011, resulting in Metra moving from its last-place position in 2009 to first place in 2011. The majority of Metra's capital fund outlays in 2011 was for the purchase new rail cars to be placed into service over the next few years.



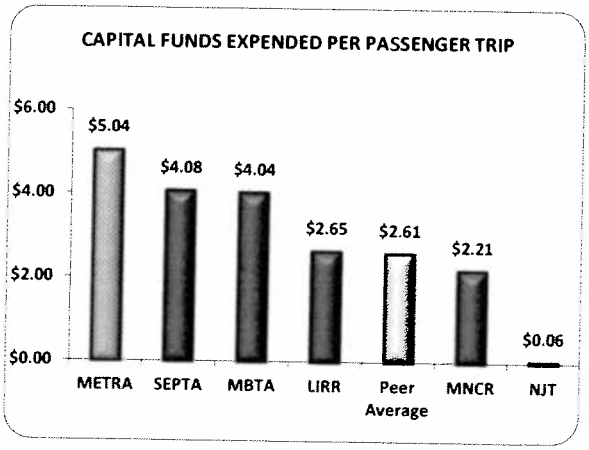
Metra's 2.5% gain in fare revenue was outpaced by its 2.6% gain in passenger trips; Metra fare revenue stayed at $3.34 per trip for 2011. NJT, which had implemented a fare increase in mid-2010 that averaged 22%, saw a fare revenue gain of over one dollar per trip (+19.8%) in 2011.



Metra's fare revenue per passenger mile also matched 2010 performance at $0.15, with its 2.3% gain in passenger miles nearly matching the gain in fare revenues. The peer average held constant to 2010 at $0.23.



As determined by NTD definition, Metra had the lowest fare recovery ratio among its peers.



Metra expended 34% more capital funds per trip in 2011, and moved up three rank positions.

SUBURBAN BUS

The peers selected for Pace bus include relatively large bus systems that operate in predominantly suburban areas. They each operate adjacent to a major city with service area populations ranging from 737,000 in San Mateo to 5.6 million in Chicago. In addition to serving the largest population, Pace serves the largest geographic region, at more than triple the size of the next largest peer. The peers differ in the extent to which they may provide some urban service within their service mix. None is the primary service provider for the major metropolitan area to which they are adjacent, although some have smaller cities (populations 300,000 to 400,000) within their service regions such as Oakland, served by AC Transit, and Anaheim, served by OCTA. However, both AC Transit and OCTA have peak fleet sizes comparable to Pace (500-600 buses) and a somewhat flatter peak to base ratio as does Pace. SMART, MTA LI Bus and SamTrans match Pace more closely in the overall suburban character of their service area, but operate smaller fleets (200-300 buses) and, in the case of SMART and LI Bus, have higher peak to base ratios.

Pace bus operations performed most favorably in the areas of service efficiency and effectiveness (again ranking first for operating cost per vehicle revenue hour and operating cost per passenger mile). Pace bus performance in the service maintenance and capital investment category was on par with its peers in 2011 whereas it had been above the peer average in 2010. Service level solvency measures continued to present a challenge for Pace Suburban Bus, with all four measures below the peer average. Although fare revenues were up 8.3% compared to 2010, this increase was not enough to change its ranking among peers, and capital expenditures were nearly halved, causing a drop of two rank positions.

Pace Suburban Bus Peer Comparison		Performs better than peer average	
		2010	2011
Service Coverage	Passenger Trips per Vehicle Revenue Hour	NO	NO
	Passenger Trips per Vehicle Revenue Mile	NO	NO
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	YES	YES
	Operating Cost per Passenger Mile	YES	YES
	Operating Cost per Passenger Trip	EQUAL	YES
Service Maintenance and Capital Investment	Average Age	YES	EQUAL
	Miles Between Major Mechanical Failures	YES	EQUAL
Service Level Solvency	Fare Revenue per Passenger Trip	NO	NO
	Fare Revenue per Passenger Mile	NO	NO
	Fare Recovery Ratio	NO	NO
	Capital Funds Expended per Passenger Trip	EQUAL	NO

'Equal' ranking denotes a value that is +/- one-tenth of one standard deviation from the peer average.

This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.

SUBURBAN BUS

Peer Modal Characteristics

Pace Suburban Bus provides service to a much larger population than its peers spread over a far broader network, as evidenced by having the largest service area and the lowest population density of its peers. Pace operates the most directional route miles, with the most vehicle revenue miles, yet experiences only the third-highest number of passenger trips.

Suburban Bus Overview Modal Characteristics	PACE	SMART	OCTA	MTA LI BUS	SAMTRANS	AC TRANSIT
	Suburban Chicago	Suburban Detroit	Suburban Los Angeles	Suburban New York	San Mateo County	Suburban San Francisco
Service Area Population	5,630,238	3,734,090	2,787,432	1,344,436	737,100	1,415,129
Service Area (square miles)	3,519	1,074	465	285	97	364
Population Density	1,600	3,477	5,994	4,717	7,599	3,888
Directional Route Miles	4,121	1,646	2,074	746	950	1,254
Vehicle Revenue Miles (millions)	20	11	19	10	6	19
Vehicle Revenue Hours (millions)	1.43	0.64	1.54	0.90	0.59	1.69
Passenger Trips (millions)	31	11	51	30	14	57
Passenger Miles (millions)	197	78	207	151	64	187
Operating Cost (millions)	$153	$81	$177	$131	$98	$285
Fare Revenue (millions)	$29	$14	$46	$46	$18	$51
Capital Funds Expended (millions)	$17	$8	$7	$17	$14	$27
Average Speed (mph)	13.9	16.5	12.3	11.5	10.9	11.4
Average Trip Length (miles)	6.4	7.3	4.0	5.0	4.7	3.3
Average Vehicle Passenger Capacity	46.6	46.2	71.3	54.5	60.5	70.6
Average Vehicle Age (years)	7.1	8.5	6.4	5.9	6.8	8.1
Vehicles Operated in Maximum Service	596	233	454	255	248	493
Peak to Base Ratio	1.23	2.03	1.24	1.54	1.70	1.63

Directional Route Miles: Pace's routes cover twice the miles of its nearest peer, OCTA. Three agencies, including Pace, reported increased directional route miles in 2011.

Passenger Trips: Pace was the only agency to see a positive result for 2011, with a 4.6% increase in ridership over 2010. Pace had the third-largest suburban bus ridership, surpassing MTA LI Bus in New York.

Vehicle Revenue Miles: Each agency reported fewer vehicle revenue miles in 2011, with AC Transit experiencing the sharpest decline of nearly 11%.

Passenger Miles: Two agencies reported increased passenger mileage in 2011, including Pace at +4.0% compared to 2010.

Operating Cost: Pace's operating cost increase of 1.6% was below the 2.7% inflation rate for 2011 and was the smallest percentage increase of the three agencies with higher operating costs compared to 2010.

Fare Revenue: Pace experienced an 8.3% gain in fare revenue without implementing a fare increase in 2011, the second-highest gain among its peers for this measure. The fare revenue gain was related to passenger growth and the discontinuance of the Seniors free-ride program in September 2011.

Capital Funds Expended: Following 2010's 32% increase in capital funds expenditures, Pace experienced a 45.7% drop in 2011. Double- and triple-digit variances were experienced by each peer agency, as capital funds are quite variable from year to year.

Average Speed: Pace had the second-highest average speed at 13.9 miles per hour, 0.1 mile per hour more than in 2010.

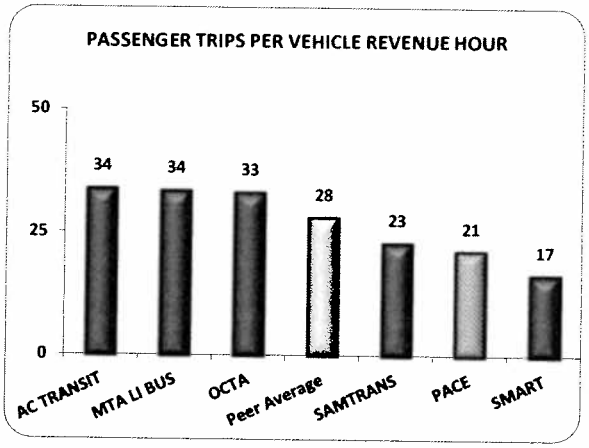
Average Trip Length: Pace bus riders rode an average of 6.4 miles per trip, the second-longest average trip length among the peers, which ranged from 3.3 (AC Transit) to 7.3 (SMART) miles.

Average Vehicle Passenger Capacity: Pace buses have an average passenger capacity of 46.6, the second lowest of the peer agencies, which range from 46.2 (SMART) to 71.3 (OCTA).

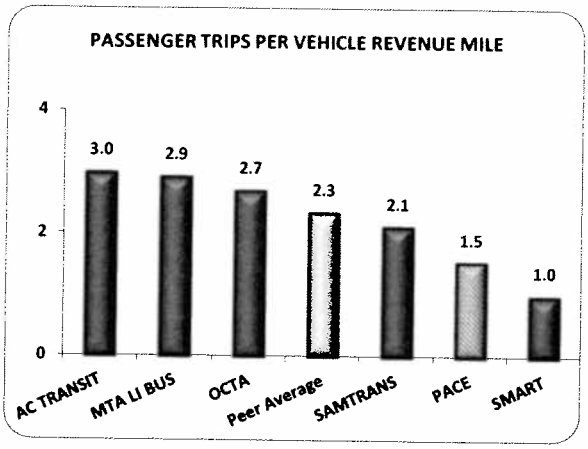
SUBURBAN BUS

Service Coverage

Following a zero percent growth rate in 2010, Pace had a 4.6% ridership increase in 2011 as the regional economy began to improve and gas prices remained high. Combined with some declines in vehicle revenue hours and vehicle revenue miles resulting from service restructuring and route eliminations, Pace's performance in the service coverage areas did see some improvement yet maintained its fifth-place rank position for each measure. Pace's service coverage ratios are hampered by its large geographic service area and low population density.



Pace's population density is less than half to one-quarter of its peers. Pace's passenger trips per hour increased 5.6% as a result of the increase in ridership paired with a 1% decrease in vehicle revenue hours, partially caused by one less weekday service in 2011 due to a severe snow storm. Although Pace was the only agency among its peers to experience a ridership increase for the year, it maintained its rank position.

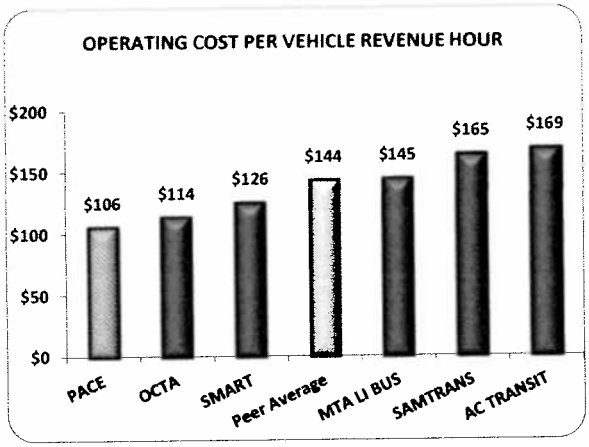


Pace reported the highest percentage increase of the peer group for this measure in 2011, improving 5% from 2010. All six agencies reported fewer vehicle revenue miles, with decreases ranging from 0.4% (Pace) to 10.9% (AC Transit).

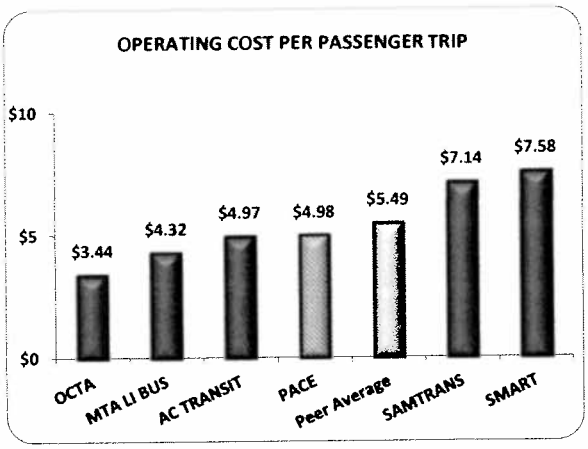
SUBURBAN BUS

Service Efficiency and Effectiveness

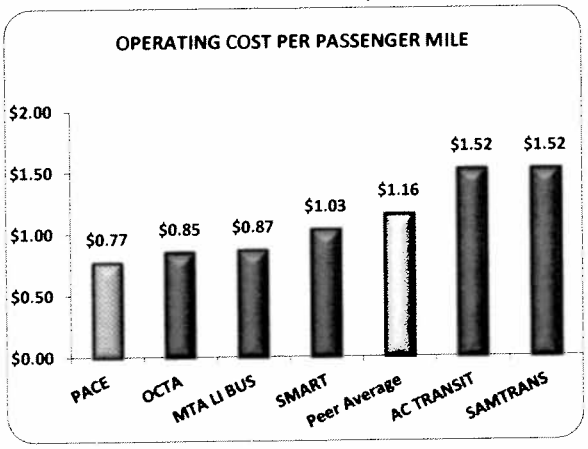
As it had in 2010, Pace reported the lowest operating cost per vehicle revenue hour and per passenger mile. Holding operating cost increases to 1.6% allowed Pace to maintain favorable performance compared to its peers for each of the service efficiency and effectiveness measures.



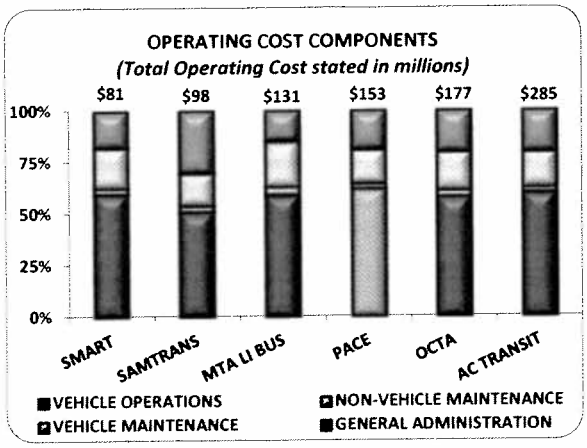
Five agencies reported fewer vehicle revenue hours for 2011, including Pace at -1%, while one remained even with 2010 (SMART). Pace's operating cost increased by $2 to $106 per vehicle revenue hour, partially due to increased fuel costs and new union negotiations, but still remained 27% lower than the peer average.



Pace was one of two agencies (with OCTA) to report a decrease in operating cost per passenger trip, although Pace can attribute its favorable performance to ridership increases whereas OCTA attained this via service reductions.



A 4.0% gain in passenger miles enabled Pace to report a 2.3% reduction in operating cost per passenger mile and to maintain its top-ranked position among its peers for this measure.

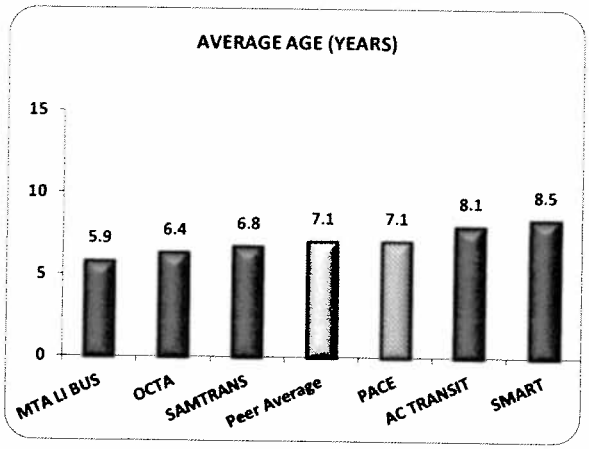


Pace does not spend disproportionate amounts among any of the operating cost components compared to its peers.

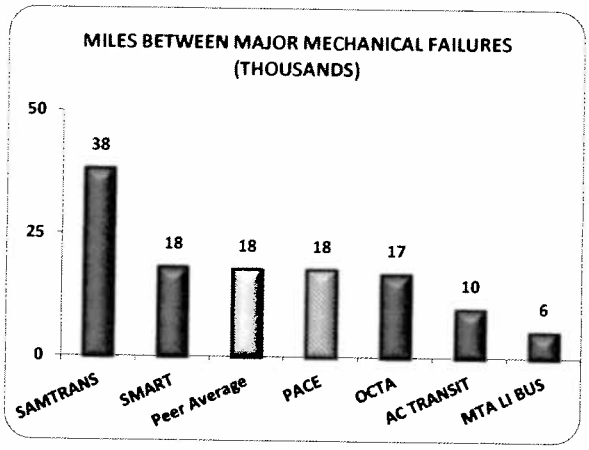
SUBURBAN BUS

Service Maintenance & Capital Investment

The average age of Pace buses increased by 13.3% in 2011 to 7.1 years, the largest increase among its peers, moving Pace to a rank position below the peer average from one above the average in 2010.



Two agencies reported younger average age fleets as compared to 2010; most notably, the average age of SAMTRANS buses was 29% lower than last year as the agency received delivery of the last of its order of 135 new buses, replacing over half of its fleet since August 2009.

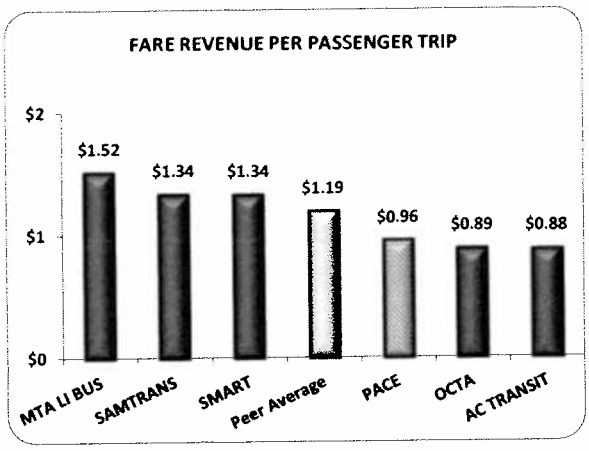


Pace reported a 5.3% decline in mileage between major mechanical failures. Pace has more than twice the number of buses in peak service than three of its peers; additionally, severe weather in February caused a sharp increase in road failures. Despite these issues, Pace maintained its third-place rank position for this indicator, and its performance is now roughly equal to the peer average.

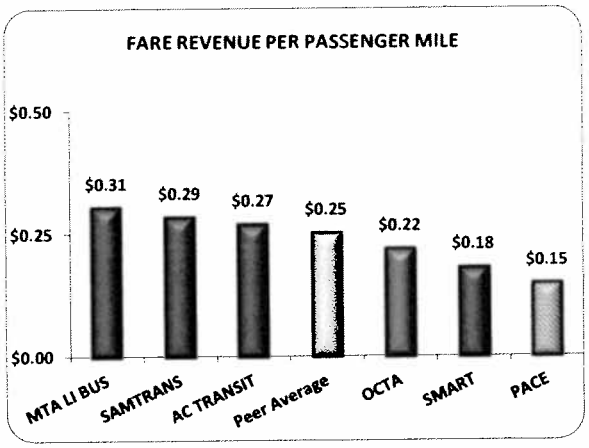
SUBURBAN BUS

Service Level Solvency

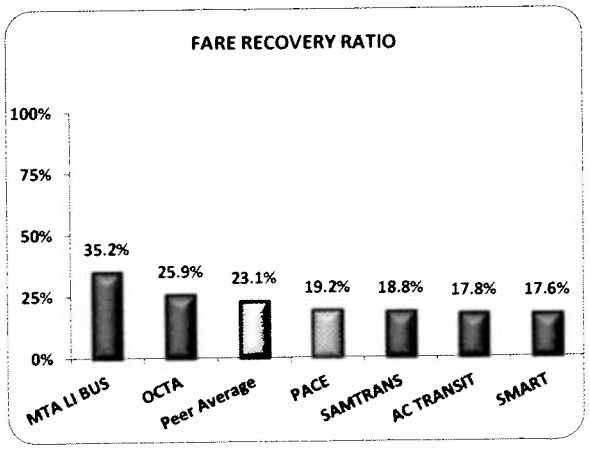
Increased 2011 ridership resulted in improved performance for the three indicators that include fare revenues for Pace, although its rank position remained unchanged for fare revenue per passenger trip and fare revenue per passenger mile and improved one rank position for fare recovery ratio. Capital funds expenditures were nearly halved in 2011; however, Pace's position among its peers remained unchanged when expressed on a per-trip basis.



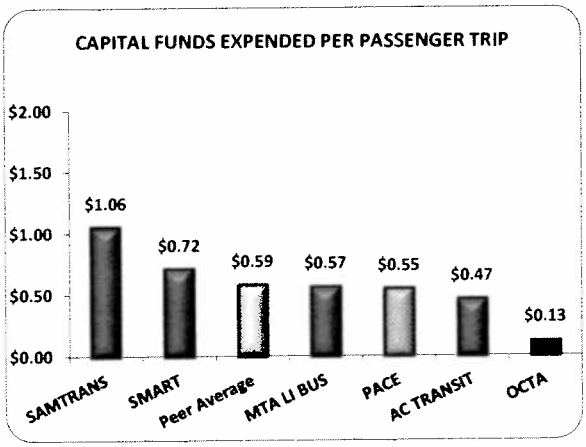
Each agency saw improvement for this measure compared to 2010 although Pace was the only agency to see ridership gains for the year.



Pace's fare revenue per passenger mile increased by $0.01, significantly below the peer average of $0.25 and placing Pace in the last place position for 2011.



With an 8.3% gain in fare revenues, Pace realized a 1.2 percentage point gain for its fare recovery ratio in 2011, one of four agencies to show improvement over 2010 for this measure.



Pace dropped two rank positions as its capital fund expenditures per passenger trip declined by more than 48%. Such swings are not unusual for this indicator, which ranged from a decline of 11% (SMART) to a gain of 247% (AC Transit) in comparison to 2010.

VANPOOL

For Pace vanpool service, peers were chosen from the largest vanpool providers in the country since Pace operates one of the nation's largest programs. Agencies that provided fixed-route bus service along with their vanpool operations were considered and those that were operated by either the region's Metropolitan Planning Organization (MPO) or Department of Transportation (DOT) were excluded.

The Pace vanpool program's overall 2011 performance was similar to 2010, with strong performance relative to its peer averages for the service efficiency and effectiveness measures operating cost per vehicle revenue hour and operating cost per passenger trip. Pace vanpool experienced improvements for each element comprising service coverage: vehicle revenue hours, vehicle revenue miles, passenger trips, and passenger miles. However, Pace maintained its rank positions for the service coverage measures passenger trips per vehicle revenue hour and passenger trips per vehicle revenue mile. Pace is below the peer average because of the type of vanpools operated with smaller vehicles. Pace's operating cost increases exceeded inflation rates, but were offset by gains seen for passenger miles and vehicle revenue hours, which produced better than average service efficiency and effectiveness measures. With an aging fleet of vehicles due for replacement, Pace lost rank position for average fleet age and miles between major mechanical failures in 2011. Pace realized improvement in fare revenue yet lost ground in comparison to its peers for fare revenue per passenger mile, and held below the peer average for fare revenue per passenger trip and fare recovery ratio.

Pace Vanpool Peer Comparison		Performs better than peer average	
		2010	2011
Service Coverage	Passenger Trips per Vehicle Revenue Hour	NO	NO
	Passenger Trips per Vehicle Revenue Mile	NO	NO
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	YES	YES
	Operating Cost per Passenger Mile	NO	NO
	Operating Cost per Passenger Trip	YES	YES
Service Maintenance and Capital Investment	Average Age	NO	NO
	Miles Between Major Mechanical Failures	NO	NO
Service Level Solvency	Fare Revenue per Passenger Trip	NO	NO
	Fare Revenue per Passenger Mile	YES	EQUAL
	Fare Recovery Ratio	NO	NO

'Equal' ranking denotes a value that is +/- one-tenth of one standard deviation from the peer average.

This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.

VANPOOL

Peer Modal Characteristics

The Pace vanpool program covers the largest service area and serves the second-largest population of its peers but remains the fourth-largest program as determined by fleet size, passenger trips, passenger miles, operating expenditures, and fare revenue. Pace vanpools operate the second-shortest average trip length at the slowest average speeds.

Vanpool Overview Modal Characteristics	PACE	DART	HOUSTON METRO	LA METRO	KING COUNTY METRO	MADISON COUNTY
	Chicago	Dallas	Houston	Los Angeles	Seattle	St. Louis
Service Area Population	5,630,238	2,270,840	3,527,625	8,626,817	1,942,600	232,298
Service Area (square miles)	3,519	689	1,285	1,513	2,134	189
Population Density	1,600	3,296	2,745	5,702	910	1,229
Vehicle Revenue Miles (millions)	9.5	3.8	9.8	23.5	12.5	1.9
Vehicle Revenue Hours (thousands)	313	95	298	519	335	48
Passenger Trips (thousands)	1,779	985	2,412	2,995	3,123	295
Passenger Miles (millions)	40.8	39.1	67.6	131.9	63.4	9.8
Operating Cost (millions)	$7.0	$2.3	$12.7	$11.3	$10.0	$1.9
Fare Revenue (thousands)	$3,676	$754	$7,729	$12,722	$9,460	$476
Capital Funds Expended (millions)	$1.8	$0	$0	$0	$7.3	$0.4
Average Speed (mph)	30.3	40.0	33.0	45.3	37.5	40.9
Average Trip Length (miles)	23.0	39.7	28.0	44.0	20.3	33.3
Average Vehicle Passenger Capacity	9.5	13.1	11.1	8.6	8.8	14.4
Average Vehicle Age (years)	4.1	0.9	2.9	N/A	4.6	4.1
Vehicles Operated in Maximum Service	641	200	696	1,059	1,085	98

Passenger Trips: After losing 3.2% of its ridership in 2010, Pace ridership rebounded and ended up 1.6% higher for 2011.

Vehicle Revenue Miles: Four agencies saw improvement in vehicle revenue miles for 2011, ranging from 2.0% (Pace) to 14.3% (LA Metro).

Vehicles Operated in Maximum Service: Three vanpool programs expanded operations in 2011, including Pace with 36 new vanpools. LA Metro continued its explosive growth, adding 152 vanpools and surpassing 1,000 vanpools in operation since starting its program in 2007.

Passenger Miles: Five of the six agencies reported increased passenger miles compared to 2010, including Pace, which experienced the second-largest gain at 8.9%. Madison County was the only agency to report fewer passenger miles, as it had for each service coverage element.

Operating Cost: Each agency except Madison County reported increased operating cost in 2011; the St. Louis agency had declines in each element of service coverage for the year which resulted in a 0.7% decrease in cost. Pace's operating costs rose 2.9% in 2011, the second-lowest increase noted among its peers.

Fare Revenue: Each agency reported gains in fare revenues, from 1.2% (Madison County) to 26.9% (DART). Pace's 2.7% increase was the second-lowest and almost completely offset the 2.9% gain in operating cost for the year. With over half of its vanpool program operating as reduced-fare ADA service, Pace is unique among its peers and accordingly receives less in fare revenues than a similarly-sized traditional vanpool service would generate.

Average Speed: Pace's vanpools posted the largest drop for this indicator (-5.1%), for an average speed of 30.3 miles per hour, 9 miles per hour lower than the peer average. Pace's average speed may be hampered by the lack of high-occupancy vehicle (HOV) lanes, which is available to vanpools in Dallas, Houston, Los Angeles, and Seattle.

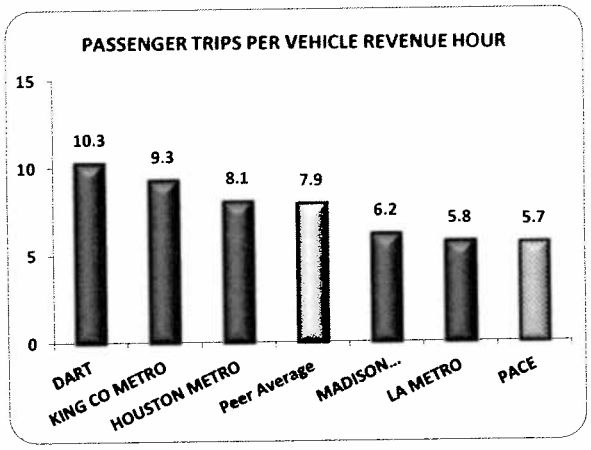
Average Trip Length: The average trip length for Pace vanpools was 23.0 miles, a 7.2% increase over 2010. With peer trip lengths ranging from 20.3 to 44.0 miles, Pace's average trip length was the second-shortest among its peers.

Average Passenger Capacity: Pace vanpools operate a mix of vehicle types, from minivans to 14-passenger maxivans, with an overall average capacity of 9.5 passengers. In comparison, the peer agencies have an average passenger capacity of 11.2 passengers.

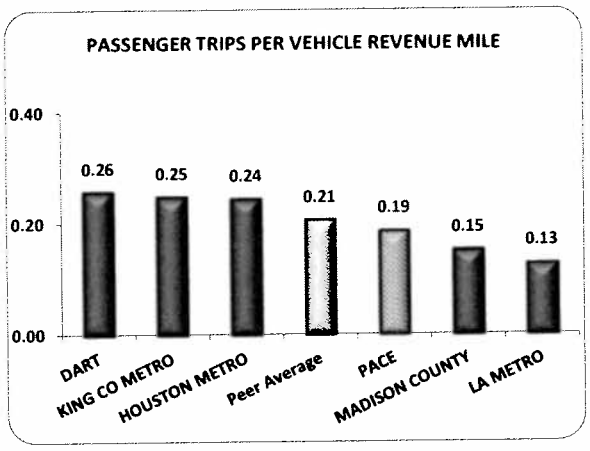
VANPOOL

Service Coverage

2011 saw a rebound in vanpool ridership for four of the six agencies under review. Pace posted the lowest gain at 1.6%, while LA Metro continued its expansion with a 9.9% growth rate. Pace's smaller average vehicle size contributes to performance below the peer average on these vehicle-based measures. Ridership may also be negatively affected by the lack of high-occupancy vehicle (HOV) lanes on Chicago-area roadways.



Significant increases in vehicle revenue hours more than offset ridership gains for four of the agencies, resulting in reductions in passenger trips per vehicle revenue hour and signaling reduced service effectiveness. Pace posted a 5.5% reduction for this measure in 2011, maintaining its last-place ranking among its peers and 28% below the peer average.

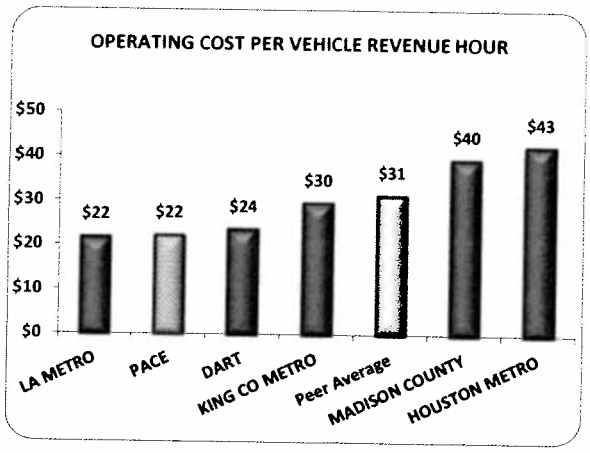


Increases in vehicle revenue miles also outweighed ridership gains for four of the agencies, resulting in a reduction of passenger trips per vehicle revenue mile. For Pace, this reduction measured 0.5%, for a result of 0.19 trips per revenue mile, slightly below the peer average of 0.21.

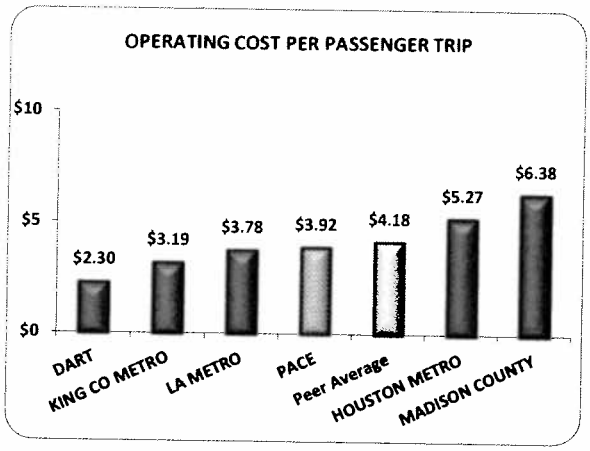
VANPOOL

Service Efficiency and Effectiveness

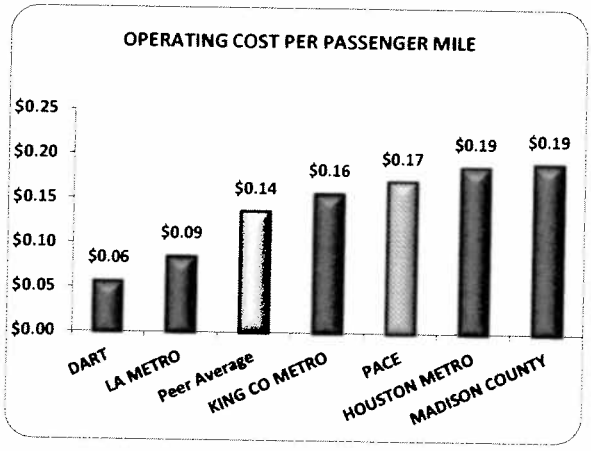
In contrast to 2010, the Pace vanpool program showed positive gains for vehicle revenue hours, vehicle revenue miles, passenger trips, and passenger miles in 2011, as did three other peer agencies (DART, LA Metro, and King County Metro). While Pace's rank position held steady for operating cost per vehicle revenue hour and operating cost per passenger trip, it moved from sixth place to fourth for operating cost per passenger mile.



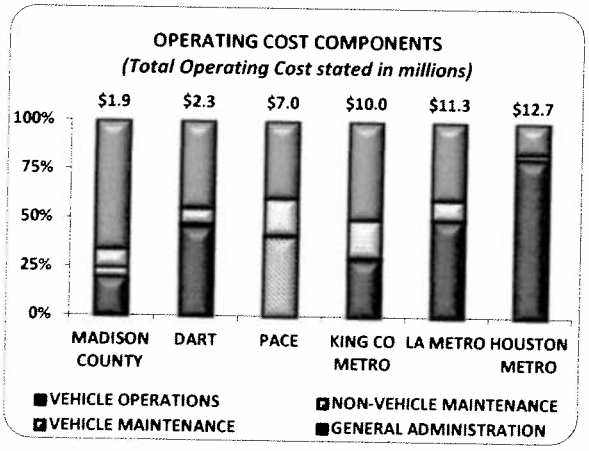
Pace vanpool's cost per vehicle revenue hour decreased by $0.99 in 2011, a 4.3% drop, due to a 7.5% increase in vehicle revenue hours versus a 2.9% increase in operating costs. Pace maintained second-place rank behind LA Metro, but narrowed the difference between their relative performance.



The peer average for this measure increased by $0.15 in 2011. Pace's ridership gain of 1.6% was not enough to completely offset its 2.9% increase in operating cost, resulting in a $0.05 increase for this indicator. There were no rank changes in 2011 for this measure.



With the largest decrease in operating cost per passenger mile (5.5%), Pace moved from sixth to fourth place for this measure.

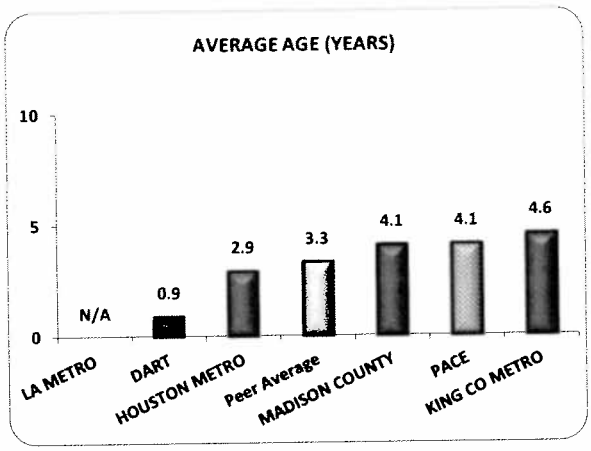


Pace's operating cost components are on par with DART and King County Metro, the other two directly-operated vanpool programs.

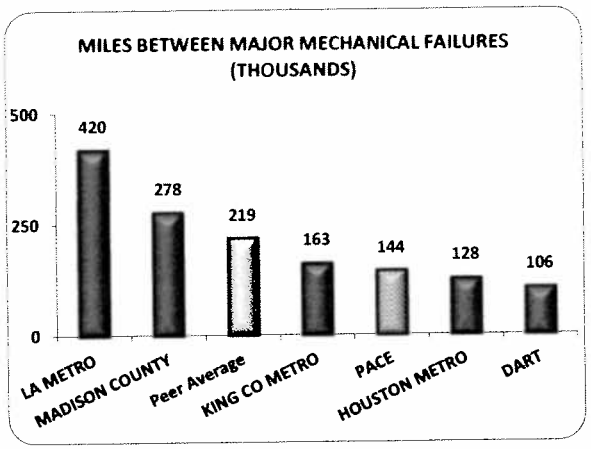
VANPOOL

Service Maintenance & Capital Investment

Pace dropped one rank position for each of the service maintenance and capital investment measures. The average age of Pace vanpool vehicles rose from 3.6 in 2010 to 4.1 in 2011. The number of major mechanical failures increased by 15 in 2011, reducing the miles between mechanical failures from 183,000 to 144,000, a 21% reduction.



DART replaced all but one of its vanpool vehicles in 2010, so none of its vehicles are beyond their useful life. With an average age of 4.1 years, nearly half of Pace's vans are beyond their useful life and are due for replacement. Likewise, King County Metro and Madison County fleets are also getting older, with 52% and 61% of their vehicles beyond useful life, respectively.

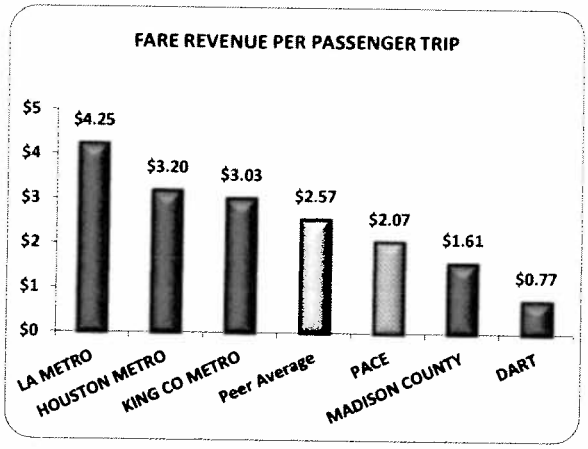


LA Metro, with nearly double the total annual vehicle miles traveled of its closest peer, ranked first for miles between major mechanical failures. Pace experienced a 21% decline for this ratio due to a 29% increase in major mechanical failures during the year, and lost one rank position.

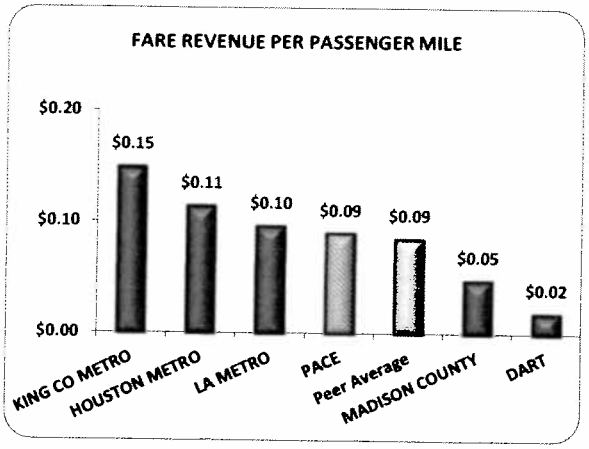
VANPOOL

Service Level Solvency

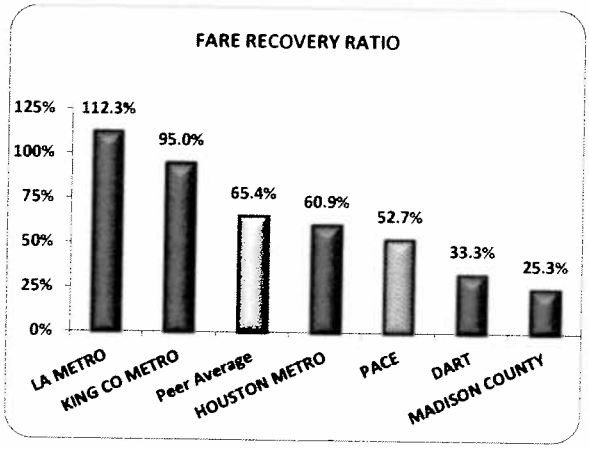
Pace vanpool maintained its ranking for each of the three service level solvency indicators in 2011 despite reductions in fare revenue per passenger mile and the fare recovery ratio.



All six agencies reported increased fare revenue in 2011, ranging from 1.2% (Madison County) to 26.9% (DART). Pace's fare revenue increase was 2.7%, bringing its fare revenue per passenger trip up $0.03 to $2.07 for the year. With over half of its vanpools providing reduced fare service for ADA eligible riders, Pace receives significantly lower fare revenues than traditional vanpool operators.



Despite a 2.7% increase in fare revenue for the year, Pace experienced a 5.6% decline for this measure due to the significant 8.9% increase in passenger miles traveled. Four agencies reported double-digit increases for this indicator in 2011 (DART, Houston Metro, LA Metro, and Madison County)



Pace vanpool maintained its rank position for fare recovery ratio, with fare revenue increases nearly matching increases in operating cost; its fare recovery ratio was 52.7% in 2011 versus 52.8% in 2010. LA Metro continues to recover more than 100% of its operating cost through the use of fare subsidies provided by state and federal grant programs that contribute up to half the cost of monthly vanpool fares.

DEMAND-RESPONSE/ADA

The peers selected for Pace demand-response/ADA were chosen from systems that provide region-wide complementary ADA service for a fixed-route system of similar size and complexity as the combination of Pace and CTA services that exists in Chicago. Fixed-route systems that provided both bus and heavy rail service were examined and as a result, the peers for ADA service closely mirror the CTA peers. The MTA in Baltimore was included because it is a region-wide provider of ADA service for a multi-modal fixed-route system.

The NTD category 'demand-response' includes services that are initiated through a passenger request. These services encompass ADA paratransit programs, which are operated on smaller vehicles and use a reservation system. The demand-response category also includes programs such as Pace's dial-a-ride program, which is a pre-arranged trip service not restricted to ADA-certified passengers, but supporting similar community goals of providing fuller transportation access. Most transit agencies combine reporting of all their demand-response programs to NTD. Pace, however, reports its ADA paratransit data as a separate entity. Therefore, two types of comparison were conducted for Pace's demand-response services: one reporting ADA paratransit service by itself and one reporting combined ADA and dial-a-ride (DAR) service.

Whether examined on its own or in combination with dial-a-ride service, Pace's ADA program continued to perform well compared to its peers. Improvements were noted in service coverage and service efficiency and effectiveness measures, with some upward movement in rankings. Declines were noted for each service level solvency measure although Pace maintained a ranking better than or equal to its peers for each of those indicators.

Pace Demand-Response/ADA Peer Comparison		Performs better than peer average			
		ADA		ADA/DAR	
		2010	2011	2010	2011
Service Coverage	Passenger Trips per Vehicle Revenue Hour	YES	YES	YES	YES
	Passenger Trips per Vehicle Revenue Mile	NO	NO	EQUAL	NO
Service Efficiency and Effectiveness	Operating Cost per Vehicle Revenue Hour	EQUAL	NO	NO	NO
	Operating Cost per Passenger Mile	YES	YES	EQUAL	YES
	Operating Cost per Passenger Trip	YES	YES	YES	YES
Service Maintenance and Capital Investment	Average Age	YES	YES	YES	YES
	Miles Between Major Mechanical Failures	NO	NO	NO	NO
Service Level Solvency	Fare Revenue per Passenger Trip	YES	YES	YES	YES
	Fare Revenue per Passenger Mile	YES	YES	YES	EQUAL
	Fare Recovery Ratio	YES	YES	YES	YES

'Equal' ranking denotes a value that is +/- one-tenth of one standard deviation from the peer average.

This report defines fares above the peer average as favorable based on industry standards for reporting passenger revenue effectiveness. However, regional decision makers may prefer fares lower than the peer average for public policy considerations.

DEMAND-RESPONSE/ADA

Peer Modal Characteristics

The following section separates out Pace ADA paratransit service as a separate entity and also provides a combination of ADA and dial-a-ride (DAR) services, which may be more comparable to the selected peer agencies. Pace offers the second-largest demand-response service among its peers, following New York City Transit, in terms of vehicle revenue miles, passenger trips, operating cost and fare revenue, even if dial-a-ride service is excluded from consideration.

Demand-Response Overview Modal Characteristics	PACE ADA	PACE ADA/DAR	MTA	MBTA	NYCT	SEPTA	WMATA
	Chicago		Baltimore	Boston	New York	Philadelphia	Washington, DC
Service Area Population	6,133,307		2,203,663	4,181,019	8,008,278	3,331,558	3,719,567
Service Area (square miles)	1,301		1,795	3,244	321	868	950
Population Density	4,714		1,228	1,289	24,948	3,838	3,915
Vehicle Revenue Miles (millions)	27.6	32.7	10.9	18.8	62.7	10.0	22.4
Vehicle Revenue Hours (millions)	1.89	2.22	0.95	1.57	5.31	1.00	2.10
Passenger Trips (thousands)	3,416	4,661	1,663	2,360	5,905	1,794	2,336
Passenger Miles (millions)	29	37	12	16	68	12	19
Operating Cost (millions)	$125	$149	$64	$99	$435	$51	$110
Fare Revenue (millions)	$8.5	$10.2	$2.1	$4.1	$11.3	$6.2	$4.3
Average Speed (mph)	14.6	14.7	11.5	12.0	11.8	10.0	10.7
Average Trip Length (miles)	8.5	7.9	7.2	6.8	11.5	6.5	8.3
Average Vehicle Passenger Capacity	7.0		10.0	6.5	4.7	9.6	5.0
Average Vehicle Age (years)	2.2		3.5	4.3	3.3	2.6	1.5
Vehicles Operated in Maximum Service	783		354	702	1,893	366	741

Passenger Trips: Pace ADA reported a 23.4% increase in passenger trips for the year; however, companion and personal care attendant data were included in the 2011 data for the first time. Comparable data between 2010 and 2011, excluding companions, show a 7.0% increase in passenger trips.

Vehicle Revenue Miles: Pace ADA saw an 8.7% increase in vehicle revenue miles compared to 2010, surpassed only by MBTA which was 13.0% higher. On a combined basis, Pace ADA/DAR vehicle revenue mileage was 5.3% higher than last year.

Vehicles Operated in Maximum Service: Since Pace ADA and DAR programs share vehicles, one figure is reported. NYCT and WMATA saw significant fleet reductions of 19.4% and 31.6%, respectively while Pace reduced its fleet size by 1%.

Passenger Miles: Pace reported a 27.2% increase in ADA passenger miles and 20.4% increase in combined ADA/DAR passenger miles, although these results were skewed by the inclusion of companions and personal care attendants in 2011.

Operating Cost: Pace ADA operating costs rose 9.2% in 2011, higher than inflation but not out of line with its peers, which increased as much as 13.0% (MBTA). (For demand-response service, provision of additional passenger trips requires additional service with the corollary increases in costs.) In contrast to its peers, however, each of Pace's service elements (vehicle revenue hours, vehicle revenue miles, passenger trips, and passenger miles) was higher compared to 2010.

Fare Revenue: Pace ADA fare revenue was essentially flat with a difference of $106 between 2011 and 2010.

Average Speed: Pace posted the highest average speeds of its peers – 15.5 miles per hour for DAR and 14.6 miles per hour for ADA.

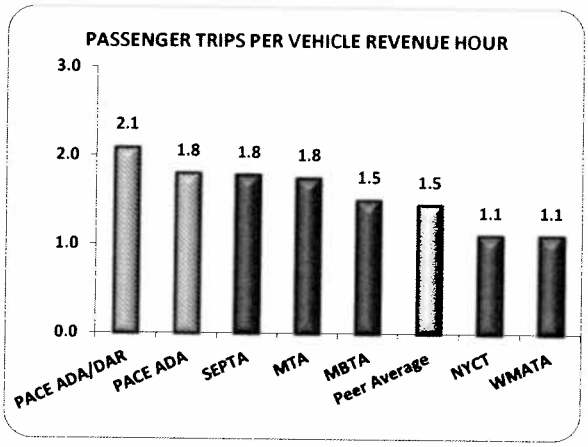
Average Passenger Capacity: Pace dial-a-ride operates the largest capacity vehicles, with an average seating capacity of 13.3. Pace's ADA program uses the third-largest capacity vehicles with an average capacity of 7.0 passengers, down from the 8.4 passenger capacity average of 2010.

DEMAND-RESPONSE/ADA

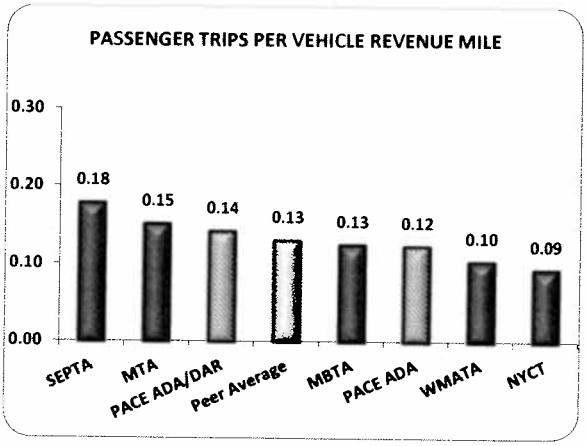
Service Coverage

The Pace ADA program is the second-largest among its peers, with New York having the largest program in the country. By itself, the ADA program provided 3.4 million passenger trips in 2011; combined with dial-a-ride service, the Pace demand-response service mode provided 4.7 million passenger trips. Although Pace included companion and personal care attendant trips for the first time in 2011, its rankings among peers for service coverage measures remained largely unchanged. Pace ADA/DAR service maintained its first-place rank for passenger trips per vehicle revenue hour while the ADA service improved its rank by two positions for this measure. The combined ADA/DAR and ADA services maintained the same rank positions for passenger trips per vehicle revenue mile as in 2010, with ADA service falling below the peer average.

Note: Two types of comparison were conducted with peers for Pace's demand-response services. One reports only Pace ADA paratransit service. The second combines Pace ADA with Pace dial-a-ride (DAR) service since the peer agencies report these services together to NTD.



Pace's ADA program saw a 14.4% increase in passenger trips per hour, from 1.6 in 2010 to 1.8 in 2011. Factoring in dial-a-ride service, passenger trips per vehicle revenue hour went from 1.9 to 2.1 in 2011. Pace ADA moved up two rank positions in 2011, ending up 19% higher than the peer average for this measure.

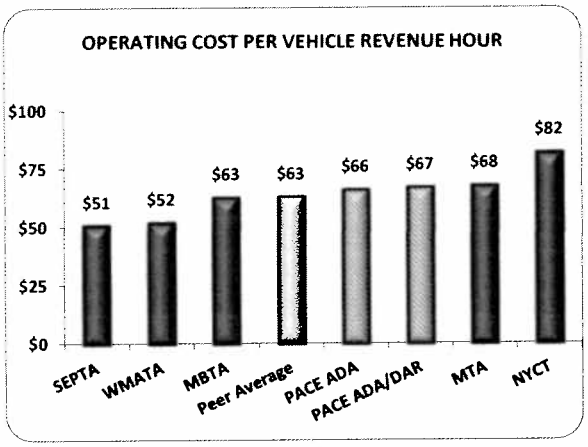


Pace ADA and combined ADA/DAR services attained an improvement of 0.01 trips per vehicle revenue mile in 2011; MTA was the only other agency to see an improvement, up 0.02 passenger trips per vehicle revenue mile.

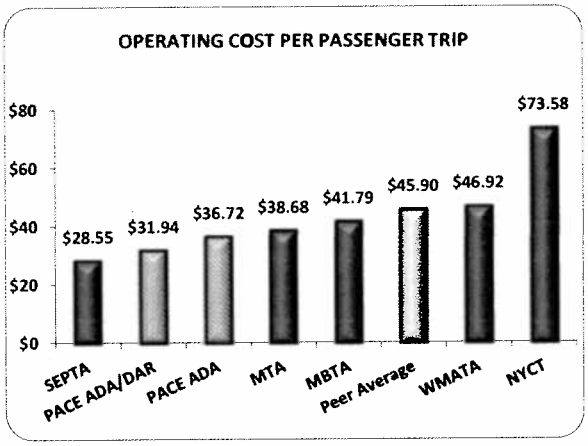
DEMAND-RESPONSE/ADA

Service Efficiency and Effectiveness

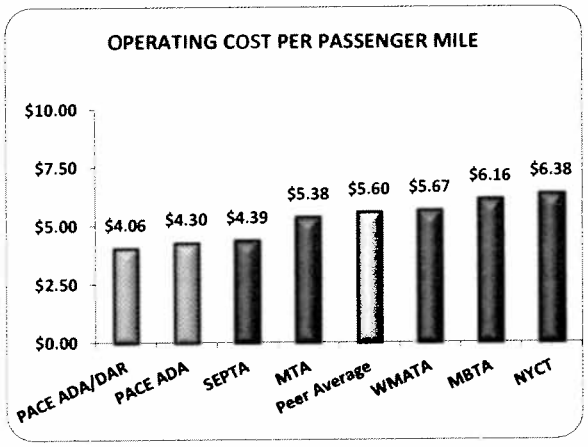
Pace ADA service saw increases for each service coverage element: vehicle revenue hours (+7.9%), passenger trips (+23.4%), and passenger miles (+27.2%) in 2011, which served to offset the 9.2% increase in operating cost for the year.



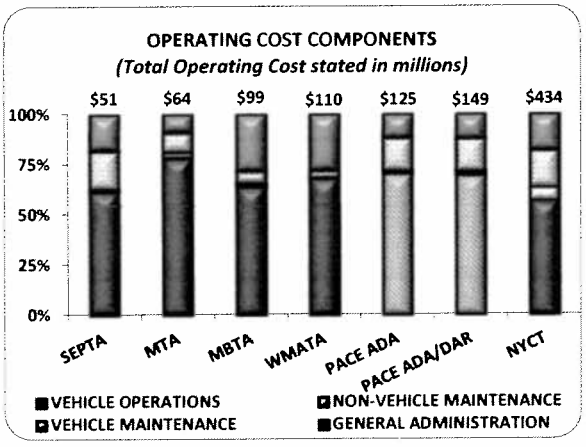
Pace ADA's gain in vehicle revenue hours nearly offset its operating cost increase, for a net increase of 1.3%, or $0.84, in operating cost per vehicle revenue hour. Combined ADA/DAR services cost $2.91 more per hour than in 2010, an increase of 4.5%; both results were higher than the peer average for this measure.



Pace's spike in ridership resulted in decreased operating cost per passenger trip, down 11.5% for ADA and down 4.7% for the combined service. With ridership increases two and a half times the rate of operating cost increases, Pace ADA moved up two rank positions for the year.



Pace ADA and combined ADA/DAR services each moved up two rank positions for this measure, due to the increase in passenger miles. Operating cost per mile decreased 14.1% ($0.71) and 8.6% ($0.38), respectively.

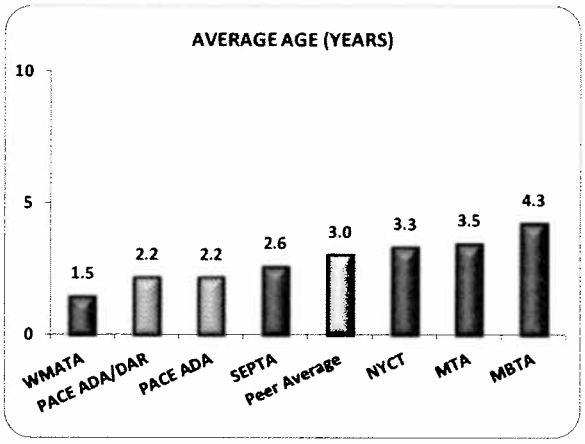


In comparison to its peers, Pace ADA service does not spend disproportionate amounts for any of its operating cost components.

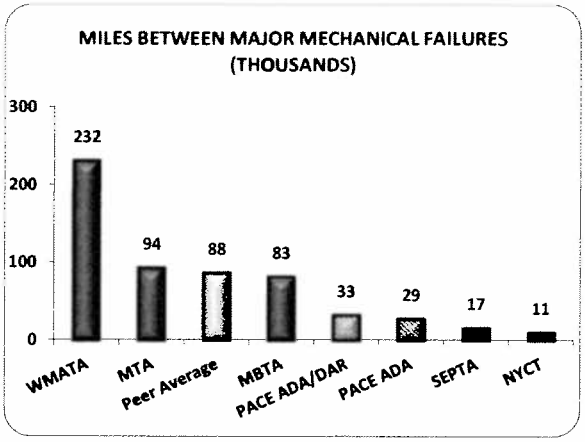
DEMAND-RESPONSE/ADA

Service Maintenance & Capital Investment

Pace fleet vehicles continued to rank among the youngest of its peers, and both Pace services had reductions in the number of major mechanical failures (-8.2% for ADA and -10.7% for DAR) in 2011. However, in comparison to its peers, Pace vehicles experienced the second-highest number of major mechanical failures.



The average age of Pace vehicles increased by one-tenth of a year in 2011. With the exception of seven buses dedicated to dial-a-ride services, Pace ADA and DAR programs share vehicles, so the combined average age of the vehicles is the same.

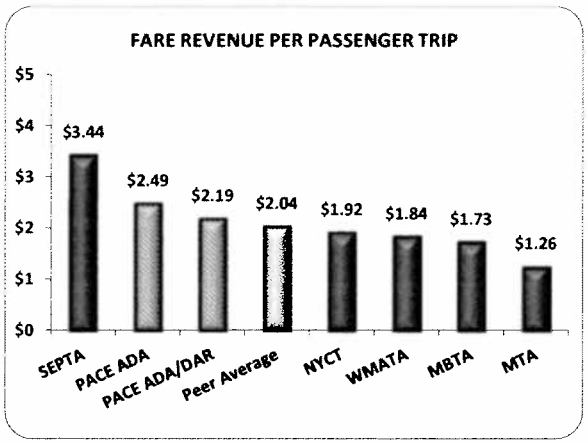


Pace ADA service experienced a 13.9% gain in the miles between major mechanical failures while DAR gained 3.2%, for a combined gain of 11.6%. Their rank positions remained the same as in 2010 due to the relatively low major mechanical incident rate among its peers.

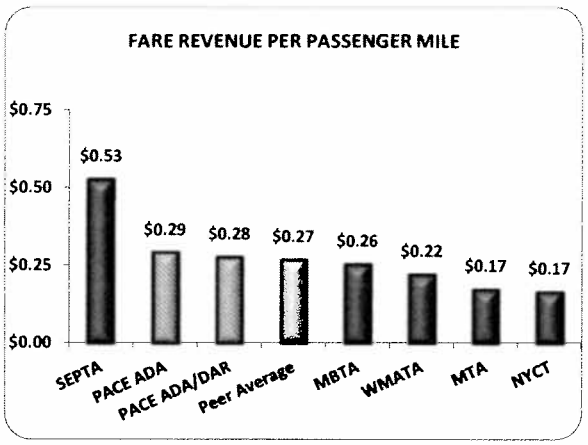
DEMAND-RESPONSE/ADA

Service Level Solvency

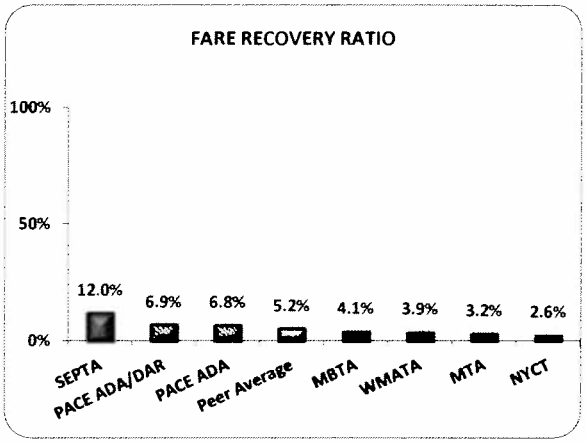
Pace performed better than the peer average and places in the second position following SEPTA for each of the service level solvency measures, as it had in 2009 and 2010. Again, SEPTA performed significantly better than the peer average for all three measures although each of its measures was lower than in 2010.



There have been no rank changes from 2009 for this measure. Pace ADA fare revenue per trip dropped by 18.9%, or $0.58, the largest decrease among its peers, although this is likely due to Pace's reporting changes regarding passenger trips which served to dramatically increase ridership figures. The peer average fare revenue stayed at $2.04 per passenger trip.



Pace ADA and ADA/DAR services maintained their rankings for this measure although ADA decreased $0.08 per passenger mile whereas the peer average increased $0.02. Passenger miles are derived from ridership data, so this measure was also affected by Pace's ridership reporting change in 2011.



Two agencies reported improved fare recovery ratios for 2011: MTA at +1.0 percentage point and MBTA at +0.1 percentage point. Pace ADA was down 0.6 percentage points and the combined ADA/DAR service was down 0.7 percentage points as fare revenues remained level with 2010 while operating costs rose.

110a

Submitted to
Regional Transportation Authority
175 West Jackson Boulevard, Suite 1500
Chicago, IL 60604-2711

REGIONAL TRANSPORTATION AUTHORITY
Capital Asset Condition Assessment

prepared by
URS CORPORATION
in association with
Kristine Fallon Associates, Inc.
LTK Engineering Services
Tecma Associates, Inc.
Raul V. Bravo & Associates
ESA Management and Engineering Consultants
Laramore, Douglas, & Popham

August 2010

This report is confidential and intended solely for the use and information of the agency to whom it is addressed

Regional Transportation Authority

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To the Reader:

The final report summarizes an 18-month effort to assess the condition of existing capital assets of our transit system and provides outline of future replacement, rehabilitation and capital maintenance costs for the Chicago Transit Authority, Metra and Pace. The Capital Asset Condition Assessment will help transit agencies prepare their respective annual capital programs and focus efforts on those improvements intended to bring our transit system to a State of Good Repair (SGR). The major challenge that the system faces is a gradual deterioration of its infrastructure due to a $17 billion shortfall in capital funding over the next 10 years.

Participation on the part of the transit operating agencies was essential to the development of this report. A team comprised of key staff from the RTA, CTA, Metra and Pace worked with outside experts to design and create the inventory framework, collect inventory data, develop a condition ratings system and set criteria for the SGR. The review and sampling of all assets categories, along with the conversion of the collected data resulted in the program needs and costs for each asset.

The report concludes that the RTA region's 10-year capital program need is **$24.6 billion**, broken down to $15 billion for the CTA, $7.4 billion for Metra, and $2.2 billion for Pace. $13.8 billion of the total need is dedicated to backlog costs, $6.9 billion to normal replacement costs and $3.9 billion for capital maintenance costs* (pages 20 and 21 of the report). This total identified need is more than three times larger than the projected funding available during the same time period. The RTA 10-year financial plan projects existing revenue sources to total less than $8 billion, assuming the federal transportation program is reauthorized and the receipt of $2.7 billion of State funding for a net funding shortfall of approximately $17 billion.

The shortage of capital funds needed to support the RTA system will continue to present challenges with regard to achieving a SGR. In fact, our system's infrastructure will move further from that goal as it slowly continues to deteriorate, annually adding $300 million to $13.8 billion of backlog needs. Furthermore, the policy issues related to capital investments for "maintenance" versus "enhancement" and "expansion" will be amplified. Tough decisions will have to be made to preserve our existing infrastructure and transit network while ensuring that our future system develops, coordinates with and supports the region's growth and demographic changes. This funding need poses a significant concern as we all recognize the capital funding to address this growing problem is severely limited. This means that

* The **Backlog** component represents the value placed upon replacement of assets characterized by an age greater than their useful life. These assets are still in service and typically have not been replaced due to a lack of sufficient funding. The **Normal Replacement** component represents the planned replacement cost for assets that will reach the end of their useful life during the 10-year program, 2010-2019. If such assets are not replaced according to schedule, the costs' value of those assets becomes a backlog cost. The **Capital Maintenance** component reflects the cost associated with keeping an asset in a state of good repair.

our riders will confront a less reliable system. Safety remains our highest priority and maintaining awareness of the challenges facing our system helps to ensure its safe operation now and in the future.

The RTA recognizes the commitment, collaboration, cooperation and level of effort each transit agency provided in order for the Capital Asset Condition Assessment to be a success. The RTA is extremely appreciative and pleased to note the exemplary dedication and commitment of the transit agencies personnel during this process. The RTA will continue to work with the CTA, Metra and Pace to advocate for capital on both the federal and state level to ensure our transit system continues to prioritize and work toward a State of Good Repair. Their input for the report was very valuable to the RTA and will help us, with them, obtain support to address our system's funding shortfalls.

Sincerely,

Stephen E. Schlickman
Executive Director

REGIONAL TRANSPORTATION AUTHORITY
Capital Asset Condition Assessment
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Executive Summary

This report summarizes the results of an 18-month effort to assess the condition of existing capital assets for each of the region's three Service Boards: the Chicago Transit Authority (CTA), Metra and Pace. The report's intent is to provide the Regional Transportation Authority (RTA) with a plan for a capital asset condition assessment for each Service Board. The process establishes administrative criteria for the capital replacement, capital rehabilitation and capital maintenance of all assets.

Representatives from the Service Boards assisted in all aspects of this process including: the design and development of the inventory tables, the condition ratings system based on useful life and industry standards, the definition of "State of Good Repair (SGR)," the sampling plan and sampling data.

Asset Information Teams were formed to design and develop the inventory framework. Each Asset Information Team consisted of members representing the RTA, the Service Board and the URS Team. The Asset Information Teams were each associated with an individual Service Board. For discussion purposes at the Asset Information Team meetings, assets were grouped into five asset types:

- Track and Structures
- Electrical/Subway Equipment

- Signals/ Communications/ Fare Collection
- Stations/ Garages/ Facilities
- Rolling Stock

The Asset Information Teams determined the condition rating process that would be used to assess the condition of the Service Board's assets. Early on in the assessment, it was determined that an asset's age would act as the primary "predictor" of an asset's condition. This approach reflected the best approach possible among the Service Boards while taking into consideration the limited resources of each Service Board and the established level of effort available to undertake the overall assessment. To quote the FTA in its report entitled Transit State of Good Repair: Beginning the Dialogue, October, 2008: "Physical asset condition assessment is the best way to measure SGR for individual assets and on an agency-wide basis. Asset age is a second-best proxy . . ."

While in-depth availability of information and data was unavailable for each asset for the Service Boards, sufficient data was collected and satisfactory age estimates were established for nearly all assets of the Service Boards. In some instances (e.g, Metra's rail assets), age data was difficult to ascertain. Thus, an agreement was reached with Metra staff that costs for the regular replacement program would be used to determine 10-year needs in those instances until an accurate inventory could be compiled.

Inventory tables form the basis for the 10-year capital needs assessment. During the process of compiling data for the age-based inventory tables, a number of asset groups were selected for an extremely limited on-site sampling effort. The sampling, representing less than 1% of each asset class, was meant to test the degree of consistency between asset age and the condition of assets in actual field conditions. For the most part, though not in all cases, the results of the limited sampling did generally confirm the condition rating process based on asset age. Clearly, to fully assess assets of all Service Boards, thorough inspections would need to be conducted for all assets.

This initial 10-year capital needs assessment is based on cost components for backlog, normal replacement and capital maintenance (Table i-1). The **backlog** component is the value placed upon the replacement of assets characterized by an age greater than their useful life. These assets are still in service and typically have not been replaced within their useful life due to a lack of sufficient funding. **Normal replacement costs** are the planned replacement cost for assets that will reach the end of their useful life during the 10-year program, 2010-2019. These assets are still in service and would be scheduled for replacement during the 10-year program if sufficient funding were available. The **capital maintenance component** is the cost associated with keeping an asset in a State of Good Repair. Capital maintenance costs are typically significant and anticipated, and are associated with keeping the asset in service for the full term of its useful life. Capital maintenance costs are characterized by replacement or rehabilitation of asset components, but not replacement of the entire asset. Assets in service beyond their useful lives will typically require increased capital maintenance costs.

In addition to backlog, normal replacement and capital maintenance costs, soft and contingency costs were added to the total cost of assets. The majority of soft costs are expended in the planning, engineering, and project management efforts. These services include; in-house agency staff, government related support staff, and the use of consultants for particular tasks. Project

start-up and initiation expenses are also included in this cost category. Contingency costs are costs for unforeseen emergencies or design shortfalls typically identified after a project commences. A contingency cost is included in project costs so that projects can proceed with minimal interruption due to changes or cost overruns. Typically, once the project has been designed and put out for bid, a project budget is established that includes some contingency for these types of potential costs. However, earlier in the planning phase contingency costs are usually estimated higher and are used to reflect additional uncertainty about cost prior to scoping and design.

Future ADA and other code requirements are not addressed as part of the 10-year needs assessment with the exception of Positive Train Control (PTC) which is Federally mandated to be in place by 2015. The CTA systems already have one type of PTC implemented while Metra systems do not.

Table i-1 Definitions of Asset Cost Terms

BACKLOG	**The replacement cost for assets characterized by an age greater than their useful life. These assets are still in service and typically have not been replaced within their useful life due to a lack of sufficient funding.**
NORMAL REPLACEMENT COSTS	**The replacement cost for assets that will reach the end of their useful life during the 10-year program, 2010-2019. These assets are still in service and would be scheduled for replacement during the 10-year program if sufficient funding was available.**
CAPITAL MAINTENANCE COSTS	**The cost associated with keeping an asset in a state of good repair. Capital maintenance costs are typically significant and anticipated and are associated with keeping the asset in service for the full term of its useful life. Capital maintenance costs are characterized by replacement or rehabilitation of asset components, but not replacement of the entire asset. Examples of typical capital maintenance costs are bus overhauls (CTA, Pace), rail car overhauls (CTA, Metra), structure component replacement such as flange angles, foundations or connection angles (CTA, Metra).**
SOFT COSTS	**RAIL & BUS INFRASTRUCTURE COMPONENTS: Additional 22.7% of total base cost including miscellaneous costs related to development of passenger services. RAIL AND BUS ROLLING STOCK AND EQUIPMENT: Additional 15% of total base cost including miscellaneous costs related to development of passenger services. The majority of soft costs are expended in the planning, engineering, and project management efforts. These services include in-house agency staff, government related support staff, and the use of consultants for particular tasks. Project start-up and initiation expenses are also included in this cost category. Project financing cost and an "other" expense line item, which includes any reconciliations and unaccountable costs, comprise the full range of project development capital costs. (Federal Transit Administration definition)**
CONTINGENCY COSTS	**RAIL & BUS INFRASTRUCTURE COMPONENTS: Additional 20% of total base cost including miscellaneous costs related to development of passenger services. RAIL & BUS EQUIPMENT & ROLLING STOCK: Additional 15% of total base cost including miscellaneous costs related to development of passenger services. These costs are budgeted for unforeseen emergencies or design shortfalls typically identified after a project commences. The contingency is included in the budget so the project can proceed with minimal interruption for changes or cost overruns.**

Table i-2 presents a summary of the results of the 10-year needs assessment. The total 10-year needs assessment cost for the CTA is $14.999 billion. The total 10-year needs assessment cost for Metra is $7.373 billion. The total 10-year needs assessment cost for Pace is $2.255 billion. The 10-year needs of each of the Service Boards are based strictly on responsibilities of the agencies and do not include costs, needs or contributions of railroads or other entities.

Table i-2 10-Year Program Needs Summary (000's)*

10-YEAR PROGRAM NEEDS	CTA	Metra	Pace	All Service Boards
Total Backlog	**$10,005,502**	**$3,701,495**	**$114,671**	**$13,821,668**
Total Normal Replacement Costs	**$3,222,138**	**$1,704,253**	**$1,932,499**	**$6,858,890**
Total Capital Maintenance Costs	**$1,771,786**	**$1,967,885**	**$207,688**	**$3,947,359**
Total 10-Year Program Needs	**$14,999,426**	**$7,373,633**	**$2,254,858**	**$24,627,916**
% of Total Program Needs	**60.90%**	**29.94%**	**9.16%**	**100.00%**

*NOTE: All costs include Soft Costs and Contingencies

CONDITION RATING FINDINGS

Asset condition ratings were broken into five categories on a scale from 1 to 5 with 1 representing an asset "past its useful life" and 5 representing a relatively new asset in "excellent" condition. For the purposes of this asset condition assessment, the "State of Good Repair (SGR)" is defined as a condition rating of 3, or "adequate with no backlog." In effect, anything rated 3 or higher is in a SGR Anything rated lower than 3 begins to take on "marginal" aspects and as defined, is in the last quarter of the asset's useful life. The Assessment data provides snapshots of assets within the Chicago region as they relate to a SGR,with associated major capital investment requirements. The largest categories, which represent nearly 75% of the entire 10-year capital needs, are discussed below.

Rail Passenger Cars ($5.86B) The average rating for SGR for all rail passenger cars within the system is currently 2.29, with nearly 42% past their useful life (Figure i-1). In order to assure that assets are in an absolute SGR, there are to be no assets in the category classification of 1 or "Backlog," Therefore, in order to consider the RTA system's rail passenger cars to be in a SGR by 2019, at least 931 of the 2,225 vehicles would need to be replaced during that period. Since assets with rating of 1 are the most difficult and expensive to maintain for the riding public and working employees, this is a prudent and an important factor in defining true SGR. In addition, Replacement and Capital Maintenance would need to occur with the remaining rail passenger cars.

Passenger Train Stations ($5.78B) The average rating for SGR for all train stations within the region currently amounts to 3.00. In reality, more than 39% of the stations are rated a 1, which means that they are past their useful life (Figure i-2). In order to consider the RTA system's train stations to be in a SGR by 2019, 150 or more of the 382 train stations would need to be renovated within that period. In addition, Replacement and Capital Maintenance would need to occur with other stations.

Rail Bridges and Structures ($2.91B) The average rating for SGR for all rail bridges and structures within the region currently tallies 3.26, but with 11% considered beyond their useful life (Figure i-3). Thus, to bring this category to reflect a SGR by 2019, at least 151 of the 1,361 rail bridges and structures would need to be renovated within that period. In addition, Replacement and Capital Maintenance would need to occur with the other bridges and structures.

Fixed-Route Passenger Buses ($2.18B) The average rating for SGR for all fixed-route passenger buses within the RTA system currently tallies 3.46, with nearly two-thirds of them in a state of good repair (Figure i-4). Nevertheless, in order to consider the RTA system's passenger bus vehicle fleet to be in a SGR by 2019, at least 457 of the 2,918 buses that are past their useful life would need to be replaced during that time period. In addition, Replacement and Capital Maintenance would need to occur with the other buses.

Rail Maintenance Facilities ($1.00B) The average rating for SGR for all rail maintenance facilities within the region currently tallies 3.64, while nearly 14% of them are rated 1, or "past their useful life" and more than 8% are rated 2, or "marginal" (Figure i-5). In order to consider the RTA system's rail maintenance facilities to be in a SGR by 2019, at least five of the 36 facilities will need to be renovated within that period. In addition, Replacement and Capital Maintenance would need to occur with other facilities.

Bus Garages ($.89B) The average rating for SGR for all bus garage facilities within our region is 3.37, with nearly 16% rated 1, and another 16% rated 2 (Figure i-6). Thus, in order to consider the bus garages within the RTA system to be in a SGR by 2019, at least 3 of the 19 garages would need to be renovated within that period. . In addition, Replacement and Capital Maintenance would need to occur with other garages.

Figure i-1 Rail Passenger Cars: Condition Ratings

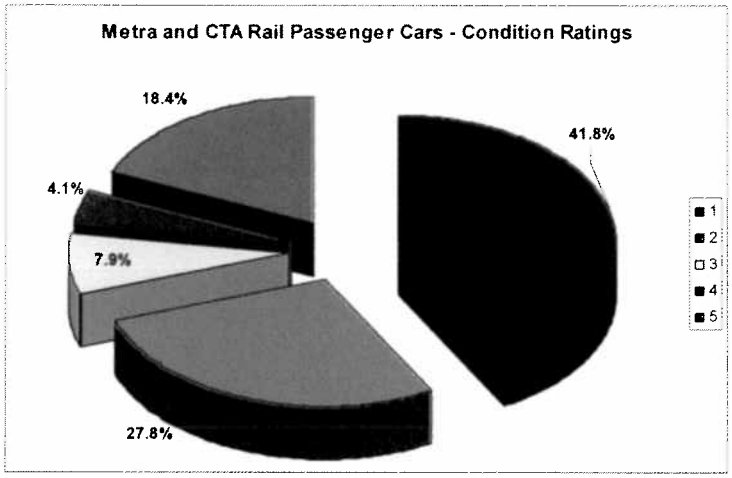


Figure i-2 Passenger Train Station: Condition Ratings

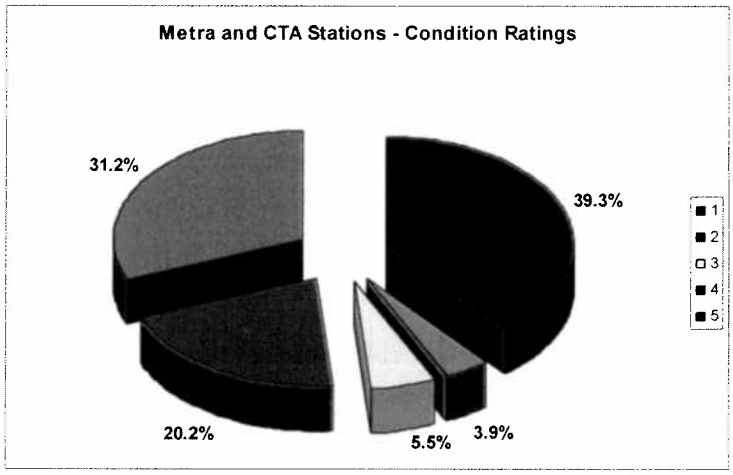


Figure i-3 Rail Bridges and Structures: Condition Ratings

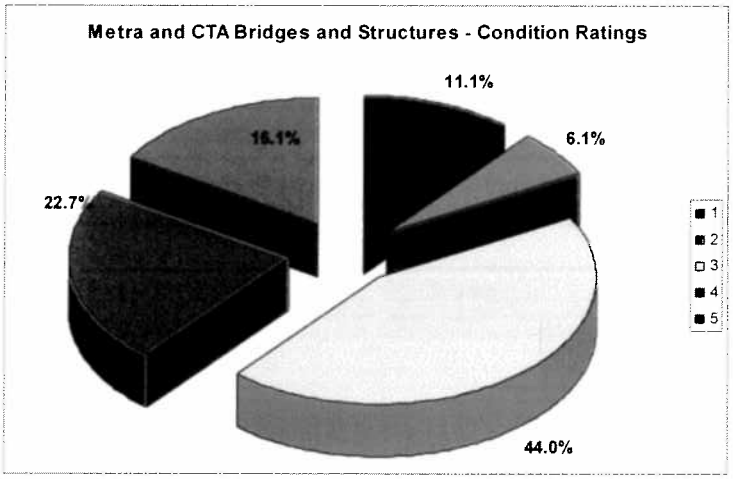


Figure i-4 Fixed Route Passenger Buses: Condition Ratings

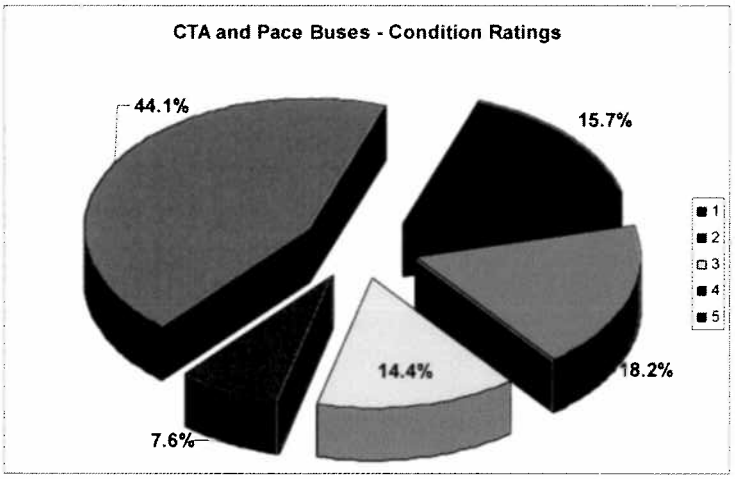


Figure i-5 Rail Maintenance Facilities: Condition Ratings

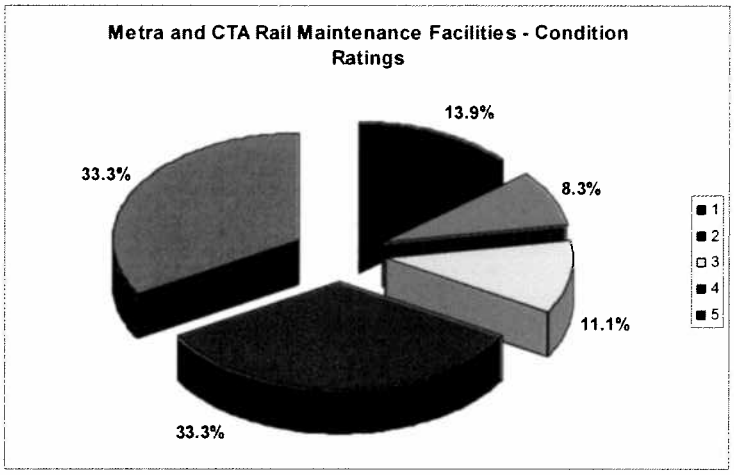
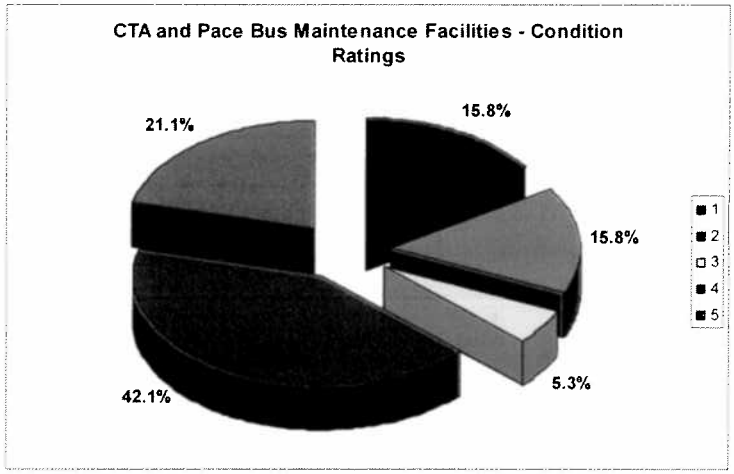


Figure i-6 Bus Garages: Condition Ratings



1

Summary of Background Review

The Regional Transportation Authority (RTA) for northeastern Illinois is responsible for the oversight of capital planning and the allocation of capital funding for its three Service Boards: the Chicago Transit Authority (CTA), Metra, and Pace. The RTA was established in 1974 to oversee local transportation operators in the six-county region: DuPage, Cook, Kane, Lake, McHenry and Will counties. The RTA is a special purpose unit of local government and a municipal corporation of the State of Illinois. Illinois state law requires the RTA Service Boards to collectively recover at least 50 percent of operating costs from farebox and other system revenues. The RTA provides public funding for the agencies' remaining operating expenses.

This report summarizes the results of an 18-month effort to identify and characterize the condition of existing capital assets for each of the Service Boards based largely on the age of assets. To the extent that asset age reflects asset condition, the report provides RTA with a guidance tool for capital asset condition assessment including timing of replacement, rehabilitation and capital maintenance of assets.

Representatives of the Service Boards assisted in all aspects of this process including: the design and development of the inventory tables, the condition ratings system based on useful life and industry standards, the definition of "State of Good Repair (SGR)," the sampling plan and sampling data.

Attaining a State of Good Repair (SGR) in the region's bus and rail systems is essential. Despite the current level of investment, similar to transit systems throughout the nation, much of the Service Boards' rolling stock and infrastructure is deteriorating such that the level of current capital reinvestment will likely not reverse this decline. For the Service Boards, higher levels of repairs are required as assets age and surpass their useful life, thereby incurring increased maintenance costs.

National Perspective

According to the Federal Transit Administration (FTA), roughly one-quarter of the nation's bus and rail assets are near or past their useful life (RE: *Transit State of Good Repair: Beginning the Dialogue*, October 2008, FTA). The proportion of assets in marginal or poor condition is even worse for the nation's largest rail transit systems. The FTA report highlights several examples:

- New York City Transit (NYCT): While NYCT has been working steadily since 1982 to bring its system to a State of Good Repair, a long-term major reinvestment program lost momentum following the defeat of New York's proposed congestion pricing plan, a measure that would have yielded a significant portion of funding to meet NYCT's reinvestment and expansion needs.
- Massachusetts Bay Transportation Authority (MBTA): Boston's MBTA estimates that its annual capital investment need is $150 million short of current annual funding levels.
- Washington Metropolitan Area Transit Authority (WMATA), San Francisco's Bay Area Rapid Transit (BART) and the Metropolitan Atlanta Rapid Transit Authority (MARTA) are all examples of rail systems entering their "middle age" or 30 years of age and now need capital reinvestment. While recapitalization needs to maintain the status quo continue to increase, these transit systems are also experiencing increasing ridership demand, thereby increasing the need for capital expansion investment.

According to the FTA's study, very few transit operations possess useful asset management processes. FTA is currently working with the transit industry to jointly develop asset management approaches that serve specific needs of the agencies.

Future ADA and other code requirements are not addressed as part of the 10-year needs with the exception of Positive Train Control (PTC) which is Federally mandated to be in place by 2015. Currently, CTA systems have PTC while Metra systems do not. Metra's implementation of PTC is estimated at a cost of $100 million. PTC refers to technology that is capable of preventing train-to-train collisions, overspeed derailments, and casualties or injuries to roadway workers (e.g., maintenance-of-way workers, bridge workers, signal maintainers) operating within their limits of authority as a result of unauthorized incursion by a train. Prior to October 2008, PTC systems were being voluntarily installed and tested by various carriers including Metra. However, the Rail Safety Improvement Act of 2008 (RSIA) has mandated the widespread installation of PTC systems by December 2015.

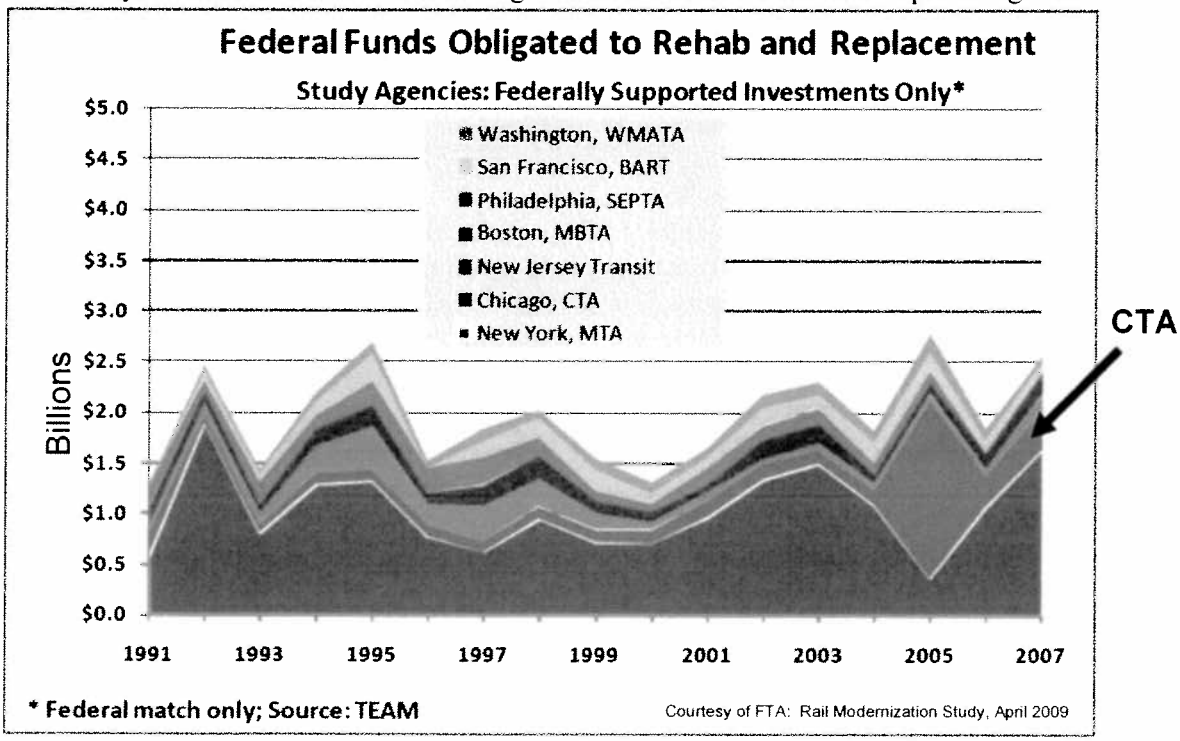
Local Service Boards

CTA - The Chicago Transit Authority (CTA) is an independent governmental agency created by state legislation. The CTA began operating on October 1, 1947, after it acquired the properties of the Chicago Rapid Transit Company and the Chicago Surface Lines. On October 1, 1952, CTA became the sole operator of Chicago transit when it purchased the Chicago Motor Coach system.

The CTA operates the nation's second largest public transportation system in the nation. The CTA provides 1.7 million rides on an average weekday, accounting for over 80% of all transit trips taken in the six-county region. All of CTA's paratransit bus services were transferred to Pace in July of 2006.

Presently, the CTA service is a bus and rail transit system that serves the city of Chicago and surrounding suburbs. The CTA system provides approximately 520 million rides per year with about 60% of the rides served by bus. The CTA's bus system consists of over 2,100 buses that operate 140 routes (covering 2,230 route miles) and are supported by eight bus garages. The CTA's buses make over 25,000 trips daily, and serve over 11,500 bus stops throughout the region. The CTA's rail system consists of 1,190 rail cars operating over 224.1 miles of track on eight routes. The rail system also has 12 railcar maintenance facilities and 15 other major maintenance facilities. The CTA trains make about 2,157 trips serving 144 stations and approximately 640,000 rides each weekday. The CTA's train lines span the city and neighboring communities, and are known locally as the "L" since a portion of the system is supported by elevated tracks. The service provided is described as "heavy rail rapid transit," also referred to as a "subway" or "metro" in many parts of the world. Parts of the "L" run above ground, in subway tunnels and tubes, as well as at grade or in expressway medians. The CTA completed a system-wide rail engineering assessment in the early '90s and has been using the assessment annually in its capital planning. The CTA currently estimates its annual capital need to maintain assets at their current condition at $800 million.

The CTA, along with six other large metropolitan rail systems, participated in FTA's Rail Modernization Study: Report to Congress, April, 2009. The study assessed federal rehab and replacement funds provided to the seven rail systems since 1991. As seen in the figure below, historically the CTA has not received a significant share of the funds except during 2005.



Metra - The 1,155-mile Metra system serves 240 stations in the counties of Cook, DuPage, Lake, Will, McHenry and Kane. Metra (officially the Commuter Rail Division of the RTA) is a regional rail system that serves the city of Chicago and surrounding suburbs. Its system is comprised of 11 different rail lines across the Regional Transportation Authority's six-county service area. Four lines are operated under purchase of service agreements with the Union Pacific (UP) and the Burlington Northern Santa Fe (BNSF) Railroad Companies and the remaining seven are operated by Metra personnel (employees of the Northeast Illinois Regional Commuter Railroad Corporation) over Metra-owned tracks or through use agreements with other railroads. A consequence of the shared-use agreements is the public/private partnerships with freight railroads for operations and maintenance. In addition, Metra is regulated by the Federal Railroad Administration for its track, rolling stock and employees. The Metra system provides over 82 million rides annually and approximately 44% of all public transit passenger miles traveled in the region. Except for Metra's Electric District, all Metra platforms are low-level platforms causing the need for individual lift mechanisms in each car to meet ADA requirements. Metra's rail system consists of 146 diesel locomotives, 179 Electric Multiple Units (EMUs), 836 rail cars, more than 2,000 signals, 18 rail yards and seven maintenance facilities. More than 700 trains operate each weekday to serve the Metra system's 240 stations. Geographically, it's the largest and one of the most complex commuter rail systems in the nation integrating its operation with multiple complex rail crossings which are controlled and operated by major freight railroads. Metra relies heavily on its successful relationships with these Class I freight carriers to maintain its 95 plus percent on-time performance ratio. The dilapidated condition of the commuter rail assets in Chicago at the time Metra was formed caused Metra to perform a formal assessment of capital assets (track, interlockings, bridges and yard facilities) and another has not been performed since that time.

Pace - Pace is the Suburban Bus Division of the Regional Transportation Authority and was created by reformed legislation in the late 1980's. As noted above, CTA's paratransit bus services were transferred to Pace in July of 2006. Additionally in January, 2008, the State Legislature amended the RTA Act and added a provision that Pace shall be the Regional ADA provider of service in the suburbs and in the City of Chicago.

Pace carries over 36 million riders each year on fixed-route buses, dial-a-ride services in the suburbs, vanpool operations and regional ADA. Pace service is one of the largest bus services in North America. The Pace service area (excluding the City of Chicago) covers 3,500 square miles. Pace operates 607 fixed-route buses, 345 paratransit vehicles in the suburbs, 580 contractor-owned paratransit vehicles in the City of Chicago, and 799 vanpool vehicles.

Pace owns 11 bus garages totaling over a million square feet and uses other facilities owned by private contractors and two municipalities who provide bus services for Pace. Pace services many CTA rail stations and numerous Metra stations. Pace owns and operates nine transportation centers, five park-and-ride lots and owns one administration office building.

In 1995, Pace hired Alfred Benesch and Company to perform a Transit Needs Assessment for Pace. Pace has used this document to schedule its bus replacements and garage improvements and it has included the life-cycle cost replacements of major capital infrastructure in its annual 5-year capital budget. Pace annually updates this study as part of its yearly capital budget process.

In addition, Pace conducted an Asset Condition Assessment in 1994 and has used life cycle frequencies in its repair and replacement decisions.

2

Inventory Framework Design

Asset Information Teams were formed to design and develop the inventory framework for this assessment. Each Asset Information Team consisted of members representing the RTA, the respective Service Board and the URS Team. The Asset Information Teams were associated with an individual Service Board. For discussion purposes at the Asset Information Team meetings, assets were grouped into five asset types:

- Track and Structures
- Electrical/Subway Equipment
- Signals/ Communications/ Fare Collection
- Stations/ Garages/ Facilities
- Rolling Stock

The Asset Information Teams and the URS Team assessed the agency backgrounds and used Service Board input to guide the development of the inventory tables and the framework of the assessment inventory.

Team members developed the general data structure, categorized the assets into types, and identified the data fields required for each type. The URS Team developed a relational database for recording, maintaining and reporting asset information. The asset database supported the recording of current assets by Service Board type, current asset value and age. In total, 80 inventory tables were developed to provide the basis for data collection and ultimately, condition ratings. Table 2-1 below lists the assets which Service Board representatives and asset teams identified as important to be inventoried. For each asset type, Asset Information Team members agreed upon a "useful life." The identification of the condition ratings, as described in the next chapter of this report, became a direct function of the age of the asset and its corresponding

length of useful life. The useful life of asset types do not align perfectly among agencies due to differences in asset wear and tear, historical differences in how assets are replaced, differences in types of use and differences in business practices.

Table 2-1 Inventory Asset Tables by Service Board

Asset Groups	Asset Sub-Groupings	Service Board		
		CTA	Metra	Pace
Track and Structures	Track Structures	CTS1 - CTA Track Structures	MTS1 - Metra Track Structures	
	Track	CTS2 - CTA Ties	MTS2 - Metra Ties	
		CTS3 - CTA Rail	MTS3 - Metra Rail	
		CTS4 - CTA Grade Crossing Rail	MTS4 - Metra Grade Crossings	
		CTS5 - CTA Special Trackwork	MTS5 - Metra Special Trackwork	
Electrical and Subway Equipment	Traction Power	CES1a - CTA Substations	MES1 - Metra Substations	
		CES1b - CTA Substations Distribution	MES2 - Metra ROW Traction Power	
		CES2 - CTA ROW Traction Power	MES3 - Metra Catenary	
	Subway Equipment	CES3 - Subway Electrical Service		
		CES4 - CTA Subway fans		
		CES5 - Subway Illumination		
		CES6 - CTA Subway Pumps		
Systems	Signals	CSCF1 - CTA Interlockings	MSCF1a - Metra Interlockings	
		CSCF2 - CTA Cab Signals	MSCF1b - Metra UP Interlockings	
		CSCF3 - CTA Grade Crossing Signals	MSCF1c - Metra BNSF Interlockings	
			MSCF2a - Metra Signal Controls	
			MSCF2b - Metra UP Signal Controls	
			MSCF2c - Metra BNSF Signal Controls	
			MSCF3a - Metra Grade Crossing Signals	
			MSCF3b - Metra UP Grade Crossing Signals	
			MSCF3c - Metra BNSF Grade Crossing Signals	
	Fare Collection	CSCF4 - CTA Fare Collection Equipment	MSCF4 - Metra Fare Collection Equipment	PSCF1 - Pace Fare Collection Equipment
	Communications	CSCF5 - CTA Bus and Rail Radio Systems	MSCF5 - Metra Radio Systems	PSCF2 - Pace Radio Systems
		CSCF6 - GPS On-Board Bus	MSCF6a - Metra CCTV Vending	PSCF3 – Electric/Signal/ ITS (including IBS, AVL, MDT, TSP)
		CSCF7 - CTA CCTV Station	MSCF6b - Metra CCTV Homeland Security	
		CSCF8 - CTA Cable Plant Fiber	MSCF7 - Metra Telephone Systems	
		CSCF9 - CTA Fiber Optic Backbone Network	MSCF8 - Metra Public Address Systems	
		CSCF10a - CTA Station SCADA Systems	MSCF9 - Metra Cable Plant	
		CSCF10b - CTA Substation SCADA RTUs	MSCF10 - Metra Fiber Optic Backbone Network	
		CSCF11a - CTA Public Address Systems Audio	MSCF11 - Metra Microwave	
		CSCF11b - CTA Public Address Systems VMS	MSCF12 - Wireless Telephone	
Stations/ Garages/ Facilities	Stations and Parking	CFS1a - CTA Stations	MFS1a - Metra Stations	
		CFS1b - CTA Station Parking	MFS1b - Metra Station Parking	
	Passenger and Maintenace Facilities	CFS2 - CTA Bus Passenger Facilities	MFS2 - Metra Maintenance and Yard Facilities	PFS1 - Pace Stations and Passenger Facilities
		CFS3a - CTA Bus and Maintenace Facilities Bus Garages	MFS3 - Metra Headquarters	PFS2a - Pace Support Facilities & Equipment
		CFS3b - CTA Bus and Maintenace Facilities Other Major Facilities		PFS2b - Pace ADA Support Facilities & Equipment
		CFS3c - CTA Bus and Maintenace Facilities Railcar Maintenance		PFS3 - Pace Headquarters Building
		CFS4 - CTA Yard Facilities		
		CFS5 - CTA Headquarters Building		
Rolling Stock	Revenue Vehicles	CRS 1 - CTA Rail Revenue Vehicles	MRS1a - Metra Rail Revenue Vehicles Locomotives	PRS1a - Pace Rolling Stock (Non-Paratransit)
		CRS 2 - CTA Buses	MRS1b - Metra Rail Revenue Vehicles Coach Cars	PRS1b - Pace ADA Rolling Stock (Paratransit)
			MRS1b - Metra Rail Revenue Vehicles EMUs	PRS1c - Pace ADA Rolling Stock (Para Vans)
	Non-Revenue Vehicles	CRS 3 - CTA Non-Revenue Vehicles	MRS 2 - Metra Non-Revenue Vehicles	PRS 2 - Pace Non-Revenue Vehicles
	Work Equipment	CRS 4 - CTA Work Equipment	MRS 3 - Metra Work Equipment	

3

Condition Rating Process

The Asset Information Teams, as described in the preceding chapter, determined the condition rating process that would be used to assess the condition of the Service Board's assets. Determining asset condition based on inspections was beyond the scope, timeframe and budget of this study's effort. Instead and early on in the assessment, it was determined that an asset's age would act as the primary "**predictor**" of an asset's condition. This approach was agreed to among the Service Boards due to the limited resources of each Service Board and the established level of effort available to undertake the magnitude of an overall assessment. To quote the FTA in its report entitled Transit State of Good Repair: Beginning the Dialogue, October, 2008: "Physical asset condition assessment is the best way to measure SGR for individual assets and on an agency-wide basis. Asset age is a second-best proxy . . ."

As a precursor to determining an age-based rating system, a series of Asset Information Team meetings were held to determine the appropriate useful life for each asset type. As stated in the previous chapter, an understanding was reached among Service Board representatives that useful life for any one type of asset could vary from one Service Board to another due to differences in asset wear and tear, historical differences in how assets are replaced, differences in types of use and differences in business practices. Asset condition ratings were broken into five categories on a scale from 1 to 5 with 1 representing an asset "past its useful life" and 5 representing a relatively new asset in "excellent" condition. The scale of 1 to 5 recognizes the importance of maintaining as much consistency as possible within the Federal Transit Administration's (FTA)

Condition Rating process. Table 3-1 provides a direct comparison of this assessment's and the FTA's condition rating definitions. While the ratings are somewhat consistent, the methods to determine the ratings differ. This assessment is based strictly on the asset's useful life and age, as "predictors" of an asset's condition (with the exception of Metra bridge structures which are rated based on actual inspections) while the FTA's definition is based on the asset's actual condition, which in theory would be dependent on direct inspection. While asset life and age are used as "predictors" for the purposes of this assessment, functional obsolescence of assets must also be taken into consideration. Useful life and corresponding condition ratings based on each asset type's age is given in Table 3-2 for CTA, Table 3-3 for Metra and Table 3-4 for Pace.

Table 3-1 Condition Rating Definition Comparison: RTA vs. FTA

RTA Capital Asset Condition Assessment		FTA Rail Modernization*	
Condition Rating	**Definition**	**Condition Rating**	**Definition**
5	**Excellent:** Asset is in the first quarter of its useful life.	5.0 - 4.8	**Excellent:** New asset; no visible defects.
4	**Good:** Asset in the first half of its useful life.	4.7 - 4.0	**Good:** Asset showing minimal signs of wear; some (slightly) defective or deteriorated component(s).
3	**Adequate:** Asset has not exceeded three quarters of its life.	3.9 - 3.0	**Adequate:** Asset has reached its mid-life (condition 3.5); some moderately defective or deteriorated component(s).
2	**Marginal:** Asset is in the last quarter of its useful life.	2.9 - 2.0	**Marginal:** Asset reaching or just past the end of its useful life; increasing number of defective or deteriorated component(s) and increasing maintenance needs.
1	**Past its Useful Life:** Asset has exceeded its useful life and is not in a state of good repair. These assets are considered to be backlog and have not been replaced or rehabilitated due to a lack of funding.	1.9 - 1.0	**Poor:** Asset is past its useful life and is in need of immediate repair or replacement; may have critically damaged component(s).

* Rail Modernization Study, Federal Transit Administration, April 2009

Table 3-2 Useful Life: CTA Assets

Asset Groups	Asset Sub-Groupings	Asset	Useful Life	Condition Rating Years				
				1	2	3	4	5
CTA TRACK & STRUCTURES (TS)	CTA TRACK STRUCTURES	CTS1 - Track Structures	80	> 80	61 - 80	41 - 60	21 - 40	< 21
	CTA TRACK	CTS2 - Ties: Pine*	25	> 25	19 - 25	13 - 18	7 - 12	< 7
		CTS2 - Ties: Oak/ DF Fasteners*	25	> 25	19 - 25	13 - 18	7 - 12	< 7
		CTS2 - Ties: Composite*	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		CTS2 - Ties: Concrete Slab*	55	> 55	41 - 55	28 - 41	14 - 27	< 14
		CTS3 - Rail: Tangent	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		CTS3 - Rail: Curves < than 1500' radius	25	> 25	19 - 25	13 - 18	7 - 12	< 7
		CTS4 - Grade Crossing Track: High Auto Usage	10	> 10	7.5 - 10	5 - 7.5	2.5 - 5	< 2.5
		CTS4 - Grade Crossing Track: Low Auto Usage	20	> 20	16 - 20	11 - 15	6 - 10	< 6
		CTS5 - Special Trackwork	40	> 40	31 - 40	21 - 30	11 - 20	< 11
CTA ELECTRICAL & SUBWAY EQUIPMENT (ES)	CTA TRACTION POWER	CES1a - Substations	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		CES1b - Substations Distribution	30	> 30	23 - 30	16- 23	8 - 15	< 8
		CES2 - ROW Traction Power	40	> 40	31 - 40	21 - 30	11 - 20	< 11
	CTA SUBWAY EQUIPMENT	CES3 - Subway Electrical	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		CES4 - Subway Fans	32	> 32	25 - 32	17 - 24	8- 16	< 8
		CES5 - Subway Illumination	20	> 20	16 - 20	11 - 15	6 - 10	< 6
		CES6 - Subway Pumps	30	> 30	23 - 30	16- 23	8 - 15	< 8
CTA SYSTEMS (SCF)	CTA SIGNAL SYSTEMS	CSCF1 - Interlockings	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		CSCF2 - Cab Signals	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		CSCF3 - Grade Crossing Systems	40	> 40	31 - 40	21 - 30	11 - 20	< 11
	CTA FARE COLLECTION	CSCF4 - Fare Collection	15	> 15	13 - 15	9- 12	5- 8	< 5
	CTA COMMUNICATIONS	CSCF5 - Radio Systems	15	> 15	13 - 15	9- 12	5- 8	< 5
		CSCF6 - GPS Bus	15	> 15	13 - 15	9- 12	5- 8	< 5
		CSCF7 - CCTV Station	10	> 10	7.5 - 10	5 - 7.5	2.5 - 5	< 2.5
		CSCF8 - Cable Plant	20	> 20	16 - 20	11 - 15	6 - 10	< 6
		CSCF9 - Fiber Optic Systems	10	> 10	7.5 - 10	5 - 7.5	2.5 - 5	< 2.5
		CSCF10a - SCADA Systems Station	10	> 10	7.5 - 10	5 - 7.5	2.5 - 5	< 2.5
		CSCF10 b- SCADA Systems Subgstation	10	> 10	7.5 - 10	5 - 7.5	2.5 - 5	< 2.5
		CSCF11a - Public Address Systems Audio	10	> 10	7.5 - 10	5 - 7.5	2.5 - 5	< 2.5
		CSCF11b - Public Address Systems VMS	10	> 10	7.5 - 10	5 - 7.5	2.5 - 5	< 2.5
CTA STATIONS, GARAGES, FACILITIES (FS)	CTA STATIONS & PARKING	CFS1a - Stations	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		CFS1b - Station Parking Garages	20	> 20	16 - 20	11 - 15	6 - 10	< 6
	CTA BUS PASSENGER AND MAINTENANCE FACILITIES	CFS2 - Bus Passenger Facilities	20	> 20	16 - 20	11 - 15	6 - 10	< 6
		CFS3 - Maintenance Facilities	70	> 70	54 - 70	36 - 53	18 -35	< 18
		CFS4 - Yard Facilities	50	> 50	38 - 50	25 - 37	13 - 25	< 13
CTA ROLLING STOCK (RS)**	CTA REVENUE VEHICLES	CRS1 - Rail Revenue Vehicles	25	> 25	19 - 25	13 - 18	7 - 12	< 7
		CRS2 - Buses	12	> 12	10 - 12	7 - 9	4 - 6	< 4
	CTA NON-REVENUE VEHICLES AND WORK EQUIPMENT	CRS3 - Non-Revenue Vehicles	5	> 5 years	46 - 60 mo	31 - 45 mo	16 - 30 mo	< 15 mo.
		CRS4 - Work Equipment	varies					

*CTA ties are replaced based on a scheduled replacement program while Metra ties are replaced as needed.

**Rolling stock useful life requires regulary scheduled rehabs.

Table 3-3 Useful Life: Metra Assets

Asset Groups	Asset Sub-Groupings	Asset	Useful Life	Condition Rating Years				
				1	2	3	4	5
METRA TRACK & STRUCTURES (TS)	METRA TRACK STRUCTURES	MTS1 - Track Structures	80	> 80	61 - 80	41 - 60	21 - 40	< 21
	METRA TRACK	MTS2 - Ties*	32	>32	24 - 32	16 - 24	8 - 16	< 8
		MTS2 - Ties (Heavy Use)*	28	>28	21 - 28	14 - 21	7 - 14	<7
		MTS3 - Rail: Tangent	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		MTS3 - Rail: Curve, 2 degrees or more	7	> 8	7 - 8	5 - 6	2 - 4	< 2
		MTS4 - Grade Crossing Track	10	> 10	7.5 - 10	5 - 7.5	2.5 - 5	< 2.5
		MTS5 - Special Trackwork: Normal	25	> 25	19 - 25	13 - 18	7 - 12	< 7
		MTS5 - Special Trackwork: High Usage	10	> 10	7.5 - 10	5 - 7.5	2.5 - 5	< 2.5
METRA ELECTRICAL & SUBWAY	METRA TRACTION POWER	MES1 - Substations	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		MES2 - ROW Traction Power	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		MES3 - Catenary	40	> 40	31 - 40	21 - 30	11 - 20	< 11
METRA SYSTEMS (SCF)	METRA SIGNAL SYSTEMS	MSCF1a - Interlockings	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		MSCF 1b - Unions Pacific (UP) Interlockings	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		MSCF 1c - BNSF (BN) Interlockings	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		MSCF2a - Signal Controls	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		MSCF2b - UP Signal Controls	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		MSCF2c - BNSF Signal Controls	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		MSCF3a - Grade Crossing Systems	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		MSCF3b - UP Grade Crossing Systems	40	> 40	31 - 40	21 - 30	11 - 20	< 11
		MSCF3c - BNSF Grade Crossing Systems	40	> 40	31 - 40	21 - 30	11 - 20	< 11
	METRA FARE COLLECTION	MSCF4 - Fare Collection	15	> 15	13 - 15	9- 12	5- 8	< 5
	METRA COMMUNICATIONS	MSCF5 - Radio Systems	15	> 15	13 - 15	9- 12	5- 8	< 5
		MSCF6 - CCTV	10	> 10	7.5 - 10	5 - 7.5	2.5 - 5	< 2.5
		MSCF7 - Telephone Systems	10	> 10	7.5 - 10	5 - 7.5	2.5 - 5	< 2.5
		MSCF8 - Public Address Systems	10	> 10	7.5 - 10	5 - 7.5	2.5 - 5	< 2.5
		MSCF9 - Cable Plant Fiber	20	> 20	16 - 20	11 - 15	6 - 10	< 6
		MSCF10 - Metra Fiber Optic Backbone Network	10	> 10	7.5 - 10	5 - 7.5	2.5 - 5	< 2.5
		MSCF11 - Metra Microwave	10	> 10	7.5 - 10	5 - 7.5	2.5 - 5	< 2.5
		MSCF12 - Wireless Telephone	10	> 10	7.5 - 10	5 - 7.5	2.5 - 5	< 2.5
METRA FACILITIES (FS)	METRA STATIONS & PARKING	MFS1 - Stations & Parking Facilities	40	> 40	31 - 40	21 - 30	11 - 20	< 11
	METRA MAINTENANCE & YARD FACILITIES	MFS2 - Maintenance Facilities	70	> 70	54 - 70	36 - 53	18 -35	< 18
		MFS2 - Yard Track	50	> 50	38 - 50	25 - 37	13 - 25	< 13
		MFS2 - Yard Track: Diesel Shop Lead	15	> 15	13 - 15	9- 12	5- 8	< 5
		MFS2 - Yard Track: Other Switches/ Ties	25	> 25	19 - 25	13 - 18	7 - 12	< 7
	METRA HEADQUARTERS BUILDING	MFS3 - Headquarters Building	40	> 40	31 - 40	21 - 30	11 - 20	< 11
METRA ROLLING STOCK (RS)**	METRA RAIL REVENUE VEHICLES	MRS1a - Rail Revenue Vehicles - Locomotives	30	> 30	23 - 30	16- 23	8 - 15	< 8
		MRS1b&c - Rail Revenue Vehicles - Coach Cars & EMUs	50	> 50	38 - 50	25 - 37	13 - 25	< 13
	METRA NON-REVENUE VEHICLES	MRS2 - Non-Revenue Vehicles	5	> 5 years	46 - 60 mo	31 - 45 mo	16 - 30 mo	< 15 mo.
		MRS3 - Work Equipment	varies					

*CTA ties are replaced based on a scheduled replacement program while Metra ties are replaced as needed.

**Rolling stock useful life requires regulary scheduled rehabs.

Table 3-4 Useful Life: Pace Assets

Asset Groups	Asset Sub-Groupings	Asset	Useful Life	Condition Rating Years				
				1	2	3	4	5
PACE SYSTEMS (SCF)	PACE FARE COLLECTION	PSCF1 - Fare Collection	15	> 15	13 - 15	9- 12	5- 8	< 5
	PACE COMMUNICATIONS	PSCF2 - Radio Systems	15	> 15	13 - 15	9- 12	5- 8	< 5
	PACE ELECTRIC/ SIGNAL/ ITS SYSTEMS	PSCF3 – Electric/Signal/ ITS (including IBS, AVL, MDT, TSP)	varies					
PACE STATIONS, GARAGES, FACILITIES (FS)	PACE BUS PASSENGER AND MAINTENANCE FACILITIES	PFS1- Bus Passenger Facilities	20	> 20	16 - 20	11 - 15	6 - 10	< 6
		PFS1- Bus Passenger Facilities, Bus Pavement, P.C Concrete	20	> 20	16 - 20	11 - 15	6 - 10	< 6
		PFS1- Bus Passenger Facilities, Bus Pavement, Asphaltic	20	> 20	16 - 20	11 - 15	6 - 10	< 6
		PFS1- Bus Passenger Facilities, Auto Pavement, P.C Concrete	20	> 20	16 - 20	11 - 15	6 - 10	< 6
		PFS1- Bus Passenger Facilities, Auto Pavement, Asphaltic	20	> 20	16 - 20	11 - 15	6 - 10	< 6
		PFS2- Maintenance Facilities - Building	60	> 60	46 - 60	31 - 45	16 - 30	< 16
		PFS2- Maintenance Facilities - Interior Equipment	12	> 12	10 - 12	7 - 9	4 - 6	< 4
		PFS2- Maintenance Facilities - Roof/ Exterior	20	> 20	16 - 20	11 - 15	6 - 10	< 6
PACE ROLLING STOCK (RS)**	PACE BUSES	PRS1 - Buses	12	> 12	10 - 12	7 - 9	4 - 6	< 4
		PRS1 - Paratransit Buses	5	> 5 years	46 - 60 mo	31 - 45 mo	16 - 30 mo	< 15 mo.
		PRS1 - Vans	4	> 4	3 - 4	2 - 3	1 - 2	< 1
	PACE NON-REVENUE VEHICLES	PRS2 - Non-Revenue Vehicles	varies					

**Rolling stock useful life requires regulary scheduled rehabs.

For the purposes of this asset condition assessment, the SGR is defined as a condition rating of 3, or "adequate with no backlog." In effect, anything rated 3 or higher is in an SGR. Anything rated lower than 3 begins to take on "marginal" aspects and as defined, is in the last quarter of the asset's useful life. FTA's condition rating system, also based on a scale of 1.0 to 5.0, is defined more strictly related to the asset's actual condition, not the asset's age. FTA's range of 2.9 – 2.0 defines an asset as one that is reaching the end of its useful life with an ". . .increasing number of defective or deteriorated components." As such, FTA identifies 2.5 or higher as the rating at which the asset is in a "State of Good Repair". Based on comparison of the definitions and for the purposes of this assessment, a "State of Good Repair" of 3 is consistent with FTA's "State of Good Repair" of 2.5.

4

Asset Inventory Tables and Sampling

Service Board representatives assisted in the design and finalization of the asset inventory tables and also provided the input data to complete the tables. Asset data elements are generally defined by the following groups:

Structures: Structures are defined as steel bridges, steel elevated structure, concrete bridges, viaducts, movable bridges, and embankments/retaining walls.

Track: Inventory for the track is defined by five major elements: ties, rails, special track work (includes switches, frogs and closure rails), yard track and ballast.

Traction Power and Subway Equipment: Substation equipment includes rectifiers, transformers and switch equipment, contact rail, insulator chairs, catenary wire and structures and the power distribution cable plant. Subway support equipment includes ventilation fans, pumps, breaker room louvers and subway lighting.

Signal: The signaling of both the CTA and Metra are categorized and assessed as each being comprised of two systems: Grade Crossings and Train Control including interlockings. Even though both systems are inherently interfaced, each has a unique structure, equipment and guidelines and can be subject to capital investment separately. In an effort to break apart and simplify the assets of the signaling system, Grade Crossing and Train Control Systems are assessed and reported separately to allow for distinct and convenient report updates in the future.

Fare Collection Equipment: Fare Media Equipment and Automatic Fare Collection Equipment include primary fare collection facilities, revenue processing and counting rooms, data centers, representative rail stations and communications infrastructure involved in fare collection data.

Communications: The assets include bus antenna base stations, microwave towers, fiber optic cable plant fiber optic nodes, telephone switch facilities, public address systems, CCTV security systems and control center systems (SCADA) and alarms.

Stations: Major station elements include architectural elements, roofs, sewers, fire protection, HVAC systems, electrical systems and passenger areas.

Bus Passenger Facilities: These facilities are evaluated by the following major elements: concrete and asphaltic pavements, drainage structures and employee facilities.

Bus Garages and Maintenance Facilities: Major elements include tracks or pavements, multiple building elements including large train maintenance structures, welfare and office buildings, fueling facilities, roofs, lifts or hoists, sewers, vehicle washers, lighting, electrical stand-by structures, fire protection, and HVAC systems.

Outlying Maintenance Yards: Facilities for overnight storage and cleaning with the ability to make minor repairs but not fueling.

Rolling Stock: The assets included in this group are both revenue and non-revenue vehicles including transit rail cars, rail passenger coaches, locomotives, buses, rail work equipment service cars, and other rubber tire vehicles.

The final inventory tables form the basis for this initial 10-year capital needs assessment. During the process of compiling data for the inventory tables, a minimal number of assets from each asset group was selected for limited statistical sampling. The sampling, representing less than 1% of each asset class, was conducted to verify that the proposed condition ratings represent actual field conditions. The results of this limited sampling generally corroborated the condition rating process which, as discussed in previous chapters, was based on the asset age as compared to its useful life. A summary of the sampling results is provided in Tables 4-1, 4-2 and 4-3 for CTA, Metra and Pace respectively. In addition, sampling reports are provided in Appendix A-1.

The final inventory tables, representing all data provided by the Service Boards, are presented for CTA, Metra and Pace respectively in Appendices A-2a, A-3a, A-4a under separate cover.

Table 4-1 CTA Sampling Results

Asset	Asset ID and Location	Condtion Rating by Age	Sampling Observed Condition Rating	Comment	Appendix Reference
Bridges	Greenleaf St. Purple Line Northside Elevated Structure/Sheridan Rd to Addison.	1	1	Bridges sampled appear to be past their useful life. Temporary shoring has been installed. The steel structures are showing advanced deterioration. Bridges have received in-service repairs to the structural steel and have been repainted.	A-1, p. 1
Tracks	Tracks 1& 2 Foster to Central Ave. Purple Line	1	2	The rail on curves such as the curve over Ridge Ave. showed sidewear due to the lateral curving forces in the less than 1500 foot radius curve. The projected useful life of 25 years seems conservative due to the light traffic on this line. The rail was well within the APTA Standard for sidewear. The rail on the tangent sections showed some wear but it appeared to be a rate that would be in line with a forty year projected life.	A-1, p. 2
Signals	Granville Interlocking Red Line (Signal)*	1	1	The control panel is a "unit lever" type and is no longer a CTA standard, only a few of these remain on the system. The GRS Model 55 switch machines are no longer available and replacement parts are hard to obtain. The signal houses are rusted and have no air conditioning. At the time of field verification this Interlocking is used for emergency purposes only and no daily normal switch movements are made.	A-1, p. 3
Commun-ications	Loyola Station (Fare Collection / Comm)	2, 4	2, 4	Fuller is the public address audio system installed at this station. This system was installed in 2002 and therefore has a conditional rating of 2 based on a 10-year life cycle. EDI is the public address VMS system installed at this station. This system was installed in 2002 and therefore has a conditional rating of 2 based on a 10 ear life cycle. QEI is the SCADA system installed at this station. This system was installed in 2002 and therefore has a conditional rating of 2 based on a 10 year life cycle. Fiber Optic Backbone System – Lucent DMXtend is the Fiber Optic Backbone System installed at this station. This system was installed in 2005 and therefore has a conditional rating of 4 based on a 10 year life cycle. All observations are consistent with useful life condition ratings.	A-1, p. 6
Sub-stations	Franklin and Broadway Substation	1	1	FRANKLIN: Maintenance of the equipment is hindered due to the difficulty in obtaining replacement parts. Based on equipment age, inability of obtaining spare parts, the location of the substation and kilowatt usage, the substation is a condition 1 asset rating. Loss of either of the two rectifiers would result in reduced service conditions and most probably reduced train speed. BROADWAY: Similar to the Franklin Substation, maintenance is costly and spare parts are either discontinued or purchased as a special order at a premium cost. Based on the information supplied and observations, the substation is a condition 1 asset rating.	A-1, p. 8
Rolling Stock Buses	Forest Glen Bus Garage Flexible 6000	1	2	These vehicles are active and in revenue service two (2) years past their useful life. Interiors are clean and in very good condition. Driver's seat/compartment and passenger seats are in marginal to good condition, exterior paint is in marginal to good condition except for some paint peeling off the body, very little rust, windows not damaged, undercoating missing from mid-half of bus toward the engine compartment due to age/wear. The marine grade plywood flooring is still in good condition. Found no evidence of graffiti on these vehicles. Visual observation does not assess the mechanical condition of the buses.	A-1, p. 12
Rolling Stock Buses	Nova 6400 Bus Series	3	3	Interiors/exteriors in good condition, driver's and passenger seats in marginal to good condition/flooring in good condition, windows not damaged, paint good/very little rusting on bodies, minor or no accident damage, engine power plant/no major fluid or oil leaks, tires tread/wheels above average. Under coat is very good. No evidence of graffiti on these vehicles. The appearance and mechanical condition of these vehicle show that when they approach mid-life the only major task that may be necessary will be to repower with engines of transmissions. Visual observation does not assess the mechanical condition of the buses.	A-1, p. 12
Stations/ Facilities	98th Street Shop, LaSalle/ Van Buren Loop Station, Harrison Station, South Shops, Forest Glen Garage	98th. St. Rail Shop - 2, LaSalle/ Van Buren Loop - 1, Harrison Red Line - 3, South Shops - 1, Forest Glen Garage - 1	98th. St. Rail Shop - 2, LaSalle/ Van Buren Loop - 1, Harrison Red Line - 3, South Shops - 1, Forest Glen Garage - 1	98th. St. Rail Shop - Serviceable. LaSalle/ Van Buren - could use restoration. Harrison Red Line - Most features have been servicably rehabbed, not upgraded. South Shops - needs upgrading. Forest Glen Garage - generally in poor condition.	A-1, p. 15

NOTE: Results of additional asset sampling is provided in Appendix A-1

Table 4-2 Metra Sampling Results

Asset	Asset ID and Location	Condtion Rating by Age	Sampling Observed Condition Rating	Comment	Appendix Refer-ence
Bridges	BRNO 1304.5 UP-N Montrose Ave. , BRNO 1304.75 UP-N Sunnyside Ave. BRNO 1305.25 UP-N Wilson Ave. , BRNO 1305.5 UP-N Leland Ave. , BRNO 1305.75 UP-N Lawrence Ave. , BRNO 1306 UP-N Winnemac Ave. , BRNO 1306.25 UP-N Foster Ave. BRNO 1306.75 UP-N Balmoral Ave.	3 (by Metra inspections)	2 - 3	Bridges showed some deterioration of the ballast pans and paint failure throughout the structures. Condition-wise, bridges appeared adequate. Based on age and potential load or fatigue ratings, they may be reaching useful life in the foreseeable future.	A-1, p. 19
Signals	Randolph St. Station	1	1	Most of the equipment is over 20 years old and seems to be maintained in good condition. The Interlocking is controlled from Metra's Consolidated Control Facility (CCF). An emergency control panel could be used by the dispatcher located in the Tower if anything happens to CCF. The US&S M3 switch machines seem to be in good condition with regular maintenance. The signal house roof is showing signs of rusting due to leaks in the ceiling. The Interlocking is heavily used during rush hour on weekdays.	A-1, p. 20
Rolling Stock	Western Avenue Rail Car Shop Budd Cars Series # 8200 - 8224	5 (by Metra inspections)	4	Passenger coaches, numbered 8203 and 8218 were in very good condition, with exterior stainless steel shell free of damage and graffiti. Undercar arrangements were also in good condition, as was piping and cabling. Metra personnel described door impingement due to dirt accumulation, along with a repair program to be initiated.	A-1, p. 23
Rolling Stock	Western Avenue Rail Car Shop GMC/EMB F40 PH Locomotives # 100 to 127	3 - 5 (by Metra inspections)	When Overhauled - 5, Others - 3	Locomotive unit 102 has been fully refurbished, and was under review/test. The workmanship appeared to be of high quality, including wiring, piping, and paint finish. Metra personnel noted that the work performed by Progress yielded very highly reliable equipment. For unit 102, the work resulted in what is essentially a new locomotive. Also reviewed were units 105 and 108, which were the same configuration as unit 102, but had not been overhauled as yet. Units exhibited both interior and exterior corrosion, with notable corrosion at structure / floor plate seams at the exterior. Cab interiors showed signs of age degradation, seat wear, and floor wear. Cabling and hose assemblies showed signs of age degradation.	A-1, p. 23
Stations/ Facilities	115th. St. Station /Beverly Branch	1	1	Platform material is asphalt with a low timber retaining wall. It is in serviceable condition. Evidence of deterioration was observed in the stationhouse's roof and exterior walls.	A-1, p. 24
Stations/ Facilities	Flossmoor Station / Round Lake Station	Flossmore - 1, Round Lake - 4	Flossmore - 1, Round Lake - 4	FLOSSMOOR STATION -The platform is of marginal quality. The deck is made of precast concrete panels with exposed aggregate. Most of the joints between panels have failed at the rail-side edges. The failures were cured by surface patches and timber shoring. Rust was common on canopy and enclosure structures. ROUND LAKE STATION - The mansard roof was degraded but serviceable. Platform material is asphalt with a low timber retaining wall. It is in serviceable condition.	A-1, p. 25

Table 4-3 Pace Sampling Results

Asset	Asset ID and Location	Condtion Rating by Age	Sampling Observed Condition Rating	Comment	Appendix Refer-ence
Commun-ications	Northwest Divison Bus Garage	1	1	Due to the Federal Communications Commission (FCC) 800 MHz Band Reconfiguration plan adopted in 2004, radios are out of date.	A-1, p. 26
Fare Collection	Northwest Divison Bus Garage	1	1	The electronic registering fareboxes are showing their age, but appear to be well maintained. The integrated Ticket Processing Units are also exhibiting evidence of age and normal external wear, but also appear to be well-maintained. The vaulting island equipment, where cashboxes from the fareboxes are emptied, is showing substantial signs of corrosion and other wear. These devices must be maintained to high levels of integrity to ensure the security of the collected cash; corrosion, peeling paint, and other visible signs of damage and wear can obscure evidence of tampering.	A-1, p. 27
Rolling Stock, Buses	Northwest Divison Bus Garage	1	1	Average bus age 7.4 years. Buses 6 -17 years old are receiving mid-life work and engine replacement. Visual observation does not assess the mechanical condition of the buses.	A-1, p. 28
Facilities	Northwest Divison Bus Garage	1	1	Facility is, as a whole, functionally obsolete, with half of the bus fleet stored outside year-round in all weather conditions	A-1, p. 31
Facilities	Elgin Transportation Center	1-3	1-3	The building and building structure are in marginal condition with typical maintenance required such as painting, window replacement and repair of roof leaks. At this age, it is also typical that the building heating, air conditioning, and water heating will need repair or replacement in the near future if not already done. The pavement structure is compiled of two unique components. The first-- the concrete driveway approaches -- are in need of repair or replacement. They are showing multiple patches from annual maintenance and upkeep. The bridge deck portion of the facility seems to be in marginal condition. The current deck overlay wearing surface is in need of some repairs, and based upon a bi-annual inspection of the bridge, additional repairs may be necessary.	A-1, p. 32

5

10-Year Capital Needs Assessment

This initial 10-year capital needs assessment is based on cost components for backlog, normal replacement and capital maintenance (Table 5-1). The **backlog** component is the value placed upon replacement of assets characterized by an age greater than their useful life. These assets are still in service and typically have not been replaced within their useful life due to a lack of sufficient funding. **The normal replacement costs** are the planned replacement cost for assets that will reach the end of their useful life during the 10-year program, 2010-2019. These assets are still in service and would be scheduled for replacement during the 10-year program if sufficient funding was available. The **capital maintenance component** is the cost associated with keeping an asset in a State of Good Repair. Capital maintenance costs are typically significant and anticipated and are associated with keeping the asset in service for the full term of its useful life. Capital maintenance costs are characterized by replacement or rehabilitation of asset components, but not replacement of the entire asset. Assets in service beyond their useful lives will typically require increased capital maintenance costs.

In addition to backlog, normal replacement and capital maintenance costs, soft cost and contingency costs were added to the total cost of assets. The majority of soft costs are expended in the planning, engineering, and project management efforts. These services include; in-house agency staff, government related support staff, and the use of consultants for particular tasks. Project start-up and initiation expenses are also included in this cost category. Contingency costs are costs for unforeseen emergencies or design shortfalls typically identified after a project commences. A contingency cost is included in project costs so that projects can proceed with minimal interruption due to changes or cost overruns. All 10-year need costs for each asset type are summarized for the CTA, Metra and Pace respectively in Appendix A-2b, A-3b and A-4b under separate cover.

Table 5-1 Definitions of Asset Cost Terms

BACKLOG	**The replacement cost for assets characterized by an age greater than their useful life. These assets are still in service and typically have not been replaced within their useful life due to a lack of sufficient funding.**
NORMAL REPLACEMENT COSTS	**The replacement cost for assets that will reach the end of their useful life during the 10-year program, 2010-2019. These assets are still in service and would be scheduled for replacement during the 10-year program if sufficient funding was available.**
CAPITAL MAINTENANCE COSTS	**The cost associated with keeping an asset in a state of good repair. Capital maintenance costs are typically significant and anticipated and are associated with keeping the asset in service for the full term of its useful life. Capital maintenance costs are characterized by replacement or rehabilitation of asset components, but not replacement of the entire asset. Examples of typical capital maintenance costs are bus overhauls (CTA, Pace), rail car overhauls (CTA, Metra), structure component replacement such as flange angles, foundations or connection angles (CTA, Metra).**
SOFT COSTS	**RAIL & BUS INFRASTRUCTURE COMPONENTS: Additional 22.7% of total base cost including miscellaneous costs related to development of passenger services. RAIL AND BUS ROLLING STOCK AND EQUIPMENT: Additional 15% of total base cost including miscellaneous costs related to development of passenger services. The majority of soft costs are expended in the planning, engineering, and project management efforts. These services include in-house agency staff, government related support staff, and the use of consultants for particular tasks. Project start-up and initiation expenses are also included in this cost category. Project financing cost and an "other" expense line item, which includes any reconciliations and unaccountable costs, comprise the full range of project development capital costs. (Federal Transit Administration definition)**
CONTINGENCY COSTS	**RAIL & BUS INFRASTRUCTURE COMPONENTS: Additional 20% of total base cost including miscellaneous costs related to development of passenger services. RAIL & BUS EQUIPMENT & ROLLING STOCK: Additional 15% of total base cost including miscellaneous costs related to development of passenger services. These costs are budgeted for unforeseen emergencies or design shortfalls typically identified after a project commences. The contingency is included in the budget so the project can proceed with minimal interruption for changes or cost overruns.**

The final inventory asset tables (Appendices A-2a, A-3a, and A-4a) and corresponding 10-year needs tables (Appendices A-2b, A-3b and A-4b) form the basis for the 10-year capital needs assessment. This chapter provides a summary of the inventory asset data, a summary of asset condition ratings, cost components for backlog, normal replacement and capital maintenance and an overall summary of the 10-year needs assessment.

Condition Ratings

Results of the condition rating analysis based on asset age are provided in Appendices A-5, A-6 and A-7 for CTA, Metra and Pace respectively. The appendices provide both a bar chart and a pie chart to represent the condition of all assets for which specific age information was collected. A summary of the average condition rating by asset and Service Board is presented in Table 5-2.

Overall Results of 10-Year Needs Assessment

A summary of all 10-year needs assessment costs including backlog costs, 10-year replacement costs and 10-year capital maintenance costs for each Service Board is presented in Tables 5-3, 5-4 and 5-5 for CTA, Metra, and Pace respectively. The 10-year needs of the Service Boards are comprised of current backlog, and 10-year replacement and capital maintenance needs. Future ADA and other code requirements are not addressed as part of the 10-year needs with the exception of Positive Train Control (PTC) which is Federally mandated to be in place by 2015. CTA systems have PTC while Metra systems do not currently have PTC.

The total 10-year needs assessment cost for CTA is $14.999 billion. The total 10-year needs assessment cost for Metra is $7.374 billion. The total 10-year needs assessment cost for Pace is $2.255 billion. The 10-year needs of each of the Service Boards are based strictly on responsibilities of the agencies and do not include costs, needs or contributions of railroads or other entities.

Backlog. The backlog cost for each Service Board is shown in the column titled, "Backlog" in Tables 5-2, 5-3 and 5-4, respectively, for CTA, Metra and Pace. A summary of the results is described below. All soft costs and contingencies are included in these tables. Appendix A-8 provides the same information derived from the base cost figures (from Appendices A-2, A-3 and A-4).

CTA – The total backlog cost for CTA is $10.006 billion. The major asset components of the backlog include Stations & Parking Facilities at $3.576 billion, Rail Revenue Vehicles at $2.044 billion, Track Structures at $986 million, Bus and Rail Maintenance Facilities at $815 billion, Buses at $636 million, Subway Fans at $417 million, Fare Collection at $299 million, Substations at $267 million, Ties at $192 million and ROW Traction Power at $146 million.

Metra – The total backlog cost for assets for which data was available for Metra is $3.701 billion. The major asset components of Metra's backlog include Stations & Parking at $1.222 billion, Maintenance Facilities at $756 million, Rail Revenue Vehicles - EMUs at $660 million, Track Structures at $425 million and Signal Controls at $165 million.

Pace – The total backlog cost for Pace is $115 million. The major asset components of the backlog include ADA Rolling Stock at $52 million, Suburban Services Rolling Stock at $29 million and Suburban Support Facilities and Equipment at $18 million.

Normal Replacement of Assets . The normal replacement cost of assets for each Service Board is shown in the column titled, "Normal Replacement" in Tables 5-2, 5-3 and 5-4, respectively,

for CTA, Metra and Pace. All soft costs and contingencies are included. A summary of the results is described below.

CTA – The total 10-year normal replacement cost for CTA is $3.222 billion. The major asset components of the normal replacement cost include Rail Revenue Vehicles at $1.095 billion and Stations and Parking at $778 million.

Metra – The total 10-year normal replacement cost for Metra is $1.704 billion. The major asset components of the normal replacement cost include Rail Revenue Vehicles - Coach Cars at $495 million and Rail Revenue Vehicles – EMUs at $383 million.

Pace – The total 10-year normal replacement cost for Pace is $1.932 billion. The major asset components of the normal replacement cost include Suburban Services Rolling Stock at $753 million and Suburban Support Facilities and Equipment at $360 million.

Capital Maintenance. The capital maintenance cost for each Service Board is shown in the column titled, "Capital Maintenance" in Tables 5-2, 5-3 and 5-4, respectively, for CTA, Metra and Pace. All soft costs and contingencies are included. A summary of the results is described below.

CTA – The total 10-year capital maintenance cost for CTA is $1.772 billion. The major asset components of the capital maintenance cost include Track Structures at $847 million, Rail Revenue Vehicles at $657 million and Buses at $268 million.

Metra – The total 10-year capital maintenance cost for Metra is $1.968 billion. The major asset components of the capital maintenance cost include Rail Revenue Vehicles – Coach Cars at $471 million and Locomotives at $173 million.

Pace – The total 10-year capital maintenance cost for Pace is $208 million. The major asset components of the capital maintenance cost include Suburban Services Rolling Stock at $196 million.

Assumptions

The assumptions used during the asset assessment were compiled into a table and can be found in Appendix A-9. The table includes both asset costs assumptions and capital maintenance assumptions for each asset category. These assumptions include unit costs and cost sources, industry standards, limits of the assessment, replacement schedules, inflation rates, and general asset information.

Table 5-2 Asset Average Condition Ratings by Service Boards

	Service Board					
	CTA		Metra		Pace	
Asset Groups	CTA Asset	Average Condition Rating	Metra Asset	Average Condition Rating	Pace Asset	Average Condition Rating
Track and Structures	CTS1 Track Structures	3.21	MTS1 Track Structures	3.30		
	CTS2 Ties	3.69	MTS2 Ties	N/A		
	CTS3 Rail	3.08	MTS3 Rail			
	CTS4 Grade Crossing Rail	4.77	MTS4 Grade Crossings			
	CTS5 Special Trackwork	3.77	MTS5 Special Trackwork			
Electrical and Subway Equipment	CES1a Substations	2.27	MES1 Substations	2.13		
	CES1b Substations Distribution	3.02	MES2 ROW Traction Power	2.39		
	CES2 ROW Traction Power	2.20	MES3 Catenary	2.72		
	CES3 - Subway Electrical Service	1.79				
	CES4 Subway fans	1.32				
	CES5 Subway Illumination	1.00				
	CES6 Subway Pumps	4.81				
Systems	CSCF1 Interlockings	3.96	MSCF1a Interlockings	3.20		
	CSCF2 Cab Signals	3.76	MSCF1b UP Interlockings			
	CSCF3 Grade Crossing Signals	4.87	MSCF1c BNSF Interlockings			
			MSCF2a Signal Controls	2.68		
			MSCF2b UP Signal Controls	1.43		
			MSCF2c BNSF Signal Controls	1.00		
			MSCF3a Grade Crossing Signals	N/A		
			MSCF3b UP Grade Crossing Signals			
			MSCF3c BNSF Grade Crossing Signals			
	CSCF4 Fare Collection Equipment	N/A	MSCF4 Fare Collection Equipment	1.97	PSCF1 - Pace Fare Collection Equipment	1.00
	CSCF5 Bus and Rail Radio Systems	1.00	MSCF5 Radio Systems	2.90	PSCF2 - Pace Radio Systems	1.59
	CSCF6 GPS On-Board Bus	3.69	MSCF6a CCTV Vending	1.00	PSCF3 – Electric/Signal/ ITS (including IBS, AVL, MDT, TSP)	2.91
	CSCF7 CCTV Station	4.02	MSCF6b CCTV Homeland Security	3.51		
	CSCF8 Cable Plant Fiber	4.43	MSCF7 Telephone Systems	1.36		
	CSCF9 Fiber Optic Systems	4.05	MSCF8 Public Address Systems	N/A		
	CSCF10a SCADA Systems Stations	2.47	MSCF9 Cable Plant	3.00		
	CSCF10b Substation SCADA RTUs	1.71	MSCF10 Fiber Optic Backbone Network	1.00		
	CSCF11a Public Address Systems Audio	2.52	MSCF11 Microwave	2.33		
	CSCF11b Public Address Systems VMS	2.52	MSCF12 Wireless Telephone	5.00		
Stations/ Garages/ Facilities	CFS1a Stations	2.93	MFS1a Stations	3.04		
	CFS1b Station Parking	2.89	MFS1b Station Parking	2.02		
	CFS2 Bus Passenger Facilities	1.03	MFS2 Maintenance and Yard Facilities	3.79	PFS1 - Pace Stations and Passenger Facilities (Pavement)	2.88
	CFS3a Bus and Maintenace Facilities Bus Garages	3.00	MFS3 Headquarters	N/A	PFS2 - Pace Support Facilities & Equipment	3.64
	CFS3b Bus and Maintenace Facilities Other Major Facilities	2.63			PFS3 - Pace Headquarters Building	N/A
	CFS3c Bus and Maintenace Facilities Railcar Maintenance	3.33				
	CFS4 Yard Facilities	2.73				
	CFS5 Headquarters Building	N/A				
Rolling Stock	CRS1 Rail Revenue Vehicles	1.35	MRS1a Rail Revenue Vehicles Locomotives	3.53	PRS1a - Pace Rolling Stock (Non-Paratransit)	3.19
	CRS2 Buses	3.56	MRS1b Rail Revenue Vehicles Coach Cars	3.78	PRS1b - Pace ADA Rolling Stock (Paratransit)	3.14
			MRS1b Rail Revenue Vehicles EMUs	1.72	PRS1c - Pace ADA Rolling Stock (Para Vans)	3.29
	CRS 3 Non-Revenue Vehicles	1.22	MRS 2 Non-Revenue Vehicles	1.60	PRS 2 - Pace Non-Revenue Vehicles	2.34
	CRS 4 Work Equipment	2.78	MRS 3 Work Equipment	3.00		

KEY:	
Asset In State of Good Repair	3.00 and above
Asset Not In State of Good Repair	Below 3.00

Table 5-3 CTA Assets: 10-Year Needs Assessment Components (in 000's)*

Asset Groups	Assets	Cost Type	Backlog $	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TOTAL 10-YEAR Replacement & Cap Maint	TOTAL 10-YEAR PROGRAM NEEDS	Assets	Appendix A-3a Inventory Table page refr -	Appendix A-3b 10-year Needs, page refr -
CTA TRACK & STRUCTURES (CTS)	CTS1 - Track Structure	Normal Replacement $	$965,552	$54,226	$0	$0	$0	$0	$0	$0	$0	$0	$0	$54,226	$1,020,874	CTS1 - Track Structure	1	1
		Capital Maintenance $		$84,710	$84,710	$84,710	$84,710	$84,710	$84,710	$84,710	$84,710	$84,710	$84,710	$847,096				
	CTS2 - ALL MAINLINE TIES	Normal Replacement $	$192,064	$314	$24,738	$63,433	$0	$3,235	$1,874	$3,212	$58,233	$0	$0	$155,039	$347,103	CTS2 - ALL MAINLINE TIES	10	2
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CTS3 - Rail Tangent + CTS3 - Rail Curves < than 1500 radius	Normal Replacement $	$83,197	$1,239	$0	$0	$8,770	$6,130	$367	$13,785	$1,457	$1,339	$2,897	$33,963	$117,160	CTS3 - Rail Tangent + CTS3 - Rail Curves < than 1500 radius	14	3
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CTS4 - Grade Crossing Track High Axle Usage + CTS4 - Grade Crossing Track Low Axle Usage	Normal Replacement $	$0	$616	$0	$0	$0	$0	$0	$548	$411	$616	$0	$2,192	$2,192	CTS4 - Grade Crossing Track High Axle Usage + CTS4 - Grade Crossing Track Low Axle Usage	48	4
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CTS5 - Special Trackwork Elevated + Ballasted + Concrete	Normal Replacement $	$90,890	$714	$0	$4,995	$8,562	$4,995	$4,281	$32,108	$32,108	$0	$24,973	$112,733	$212,623	CTS5 - Special Trackwork Elevated + Ballasted + Concrete	50	5
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
CTA ELECTRICAL & SUBWAY EQUIPMENT (CES)	CES1a - Substations Equipment and Buildings	Normal Replacement $	$267,249	$7,786	$0	$23,356	$0	$0	$0	$0	$0	$7,786	$10,353	$55,281	$322,529	CES1a - Substations Equipment and Buildings	63	6
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CES1b - Substations Distribution	Normal Replacement $	$11,988	$0	$0	$0	$1,241	$0	$0	$0	$0	$0	$0	$1,241	$13,230	CES1b - Substations Distribution	65	8
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CES2 - ROW Traction Power	Normal Replacement $	$146,013	$0	$39,448	$2,056	$2,674	$3,219	$11,756	$18,124	$2,005	$0	$0	$79,283	$225,296	CES2 - ROW Traction Power	68	11
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CES3 - Subway Electrical	Normal Replacement $	$44,627	$0	$0	$0	$0	$1,528	$0	$0	$4,585	$0	$0	$6,113	$50,740	CES3 - Subway Electrical	71	14
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CES4 - Subway Fans & Ventilation	Normal Replacement $	$417,141	$0	$0	$0	$0	$0	$0	$0	$28,768	$0	$0	$28,768	$445,909	CES4 - Subway Fans & Ventilation	73	16
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CES5 - Subway Illumination	Normal Replacement $	$7,102	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7,102	CES5 - Subway Illumination	75	18
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CES6 - Subway Pumps	Normal Replacement $	$0	$0	$0	$0	$0	$0	$0	$150	$0	$0	$0	$150	$150	CES6 - Subway Pumps	77	20
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
CTA SYSTEMS (CSCF)	CSCF1 - Interlockings	Normal Replacement $	$94,182	$0	$0	$0	$0	$0	$5,708	$5,708	$0	$4,281	$0	$15,697	$109,879	CSCF1 - Interlockings	78	21
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CSCF2 - Cab Signals	Normal Replacement $	$11,416	$0	$0	$0	$0	$79,912	$0	$28,540	$0	$0	$0	$108,452	$119,868	CSCF2 - Cab Signals	81	24
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CSCF3 - Grade Crossing Systems	Normal Replacement $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$571	$571	$571	CSCF3 - Grade Crossing Systems	83	25
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CSCF4 - Fare Collection	Normal Replacement $	$290,000	$0	$0	$0	$757	$0	$0	$0	$0	$0	$0	$757	$290,757	CSCF4 - Fare Collection	84	26
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CSCF5 - Radio Systems	Normal Replacement $	$0	$0	$0	$98,636	$0	$0	$0	$0	$0	$0	$0	$98,636	$98,636	CSCF5 - Radio Systems	91	27
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CSCF6 - GPS Bus	Normal Replacement $	$1,170	$1,888	$0	$0	$881	$0	$0	$676	$3,923	$0	$0	$7,367	$8,537	CSCF6 - GPS Bus	92	28
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CSCF7 - CCTV Station	Normal Replacement $	$0	$0	$0	$0	$0	$0	$4,146	$1,097	$0	$122	$0	$5,365	$5,365	CSCF7 - CCTV Station	93	29
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CSCF8 - Cable Plant	Normal Replacement $	$0	$0	$0	$0	$0	$0	$0	$3,568	$0	$0	$0	$3,568	$3,568	CSCF8 - Cable Plant	98	30
		Capital Maintenance $		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				

Table 5-3 CTA Assets: 10-Year Needs Assessment Components (in 000's) CONTINUED*

Asset Groups	Assets	Cost Type		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TOTAL 10-YEAR Replace-ment & Cap Maint	TOTAL 10-YEAR PROGRAM NEEDS	Assets	Appendix A-3a Inventory Table page refr -	Appendix A-3b 10-year Needs page refr -
		Backlog $	Normal Replacement $															
			Capital Maintenance $															
CTA SYSTEMS (CSCF)	CSCF10 - Fiber Optic Systems	$0	Normal Replacement $	$0	$0	$0	$0	$1,805	$18,872	$0	$0	$2,954	$0	$23,631	$23,631	CSCF10 - Fiber Optic Systems	100	31
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CSCF11a - Station SCADA Systems	$5,651	Normal Replacement $	$0	$0	$2,312	$0	$942	$0	$0	$0	$3,510	$0	$6,764	$12,415	CSCF11a - Station SCADA Systems	104	35
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CSCF11 b- Substation SCADA RTUs	$19,627	Normal Replacement $	$0	$0	$1,668	$0	$1,410	$0	$19,627	$0	$0	$1,668	$24,373	$44,000	CSCF11 b- Substation SCADA RTUs	108	40
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CSCF12a - Public Address Systems Audio	$9,007	Normal Replacement $	$0	$0	$2,781	$0	$1,590	$0	$265	$133	$5,298	$0	$10,067	$19,075	CSCF12a - Public Address Systems Audio	113	46
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CSCF12b - Public Address Systems VMS	$11,009	Normal Replacement $	$0	$0	$3,401	$0	$1,942	$0	$324	$161	$6,476	$0	$12,304	$23,313	CSCF12b - Public Address Systems VMS	117	50
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
CTA STATIONS, GARAGES, FACILITIES (CFS)	CFS1 - Stations & Parking Facilities	$3,575,738	Normal Replacement $	$309,553	$49,060	$845	$121,482	$13,728	$21,639	$49,214	$124,985	$21,027	$66,798	$778,331	$4,354,070	CFS1 - Stations & Parking Facilities	121	54
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CFS2 - Bus Passenger Facilities	$186,224	Normal Replacement $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$186,224	CFS2 - Bus Passenger Facilities	126	60
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CFS3a - Bus Maintenance Facilities	$428,100	Normal Replacement $	$0	$0	$0	$42,810	$0	$0	$42,810	$0	$0	$0	$85,620	$513,720	CFS3a - Bus Maintenance Facilities	129	61
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CFS3b - Maintenance Facilities - Other Major	$236,882	Normal Replacement $	$0	$0	$0	$0	$0	$0	$0	$0	$3,939	$0	$3,939	$240,821	CFS3b - Maintenance Facilities - Other Major	130	62
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CFS3c - Railcar Maintenance Facilities	$149,835	Normal Replacement $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$149,835	CFS3c - Railcar Maintenance Facilities	131	63
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CFS4 - Yard Facilities	$0	Normal Replacement $	$11,085	$0	$0	$13,632	$0	$0	$0	$0	$0	$0	$24,717	$24,717	CFS4 - Yard Facilities	132	65
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CFS5 - CTA Headquarters Building	$0	Normal Replacement $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	CFS5 - CTA Headquarters Building	-	-
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
CTA ROLLING STOCK (CRS)	CRS1 - Rail Revenue Vehicles	$2,043,600	Normal Replacement $	$0	$306,600	$119,600	$0	$0	$0	$5,200	$192,400	$462,600	$7,800	$1,094,800	$3,794,960	CRS1 - Rail Revenue Vehicles	133	66
			Capital Maintenance $	$656,760	$0	$0	$0	$0	$0	$0	$0	$0	$0	$656,760				
	CRS2 - Buses	$636,188	Normal Replacement $	$0	$0	$0	$0	$0	$0	$249,730	$0	$52,813	$0	$302,543	$1,206,660	CRS2 - Buses	134	67
			Capital Maintenance $	$44,070	$0	$0	$209,625	$0	$14,235	$0	$0	$0	$0	$267,930				
	CRS3 - Non-Revenue Vehicles	$30,963	Normal Replacement $	$1,551	$1,290	$1,047	$0	$30,963	$1,550	$1,290	$1,047	$0	$30,963	$69,700	$100,663	CRS3 - Non-Revenue Vehicles	135	68
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	CRS4 - Work Equipment	$12,087	Normal Replacement $	$282	$6,639	$792	$1,555	$1,353	$1,210	$1,190	$1,001	$658	$1,469	$16,149	$28,236	CRS4 - Work Equipment	136	69
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	GRAND TOTAL CTA TOTAL 10-YEAR NEEDS	$10,005,502	Normal Replacement $	$389,253	$427,975	$324,920	$200,364	$152,753	$71,402	$477,144	$451,217	$573,618	$153,492	$3,222,138	$14,999,426	GRAND TOTAL CTA TOTAL 10-YEAR NEEDS		
			Capital Maintenance $	$785,540	$84,710	$84,710	$294,335	$84,710	$98,945	$84,710	$84,710	$84,710	$84,710	$1,771,786				
			TOTAL Replacement & Cap. Maint.	$1,174,793	$512,685	$409,630	$494,699	$237,462	$170,346	$561,853	$535,926	$658,328	$238,202	$4,993,924				
		TOTAL Backlog $	YEAR	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TOTAL 10-YEAR Replace-ment & Cap. Maint.	TOTAL 10-YEAR PROGRAM NEEDS			

*NOTE: All costs include Soft Costs and Contingencies

Table 5-4 Metra Assets: 10-Year Needs Assessment Components (in 000's)*

Asset Groups	Asset	Cost Type		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TOTAL 10-YEAR Replace-ment & Cap Maint	TOTAL 10-YEAR PROGRAM NEEDS	Asset	App endix A 5a Invest. Table page refe	App endix A 5b 10 year Needs page refe
		Backlog $	Normal Replacement $															
			Capital Maintenance $															
METRA TRACK & STRUC-TURES (MTS)	MTS1 - Track Structures	$425,078	Normal Replacement $	$34,819	$34,819	$34,819	$34,819	$34,819	$34,819	$34,819	$34,819	$34,819	$34,819	$348,188	$1,030,126	MTS1 - Track Structures	1	1
			Capital Maintenance $	$25,686	$25,686	$25,686	$25,686	$25,686	$25,686	$25,686	$25,686	$25,686	$25,686	$256,860				
	MTS2** - Ties	$0	Normal Replacement $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$279,806	MTS2 - Ties	40	2
			Capital Maintenance $	$27,981	$27,981	$27,981	$27,981	$27,981	$27,981	$27,981	$27,981	$27,981	$27,981	$279,806				
	MTS3** - TOTAL Rail Tangent & Curve	$0	Normal Replacement $	$21,405	$21,405	$21,405	$21,405	$21,405	$21,405	$21,405	$21,405	$21,405	$21,405	$214,050	$214,050	MTS3 - TOTAL Rail Tangent & Curve	40	3
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	MTS4** - Grade Crossing Track	$0	Normal Replacement $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$85,620	MTS4 - Grade Crossing Track	40	4
			Capital Maintenance $	$8,562	$8,562	$8,562	$8,562	$8,562	$8,562	$8,562	$8,562	$8,562	$8,562	$85,620				
	MTS5** - Special Trackwork ALL	$0	Normal Replacement $	$4,281	$4,281	$4,281	$4,281	$4,281	$4,281	$4,281	$4,281	$4,281	$4,281	$42,810	$42,810	MTS5 - Special Trackwork ALL	40	5
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
METRA ELECTRI-CAL & SUBWAY EQUIP-MENT (MES)	MES1 - Substations	$22,475	Normal Replacement $	$0	$0	$0	$0	$0	$0	$0	$0	$15,795	$0	$15,795	$52,541	MES1 - Substations	41	6
			Capital Maintenance $	$1,427	$1,427	$1,427	$1,427	$1,427	$1,427	$1,427	$1,427	$1,427	$1,427	$14,270				
	MES2 - ROW Traction Power	$31,388	Normal Replacement $	$0	$0	$0	$0	$0	$3,502	$0	$0	$0	$0	$3,502	$34,890	MES2 - ROW Traction Power	42	7
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	MES3 - Catenary	$15,708	Normal Replacement $	$0	$0	$0	$0	$0	$14,795	$0	$0	$0	$0	$14,795	$44,774	MES3 - Catenary	43	8
			Capital Maintenance $	$1,427	$1,427	$1,427	$1,427	$1,427	$1,427	$1,427	$1,427	$1,427	$1,427	$14,270				
METRA SYSTEMS (MSCF)	MSCF1 - Interlockings	$132,711	Normal Replacement $	$0	$0	$0	$0	$9,989	$8,562	$0	$0	$0	$0	$18,551	$179,802	MSCF1 - Interlockings	44	9
			Capital Maintenance $	$2,854	$2,854	$2,854	$2,854	$2,854	$2,854	$2,854	$2,854	$2,854	$2,854	$28,540				
	MSCF2a - Metra Signal Controls	$165,247	Normal Replacement $	$0	$0	$0	$0	$0	$0	$0	$7,492	$0	$0	$7,492	$201,278	MSCF2a - Metra Signal Controls	50	10
			Capital Maintenance $	$2,854	$2,854	$2,854	$2,854	$2,854	$2,854	$2,854	$2,854	$2,854	$2,854	$28,540				
	MSCF2b - UP Signal Controls	$91,749	Normal Replacement $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$106,019	MSCF2b - UP Signal Controls	51	10
			Capital Maintenance $	$1,427	$1,427	$1,427	$1,427	$1,427	$1,427	$1,427	$1,427	$1,427	$1,427	$14,270				
	MSCF2c - BNSF Signal Controls	$29,039	Normal Replacement $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$36,174	MSCF2c - BNSF Signal Controls	53	10
			Capital Maintenance $	$714	$714	$714	$714	$714	$714	$714	$714	$714	$714	$7,135				
	MSCF3a - Grade Crossing Signal Systems	$33,535	Normal Replacement $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$133,425	MSCF3a - Grade Crossing Signal Systems	56	11
			Capital Maintenance $	$9,989	$9,989	$9,989	$9,989	$9,989	$9,989	$9,989	$9,989	$9,989	$9,989	$99,890				
	MSCF4 - Fare Collection Equipment	$8,028	Normal Replacement $	$1,040	$0	$78	$0	$283	$0	$0	$0	$0	$0	$1,401	$9,429	MSCF4 - Fare Collection Equipment	69	12
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	MSCF5 - Radio Systems	$3,351	Normal Replacement $	$0	$0	$7,020	$0	$2,080	$0	$0	$520	$585	$1,950	$12,155	$15,506	MSCF5 - Radio Systems	70	13
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	MSCF6a - CCTV Vending	$448	Normal Replacement $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$448	MSCF6a - CCTV Vending	71	13
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	MSCF6b - CCTV Homeland Security	$42	Normal Replacement $	$0	$66	$0	$285	$0	$103	$0	$174	$0	$0	$628	$670	MSCF6b - CCTV Homeland Security	72	13
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	MSCF7 - Telephone Systems	$303	Normal Replacement $	$0	$0	$0	$0	$0	$0	$0	$0	$39	$0	$39	$432	MSCF7 - Telephone Systems	73	13
			Capital Maintenance $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				

Table 5-4 Metra Assets: 10-Year Needs Assessment Components (in 000's) CONTINUED*

Asset Groups	Asset	Cost Type	Backlog $	YEAR	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TOTAL 10-YEAR Replacement & Cap Maint	TOTAL 10-YEAR PROGRAM NEEDS	Asset	Appendix A-3a Item, Table page refs	Appendix A-3b 10 year Needs, page refs
METRA SYSTEMS (MSCP)	MSCF8 - Public Address Systems	Normal Replacement $	$2,427		$0	$0	$0	$31	$0	$29	$0	$0	$0	$0	$51	$2,479	MSCF8 - Public Address Systems	74	14
		Capital Maintenance $			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	MSCF9 - Metra Cable Plant	Normal Replacement $	$0		$0	$0	$0	$0	$0	$0	$0	$2,496	$0	$0	$2,496	$2,496	MSCF9 - Metra Cable Plant	75	14
		Capital Maintenance $			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	MSCF 10 - Metra Fiber Optic Backbone Network	Normal Replacement $	$3,746		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,746	MSCF 10 - Metra Fiber Optic Backbone Network	76	14
		Capital Maintenance $			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	MSCF 11 - Metra Microwave	Normal Replacement $	$407		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$407	MSCF 11 - Metra Microwave	78	14
		Capital Maintenance $			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	MSCF 12 - Wireless Telephone	Normal Replacement $	$0		$0	$0	$218	$0	$0	$0	$0	$218	$0	$0	$437	$437	MSCF 12 - Wireless Telephone	79	14
		Capital Maintenance $			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
METRA STATIONS, GARAGES, FACILITIES (MFS)	MFS1 - Metra Stations & Parking	Normal Replacement $	$1,222,126		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,427,996	MFS1 - Metra Stations & Parking	80	15
		Capital Maintenance $			$10,063	$2,865	$10,426	$11,951	$57,170	$65,379	$16,620	$20,634	$0	$10,701	$205,870				
	MFS2- Metra Maintenance Facilities	Normal Replacement $	$756,310		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$956,200	MFS2- Metra Maintenance Facilities	89	15
		Capital Maintenance $			$2,854	$2,854	$2,854	$2,854	$2,854	$2,854	$59,934	$2,854	$2,854	$17,124	$99,890				
	MFS3- Metra Headquarters Building	Normal Replacement $	$18,133		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$24,126	MFS3- Metra Headquarters Building	90	16
		Capital Maintenance $			$4,188	$428	$806	$521	$0	$0	$0	$0	$0	$0	$5,993				
METRA ROLLING STOCK (MRS)	MRS1a - Rail Revenue Vehicles - Locomotives	Normal Replacement $	$0		$39,000	$13,000	$0	$0	$0	$0	$0	$0	$0	$0	$52,000	$225,290	MRS1a - Rail Revenue Vehicles - Locomotives	91	17
		Capital Maintenance $			$0	$9,100	$26,650	$20,150	$19,480	$18,200	$19,500	$20,800	$19,500	$18,500	$173,280				
	MRS1b - Rail Revenue Vehicles - Coach Cars	Normal Replacement $	$0		$91,000	$0	$0	$0	$0	$80,860	$80,860	$80,860	$80,860	$80,860	$495,300	$965,900	MRS1b - Rail Revenue Vehicles - Coach Cars	92	17
		Capital Maintenance $			$27,950	$39,390	$60,450	$65,325	$65,325	$51,116	$62,985	$39,624	$30,485	$27,950	$470,600				
	MRS1c - Rail Revenue Vehicles - EMUs	Normal Replacement $	$659,750		$96,850	$93,990	$84,630	$107,120	$0	$0	$0	$0	$0	$0	$382,590	$1,094,340	MRS1c - Rail Revenue Vehicles - EMUs	93	17
		Capital Maintenance $			$0	$0	$0	$0	$0	$0	$0	$0	$26,000	$26,000	$52,000				
	MRS1d - Rail Revenue Vehicles - Support	Normal Replacement $	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$131,040	MRS1d - Rail Revenue Vehicles - Support	-	17
		Capital Maintenance $			$7,670	$13,130	$13,910	$14,040	$14,040	$14,040	$14,040	$13,390	$13,390	$13,390	$131,040				
	MRS2 - Non-Revenue Vehicles	Normal Replacement $	$44,819		$3,496	$754	$1,797	$7,030	$39,620	$3,207	$910	$605	$5,429	$17,323	$80,170	$124,989	MRS2 - Non-Revenue Vehicles	94	18
		Capital Maintenance $			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	MRS3 - Work Equipment	Normal Replacement $	$34,587		$426	$1,209	$2,960	$273	$2,535	$858	$975	$845	$1,710	$12	$11,803	$46,389	MRS3 - Work Equipment	110	19
		Capital Maintenance $			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	GRAND TOTAL Metra TOTAL 10-YEAR NEEDS	Normal Replacement $	$3,703,405		$292,317	$160,524	$157,208	$176,344	$115,012	$172,412	$143,250	$153,714	$164,923	$160,649	$1,704,253	$7,373,633	GRAND TOTAL Metra TOTAL 10-YEAR NEEDS		
		Capital Maintenance $			$135,646	$150,888	$198,068	$197,701	$242,199	$234,510	$285,999	$180,223	$175,149	$197,645	$1,967,885				
		TOTAL Replacement & Cap Maint			$427,962	$320,212	$355,276	$373,045	$357,211	$406,921	$429,249	$333,937	$340,072	$358,294	$3,672,138				
			TOTAL Backlog $													TOTAL 10-YEAR PROGRAM NEEDS			

*NOTE: All costs include Soft Costs and Contingencies

Table 5-5 Pace Assets: 10-Year Needs Assessment Components (000's)*

Asset Groups	Asset	Cost Type	Backlog $	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TOTAL 10-YEAR Replacement & Cap Maint	TOTAL 10-YEAR PROGRAM NEEDS	Asset	Appendix A-4a Invm. Tables page ref.	Appendix A-4b 10-year Needs page ref.
PACE SYSTEMS (PSCP)	PSCP1 - Fare Collection	Normal Replacement	$0	$3,900	$46,788	$1,560	$0	$0	$0	$0	$0	$1,268	$34,080	$87,596	$87,596	PSCP1 - Fare Collection	1	1
		Capital Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	PSCP2 - Radio Systems	Normal Replacement	$0	$23,400	$23,400	$9,100	$0	$0	$0	$0	$0	$3,900	$9,100	$68,900	$87,456	PSCP2 - Radio Systems	2	1
		Capital Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$70,460			
	PSCP3 - Electric Signal ITS (including DIS, AVL, MDT, TSP)	Normal Replacement	$2,854	$8,277	$18,765	$22,119	$20,283	$18,411	$10,588	$12,443	$8,162	$7,135	$127,017	$130,157	PSCP3 - Electric Signal ITS (including DIS, AVL, MDT, TSP)	50	1
		Capital Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
		Normal Replacement	$2,015	$12,772	$12,130	$12,130	$11,416	$7,849	$6,707	$9,918	$8,134	$10,988	$104,057	$111,192	PFS1 - Passenger Facilities	89	2
	PFS1 - Passenger Facilities	Capital Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
PACE STATIONS, GARAGES, FACILITIES (PFS)	PFS2a Suburban Support Facilities & Equipment (Excluding Facilities)	Normal Replacement	$23,450	$41,537	$109,186	$29,426	$23,157	$19,387	$19,735	$29,351	$37,816	$31,087	$306,112	$377,741	PFS2a Suburban Support Facilities & Equipment (Excluding Facilities)	90	3
		Capital Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	PFS2b ADA Support Facilities (Excluding Facilities)	Normal Replacement	$2,341	$18,411	$12,272	$10,407	$2,854	$3,568	$5,423	$8,562	$7,563	$6,960	$87,190	$90,757	PFS2b ADA Support Facilities (Excluding Facilities)	-	3
		Capital Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
	PFS3 - Pace Headquarters Building	Normal Replacement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	PFS3 - Pace Headquarters Building	-	-
		Capital Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
PACE ROLLING STOCK (PRS)	PRS1a - Suburban Services Rolling Stock	Normal Replacement	$58,929	$77,207	$79,333	$35,809	$107,759	$25,350	$63,414	$30,475	$104,813	$80,431	$752,818	$877,756	PRS1a - Suburban Services Rolling Stock	91	4
		Capital Maintenance	$34,268	$17,680	$17,680	$18,980	$18,980	$18,980	$17,030	$17,030	$17,030	$18,370	$196,988					
	PRS1b - ADA Rolling Stock	Normal Replacement	$0	$98,800	$8,125	$8,125	$8,125	$8,125	$8,125	$8,125	$8,125	$98,800	$345,150	$408,850	PRS1b - ADA Rolling Stock	122	4
		Capital Maintenance	$0	$1,300	$1,300	$1,300	$1,300	$1,300	$1,300	$1,300	$1,300	$1,300	$11,700					
	PRS2 - Non-Revenue Vehicles	Non-Revenue Vehicles needs included in PFS2a Suburban Support Facilities & Equipment (Above)													PRS2 - Non-Revenue Vehicles	127	5
	GRAND TOTAL Pace TOTAL 10-YEAR NEEDS	Normal Replacement	$89,389	$282,303	$309,857	$133,875	$253,575	$171,384	$113,992	$107,873	$179,780	$280,591	$1,932,499	$2,254,858	GRAND TOTAL Pace TOTAL 10-YEAR NEEDS		
		Capital Maintenance	$34,268	$18,980	$18,980	$20,280	$20,280	$20,280	$18,330	$18,330	$18,330	$18,670	$207,688					
		TOTAL Replacement & Cap. Maint	$123,657	$301,283	$328,837	$154,155	$273,855	$191,644	$132,322	$126,203	$198,110	$299,261	$2,140,187					
	TOTAL Backlog $	YEAR	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TOTAL 10-YEAR Replacement & Cap Maint	TOTAL 10-YEAR PROGRAM NEEDS				

*NOTE: All costs include Soft Costs and Contingencies

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Capital Asset Condition Assessment Update

As Of December 31, 2011

Prepared by

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November 2012

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To the Reader

The Regional Transportation Authority (RTA) is responsible for planning, funding, and oversight of all public transportation in Northeastern Illinois. As such, the RTA allocates funding to three Service Boards: the Chicago Transit Authority (CTA), Metra commuter rail and Pace suburban bus. The RTA network serves the third largest US transit market, with nine million in population and two million daily rides. RTA's asset base includes 5,900 passenger vehicles, 1,490 track miles, 565 stations, and 57 maintenance facilities. With some of the nation's oldest transit assets in the nation, the RTA also has significant reinvestment needs to attain and maintain a state of good repair (SGR). Subsequently, as part of the RTA SGR initiatives, a Capital Asset Condition Assessment of the region's assets took place in 2009 (Baseline Assessment) and the final report was published in 2010.

This report is the first annual update of the Regional Transportation Authority Capital Asset Condition Assessment (Baseline Assessment) published in 2010. This report provides an assessment of the current physical conditions and 10-year capital reinvestment needs of the transit capital assets owned and operated by RTA and its three Service Boards, CTA, Metra and Pace. Specifically, it reflects the condition and reinvestment needs of the region's transit assets as of December 31, 2011.

Alignment with the Federal Transit Administration (FTA) guidelines has been paramount in this update. The Capital Decision Prioritization Support Tool (Decision Tool) has been developed to provide the RTA and the Service Boards ability to assess and prioritize transit capital investment needs within the parameters of regional funding and long-term strategic objectives. RTA also supports the efforts of the Service Boards to implement their individual asset management systems.

The main report findings include:

- State-of-Good-Repair (SGR) backlog for the region is $18.7 billion
- 10-Year capital need for normal capital reinvestment is $12.4 billion

The backlog and 10-Year needs have grown nearly 17% since the 2010 Baseline Assessment. This is primarily due to more precision in estimation methods, improved data and the completion of necessary inventory records. While periodic variations are expected given replacement schedules, the current estimates should be viewed as a snapshot in time, with the underlying data and methods of analysis continually improving. The 2012 Assessment identifies an $18.7 billion backlog. The shortage of capital funds needed to support the RTA system will continue to present challenges with regard to achieving a SGR. In fact, our system's infrastructure will move further from that goal as it slowly continues to deteriorate.

Regional Transportation Authority

The RTA recognizes the commitment, collaboration, cooperation and level of effort each Service Board provided in order for the Capital Asset Condition Assessment Update to be a success. The RTA is extremely appreciative and pleased to note the exemplary commitment of the transit agency personnel during this process. The RTA will continue to work with the CTA, Metra and Pace to advocate for more capital funding at both the state and federal level to ensure our transit system continues to prioritize and work towards a State of Good Repair.

Sincerely,

Joseph Costello

Executive Director

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1. EXECUTIVE SUMMARY

1.1 Background

This report is the first annual update of the Regional Transportation Authority Capital Asset Condition Assessment (Baseline Assessment) published in 2010. As with the original Baseline Report, this report provides an assessment of the current physical conditions and 10-year capital reinvestment needs of the transit capital assets owned and operated by RTA and its three Service Boards, CTA, Metra and Pace. Specifically, it reflects the condition and reinvestment needs of the region's transit assets as of December 31, 2011.

This report and the underlying analyses introduce several refinements as compared to the original Baseline Report. First, the process used to assess regional asset conditions has been more closely aligned to that used by the Federal Transit Administration (FTA) and other industry peers. Second, a new analysis tool - Capital Decision Prioritization Support Tool (Decision Tool) - was developed and used for this report. This tool provides the RTA and the Service Boards with an improved ability to both assess the region's capital reinvestment needs and then prioritize those needs subject to the region's long-term strategic objectives.

The main report findings include:

- State-of-Good-Repair (SGR) backlog for the region is $18.7 billion
- 10-Year capital need for normal capital reinvestment is $12.4 billion

1.2 SGR Backlog and 10-Year Needs

As of December 2011, the region's total capital reinvestment needs over 10 years are estimated to be roughly $31.1 billion (Figure 1-1). This includes $18.7 billion to address the existing investment backlog (60 percent of total needs) and an additional $12.4 billion to address normal reinvestment needs expected over the next ten years (2012 to 2021). Normal reinvestment includes normal asset replacement, rehabilitation, and expenditures on minor capital repairs grouped under "annual capital maintenance" (ACM). As considered in more detail later in the report, a significant proportion of the region's reinvestment needs (the backlog in particular) are associated with the region's older rail assets and insufficient capital reinvestment over time. The complete Capital Needs Assessment is presented in Chapter 7.

Figure 1-1. Backlog and 10-Year Normal Reinvestment Needs Summary (Millions of 2011$)

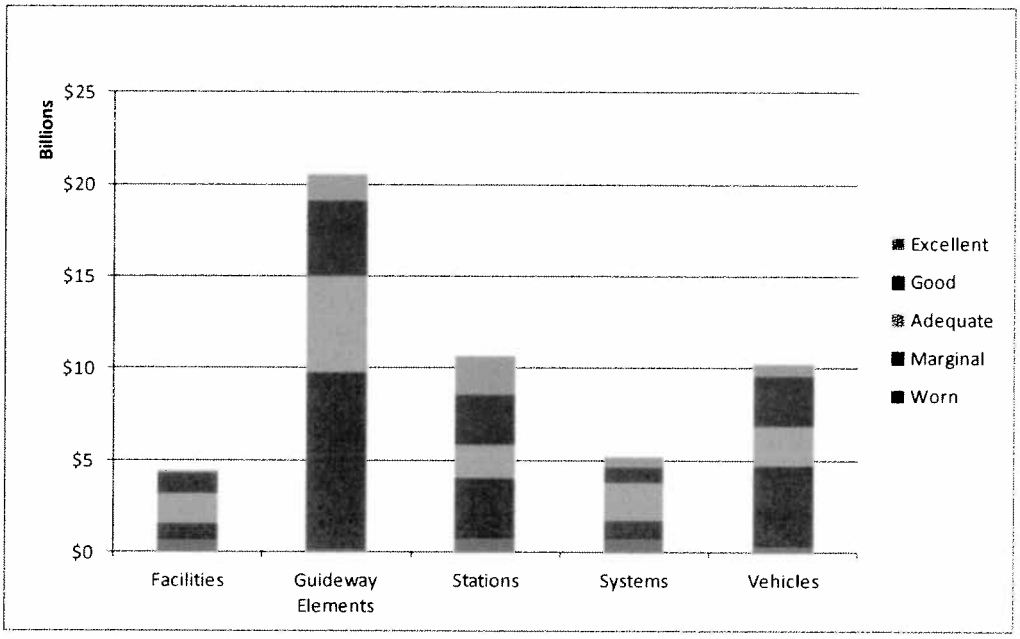
Service Board	SGR Backlog	Normal Reinvestment (2012-2021)			Total	% of Total
		Replace	Rehab	Capital Maint.		
CTA	$11,704	$4,494	$2,419	$535	**$19,151**	61.7%
Metra	$6,551	$2,235	$612	$263	**$9,661**	31.1%
PACE	$432	$1,216	$440	$151	**$2,239**	7.2%
Total	**$18,687**	**$7,945**	**$3,470**	**$949**	**$31,051**	100.0%
% of Total	60.2%	25.6%	11.2%	3.1%	100.0%	

1.3 Condition Assessment

In addition to capital needs expressed in dollar terms, this report also provides findings for the general physical condition of the region's capital assets. This condition assessment is based on analysis of the current physical condition and age distribution of each Service Board's transit assets based on inventory data reported as of December 2011. The condition rating levels established by RTA for purposes of categorizing physical condition are numbered 1 through 5 and labeled Excellent, Good, Adequate, Fair, and Worn. This numbering system is consistent with that employed by the Federal Transit Administration (FTA).

Figure 1-2 represents the full distribution of transit asset conditions for the region for each of the major asset types: Facilities; Guideway Elements; Stations; Systems; and Vehicles (note this is for all assets, not just those needing reinvestment, so greater value than $30.8 billion). The height of each bar represents the total value in billions of 2011 dollars.

Figure 1-2. Distribution of Asset Conditions by Asset Category: RTA



The figure illustrates, for instance, that Guideway Elements, Stations and Vehicles have large proportions of assets in marginal condition and may need the most attention. The complete condition assessment documentation is presented in Chapter 6.

1.4 Regional Funding Capacity, Reinvestment Needs and the Investment Backlog

The needs estimates presented in Figure 1.1 indicate that a total investment of $12.3 Billion would be required to address expected normal replacement needs over the next ten years, with additional funding required to reduce the backlog. The region's recent rate of capital reinvestment has been on the order of $450 to $600 million annually, which is considerably less than $1.2B annual amount required to address expected normal reinvestment needs over this time period. This outcome implies continued growth in the region's deferred investment backlog, as illustrated below in Figure 1-3, and potentially increasing proportions of assets in marginal or worn condition.

Figure 1-3. Regional Backlog Projections Assuming Historic Funding Levels

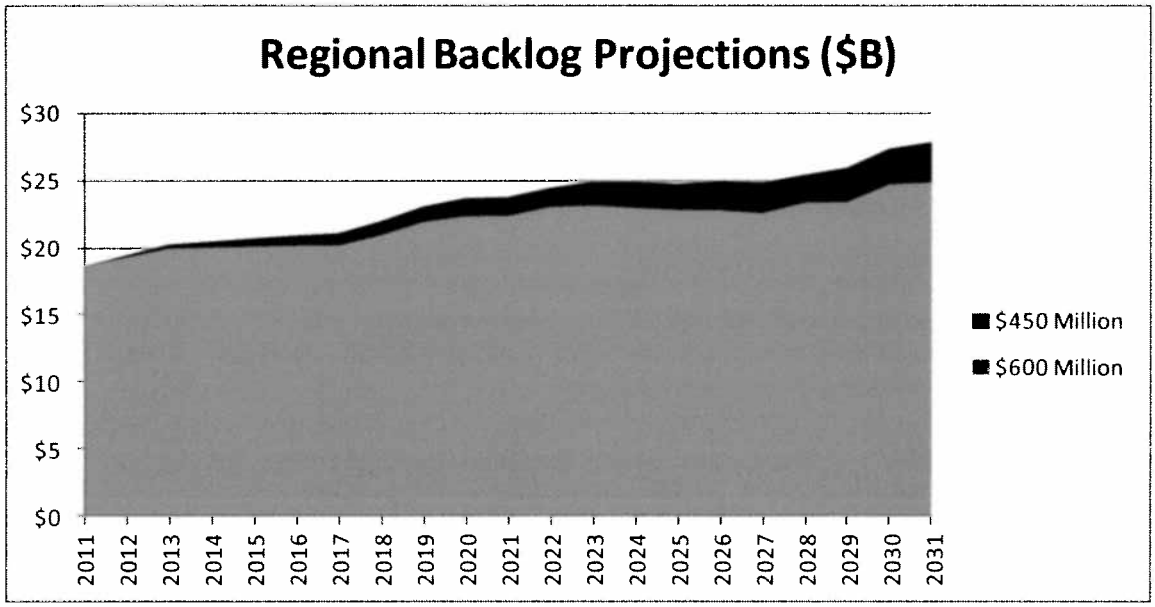
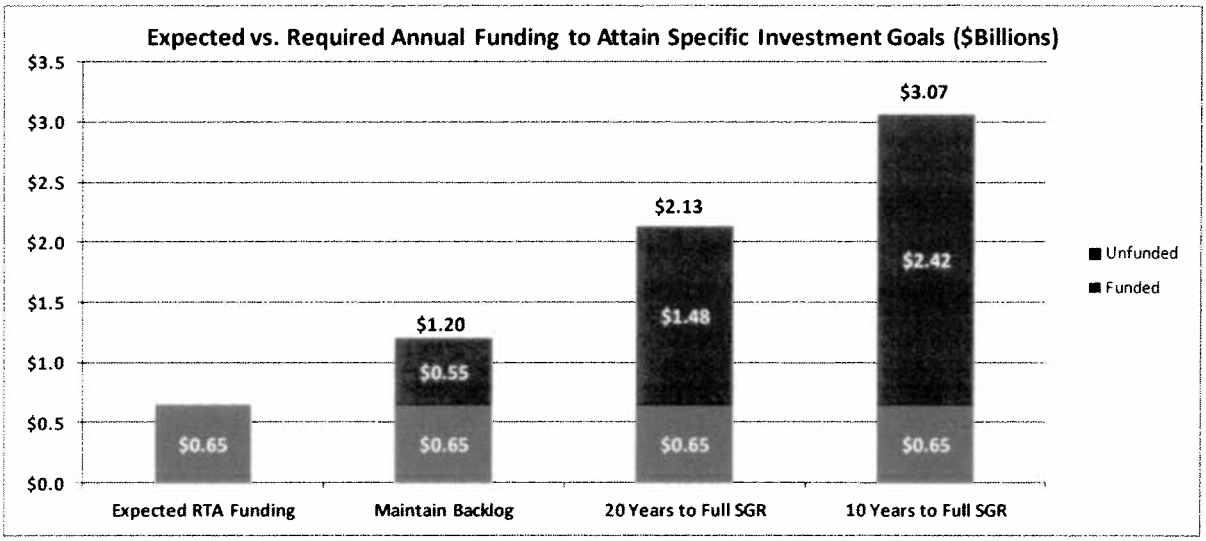


Figure 1-4 below presents the level of investment required to attain specific investment targets and the gap between the required and expected funding. For example, while an estimated $1.23B in annual expenditures is required to maintain the current size of the region's investment backlog, this amount is roughly double the level of expected funding for this time period. Similarly, an estimated $2.13 billion in annual investment would be required to attain SGR in twenty years (including full elimination of the backlog) and $3.07 billion annually to do so in 10-years.

Figure 1-4. Required Funding to Attain Specific Investment Targets



2. INTRODUCTION

2.1 Background

The Regional Transportation Authority (RTA) is the oversight, funding, and regional planning agency for the three transit operators (also known as Service Boards) that serve northeastern Illinois:

- Chicago Transit Authority (CTA) – The CTA operates the nation's second largest public transportation system and covers the City of Chicago and 40 surrounding communities. Through its bus and rail systems, it provides more than 80 percent of the public transit trips in the six-county Chicago metropolitan area either with direct service or connecting service to Metra and Pace.
- Metra – the commuter rail agency serving Cook, DuPage, Will, Lake, Kane and McHenry counties. Metra serves more than 100 communities with 241 stations on 11 lines running from Chicago's downtown.
- Pace – suburban bus and regional paratransit. Pace is the suburban transit provider for the Chicago area. Pace serves riders with fixed bus routes, vanpools and Dial-a-Ride programs covering 3,500 square miles spread over six counties - suburban Cook, DuPage, Kane, Lake, McHenry and Will - and 284 municipalities. Pace is also the ADA paratransit provider for the region.

The table below highlights transit resources and the service provided by CTA, Metra and Pace by mode for calendar year 2011 (most recent data available from the Service Boards).

Figure 2-1. Representative Service Board Resources and Transit Provided (2011)

	CTA Bus	CTA Rail	Metra	Pace
Vehicles Available	2,001	1,247	947	1,707
Fixed Guideway Route Miles	3.7	207.8	980.4	N/A
Annual Revenue Miles	52.1 million	64.2 million	43.1 million	35.0 million
Annual Revenue Hours	5.6 million	0.6 million	1.4 million	2.1 million
Annual Passenger Miles	712.9 million	1,408 million	1,608.0 million	234.7 million
Stations, Bus Stops and Transit Facilities	11,493 posted bus stops	143	243	9 transfer centers, 9 Park-n-rides, 18 boarding/ turnaround facilities

The RTA was created in 1974 by approval of a referendum by the residents of Cook, DuPage, Kane, Lake, McHenry, and Will counties. The RTA is a special purpose unit of local government and a municipal corporation of the State of Illinois. The three Service Boards - each led by a Board of Directors - individually handle their respective transit operations and fare responsibilities.

The RTA regional system is the third largest in the country, covers approximately 7,200 route miles, and provides more than two million daily rides. The RTA's combined assets include approximately 5,900 passenger vehicles, 384 rail stations, 353 bus routes, and 60 maintenance facilities.

The RTA's current Transit Asset Management (TAM) system consists of three main elements:

- An ongoing regional transit asset inventory/condition assessment program (the subject of this report)
- A State of Good Repair (SGR) needs assessment process that is based on the inventory
- A project screening and prioritization capital development process, which uses the goals and objectives set in the RTA Strategic Plan, and is linked to an ongoing performance measurement program.

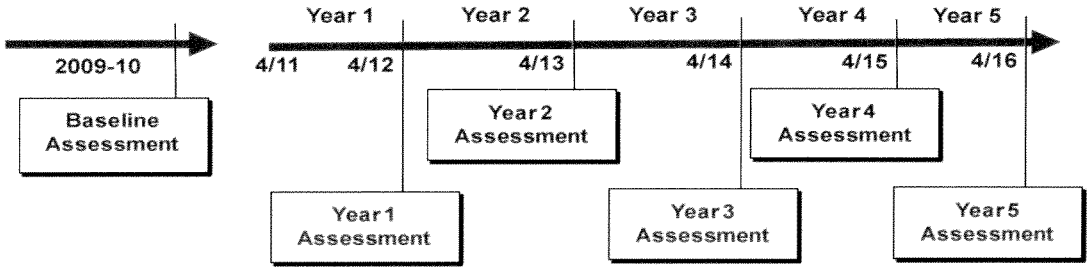
The RTA, in conjunction with the three Service Boards, is continuing to develop a more systematic and integrated approach to TAM including concurrent implementation of a Capital Asset Condition Assessment program and customization of a Capital Decision Prioritization Support Tool (Decision Tool).

2.2 RTA Condition Assessment Program

In 2010, the RTA published the initial report on the capital asset condition assessment (referred to as the Baseline Assessment). The report summarized the results of an 18-month collaborative effort to assess the general condition of the region's capital assets, as well as to determine valuation, backlog, and capital needs over 10 years. The data collected reflected asset inventory and condition through December 31, 2009.

In 2011 the RTA started a 5-year effort to annually update the Baseline Assessment. Figure 2-2 illustrates the update schedule with targeted dates of update efforts. The data analyzed is based on the preceding calendar year. Therefore, the data collected and reported in this year update report are as of December 31, 2011.

Figure 2-2. Annual Updates Following Baseline Assessments



As such, the RTA Capital Asset Condition Update process is an annual assessment of the capital need and condition of all main asset types present with the three Service Boards (summarized below).

Figure 2-3. Service Board Asset Types

Asset Type	CTA	Metra	Pace
Guideway	✓	✓	N/A
Stations	✓	✓	✓
Facilities	✓	✓	✓
Vehicles	✓	✓	✓
Systems	✓	✓	✓

2.3 Report Organization

The report is organized as follows:

- Introduction – provides background on the effort and a high-level overview of the local transit service providers (i.e., Service Boards).
- Asset Inventory Update – describes how the asset data were organized and allocated for analysis into discrete tables and fields.
- Capital Decision Prioritization Support Tool – introduces the capital asset investment prioritization tool and describes how data from the Capital Asset Condition Assessment effort will be used to help prioritize asset capital investments across the region and by Service Board.
- Condition Rating Process – introduces the asset Condition Rating Levels and describes how decay curves can be used as a predictor of asset condition. The field asset observation effort and its purpose are also covered.
- Condition Assessment – the chapter provides details on the condition of major asset categories by Service Board using the rating definitions introduced in Chapter 4.
- Capital Needs Assessment – this chapter describes the output from the Capital Decision Prioritization Support Tool, including current backlog and asset capital investment needs for the next 10 years. Investment needs are presented at the regional level and by Service Board.
- Appendix A: Glossary and Acronyms–important terms introduced in the report along with brief definitions, as well as explanations of acronyms used.
- Appendix B: Major Assumptions – a consolidated list of major assumptions used in analysis and projections.
- Appendix C: Condition Assessment for Major Asset Categories
- Appendix D: Sampling Summary– summary results from the Sampling effort for Year 1.
- Appendix E: 10-Year Annual Investment Detail – asset level breakout of the 10 year annual investment needs by Service Board.

3. ASSET INVENTORY UPDATE

The foundation of the Capital Asset Condition Assessment Update (referred to as the Update) process is a detailed asset inventory that documents the transit assets of each of the region's three Service Boards. Originally developed for the 2009 Baseline Assessment, the contents of the inventory were updated in late 2011 and the updated data were used to conduct the regional asset conditions and reinvestment needs analyses present in subsequent chapters of this report. This chapter provides background on RTA's regional transit asset inventory including its structure, contents, initial development, and updates and revisions for 2011.

3.1 Inventory Structure

The RTA's asset inventory uses a hierarchical asset inventory structure that groups all of the regions' transit assets into five categories and related sub-categories, elements and sub-elements. The first two levels of that structure are presented in Figure 3-1. This structure represents a slight modification from that used in the Baseline Assessment but is consistent with emerging industry best practices and forthcoming FTA asset reporting requirements under the 2012 Transportation Legislation bill, Moving Ahead for Progress in the 21st Century (MAP-21), the new transportation bill. All of the asset condition and investment needs analyses presented in this report are founded on this asset structure.

Figure 3-1. Inventory Structure

Category	Sub-Category
Facilities	Buildings
	Equipment
	Storage Yard
Guideway Elements	Track Structures
	Trackwork
Stations	Bus
	Rail
Systems	Communications
	Traction Power
	ITS & Security
	Revenue Collection
	Train Control
	Utilities
Vehicles	Revenue Vehicles
	Non-Revenue Vehicles

3.2 Baseline Assessment Inventory

During the Baseline Assessment, data were collected for each asset type including description, location, and quantity. Service Board representatives added asset age, value, and useful life. Condition was added based on age-based quintile calculations (e.g., first quarter of useful life, second quarter of useful life). A total of 80 inventory asset tables were developed for the Baseline Assessment and a relational database for recording, maintaining, and reporting asset information was developed.

3.3 Condition Assessment Update Inventory

The existing inventory framework was maintained while the RTA and the Service Boards offered suggestions to improve and expand the inventory framework, such as:

- Using a data dictionary to provide consistent interpretation/application of terms in the inventory tables
- Adding a level of disaggregation where needed or where supported by data
- Adding several new fields including "level of usage" and "maintenance regimen."

The Service Boards submitted a total of 121 inventory asset tables (data tables) for the Calendar Year 2011 Update, an increase from the Baseline Assessment. Figure 3-2 summarizes the inventory statistics for the Baseline Assessment and the Update and shows the difference between the two reports.

Figure 3-2. Inventory Statistics Summary

	Baseline Assessment	Update for 2011	Difference
Data Tables	80	121	51%
Individual Assets Reported	11,574	14,556	26%
Total Data Points	671,292	855,210	27%

The Service Boards submitted data tables for asset information that were not available in 2009 and for assets that were broken down to a more detailed level. The Service Boards submitted the data tables in Microsoft Excel format and a custom program was designed to migrate the Excel data tables into a Microsoft Access database while validating formats (conversion errors, data gaps, and inconsistencies had to be manually addressed). Not all of Metra's assets were included (most notably track and administrative facilities). Metra is currently in the process of updating the quality and comprehensiveness of its inventory data. Remaining assets will be included upon completion.

As part of the conversion of the separate inventories, individual asset line items were assigned to the detailed asset type codes and related asset inventory hierarchy utilized by the Federal Transit Administration's (FTA's) Transit Economic Requirements Model (TERM). Use of this TERM based asset type mapping ensures that asset documentation and the assessment of RTA and Service Board reinvestment needs is consistent with forthcoming FTA asset reporting requirements and emerging industry asset reporting standards.

In 2011, the RTA received a Transit Asset Management (TAM) Pilot Project grant from FTA. This pilot project represents TAM improvements that build off existing RTA TAM systems (the Capital Asset Condition Assessment and Decision Tool) and management approaches already in use. The project will: (1)

FTA's Transit Economic Requirements Model (TERM)

TERM is a national level transit capital investment needs analysis tool. FTA developed TERM to assess both the size of the nation's state of good repair backlog and the level of investment required to address both the backlog and normal (ongoing) reinvestment needs. FTA then reports those needs to Congress via the *Conditions and Performance Report*, which is comparable in content to this Update report. RTA and this report benefit from TERM in several ways:

- Condition measures and the related asset curves used to assess RTA regional transit asset conditions were developed for use in TERM
- The hierarchy of asset types used to develop this Update report's assessment of regional investments needs was derived from TERM
- RTA's Decision Tool (see next chapter) was initially developed as a modified and customized version of TERM. While the Decision Tool continues to benefit from advances in TERM's design, the reverse is also true (TERM continues to benefit from development advances of RTA's Decision Tool).

document RTA's existing policies, goals and objectives, performance targets and evaluation processes and inventory/condition data collection, management and reporting processes such that other local and regional operators can benefit from our experience and (2) advance the TAM "state-of-the-art" capabilities in the areas of estimated capital investment needs, investment prioritization and (3) develop asset-to-project groupings using the analytical foundation provided by RTA's existing project screening and prioritization process and FTA's existing TERM model as a foundation for tool development.

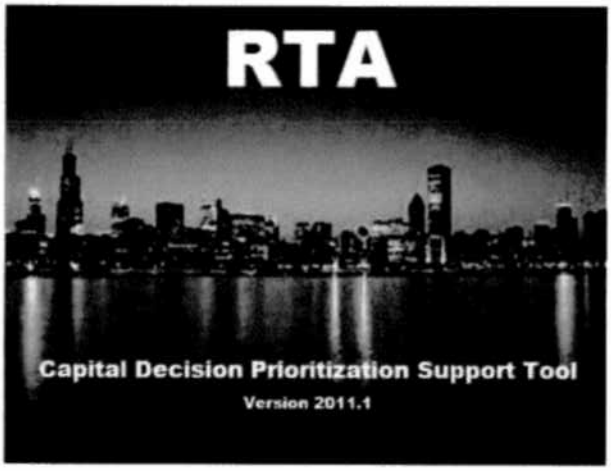
The primary intended outcome of all TAM components is to better allocate limited resources for the achievement of a State of Good Repair (SGR). For this report, SGR is used primarily as a major assumption for determining capital needs – that is, assets are replaced once they reach useful life, all rehabilitations are performed, and capital maintenance is up to date. Three pilot products will be delivered under this project:

1. Refinement and Documentation of RTA's Asset Inventory and Condition Assessment Process
2. Multi-Criteria Investment Prioritization Process
3. Asset-to-Capital Project Numbering Convention Process

4. CAPITAL DECISION PRIORITIZATION SUPPORT TOOL (DECISION TOOL)

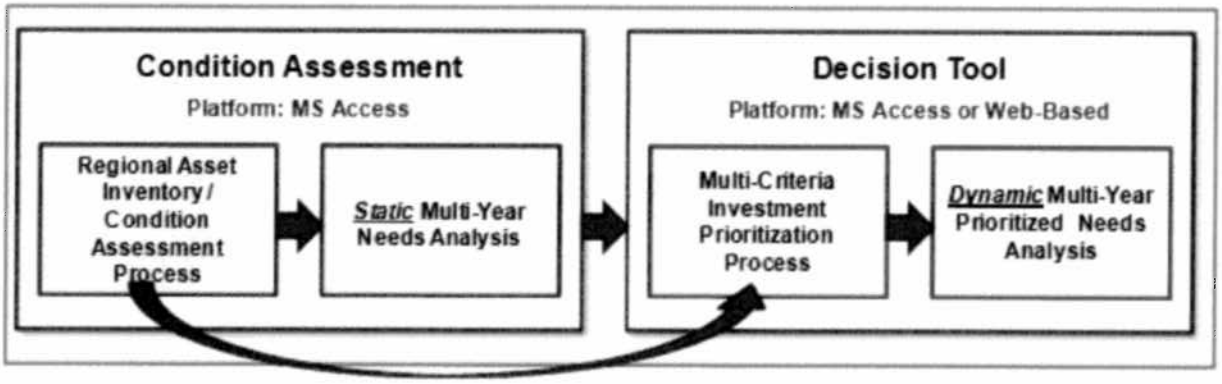
In April 2011, RTA and the Service Boards initiated development of the Capital Decision Prioritization Support Tool (Decision Tool). The Decision Tool uses asset data collected through the Inventory Update process to inventory data (Chapter 3) to assess and prioritize transit capital investment needs subject to regional funding capacity and long-term strategic objectives. The estimates of regional asset conditions and reinvestment needs presented in this report were generated using the Decision Tool.

While currently focused solely on the assessment of regional reinvestment needs (i.e., preservation of the existing stock of transit assets), the Decision Tool will ultimately help the region identify an optimal balance between replacing aging infrastructure (maintain); improving the throughput, reliability, and safety of existing services (enhance); and the addition of new capacity to improve system performance (expand) – all within the confines of limited financial resources. At a more detailed level the tool will assist RTA and the region to establish priorities within each of these types of needs (for example, prioritizing between different asset replacement projects).



The Decision Tool is an MS Access based analysis tool that relies on asset inventory data collected through the Asset Condition Assessment process. The relationship between the Decision Tool and the Condition Assessment data collection processes is illustrated in Figure 4-1. At the start of the Condition Assessment Process the three Service Boards each submit data tables (MS Excel based) to a centralized data warehouse. These datasheets are then uploaded to the Regional Asset Inventory Database (MS Access based), where the data are reviewed and validated. The validated data are then exported to the Decision Tool.

Figure 4-1. Relationship Between the Asset Condition Assessment and Decision Tool Processes



It is important to note that the Decision Tool is one tool in the toolkit that RTA and the Service Boards utilize to help assess needs and make informed investment decisions. Moving forward, the Decision Tool will be used to update capital replacement and rehabilitation needs for the region, and its intended use is to provide guidance to the capital planning process.

Other Decision Tool Applications: In addition to its role in generating regional needs estimates, the Decision Tool was also developed to help prioritize how capital funds are actually spent. As noted in section 1.4 of this report, reinvestment needs exceed the region's available funding capacity and hence RTA and the Service Boards must determine the best use of limited capital funds (i.e., which assets are "first in line" for reinvestment). The Decision Tool assists this process by highlighting those reinvestment actions that offer the greatest improvements to asset conditions, service reliability, safety and operating costs while also benefiting the greatest number of riders. These prioritized needs can then be used to help inform the region's annual budgeting process. Specifically, the Tool's prioritized needs can be compared to the RTA and Service Board capital budget proposals. Observed differences between Tool and budget priorities can be further investigated to help determine if any budget realignment is warranted (or if Tool recalibration is called for). The intention of the Tool in this context is to help make better informed budgeting decisions, not to drive the budgeting process.

RTA's Decision Tool provides a unique perspective and understanding – particularly as they relate to long-term reinvestment needs – that other types of analyses cannot. The Decision Tool is specifically designed to assess reinvestment needs and project asset conditions for all capital assets, and it does so over an extended time horizon of ten, twenty years or longer. Detailed onsite engineering condition assessments are equally important, and complementary to the Decision Tool. Condition assessments provide an excellent understanding of reinvestment needs and asset conditions as they exist today and how those conditions will impact near term reinvestment actions (e.g., as outlined in a capital improvement plan). Condition assessments necessarily provide a picture of needs and conditions as they exist at a specific point in time (i.e., at the date of survey) and only do so for those assets included in the assessment.

With funding from the FTA grant, the RTA TAM enhancements will include ensuring alignment of the Decision Tool with the TERM Lite and documenting the applicability of this Multi-Criteria Investment Prioritization Process to other transit systems. TERM Lite is based on FTA's TERM, and is an analysis tool designed for use by transit and regional funding agencies. The resulting system enhancements will better connect the RTA's *asset based long-term* needs analysis with *short- to medium-term CIP and capital budget development*, with the implementation of a process to group related asset replacement needs into logical capital projects using an asset type and location numbering convention.

4.1 Decision Tool Key Features

The Decision Tool offers nine key features that will help the RTA and the Service Boards in the capital planning process, as shown in Figure 4-2.

Figure 4-2. Decision Tool – Key Features

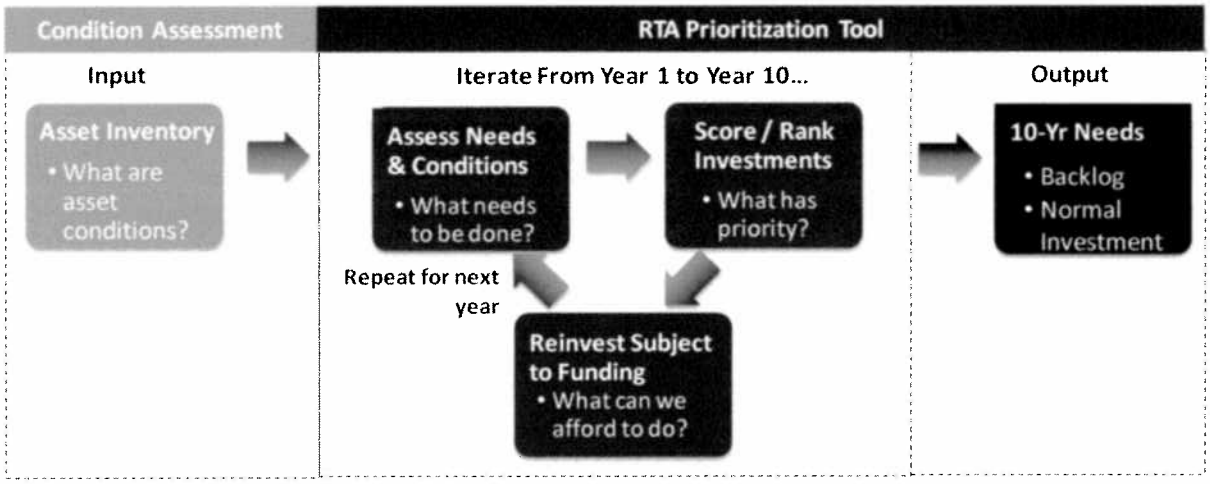
Feature	Process
Estimate Reinvestment Needs	Estimates the level of investment required to address the SGR backlog and ongoing needs
Prioritize by Investment Type	Prioritize *between* and *within* capital reinvestment, enhancement, and expansion needs
Prioritize by Service Board	Prioritizes Service Board needs on a stand-alone basis
Support Scenario Analysis	Assess how changes to (1) prioritization weightings and (2) funding availability will impact: • Investment allocation of between asset types • The future asset conditions and performance (SGR backlog, ridership capacity, service reliability
Re-score and Re-sequence Deferred Investment	Re-score, reprioritize, and re-sequence the timing of capital maintenance activities whenever these activities are deferred (i.e., increased deferment yields a higher prioritization score)
Provide a Funding Plan	Prioritize investments based on current and potential funding levels subject to eligible uses
Needs-Based Capital Plan Support	Provide input to development of a needs-based, prioritized, and sequenced capital plan
Supports a Repeatable Process	Provide RTA and the Service Boards with a tool to continually reassess and monitor conditions and needs
Utilize Existing Data Sources	Utilize the Capital Asset Condition Assessment updates as well RTA's Systems and Market Analysis studies and planned capital investment records.

4.2 Decision Tool Conceptual Model

A conceptual model of RTA's Decision Tool is presented in Figure 4-3. As noted above, the Decision Tool relies on asset inventory data collected through the Update process. This asset inventory data

documents the asset type, date built, expected useful life, replacement value, rehabilitation history, and life cycle investment requirements of all assets owned and operated by RTA and the three Service Boards. Based on these assumptions regarding current age, expected useful life and other life cycle investment requirements, the tool first assesses which assets have deferred reinvestment requirements (e.g., which assets are in service past their useful life and what level of investment is required to replace those assets). This assessment provides a measure of the size of the SGR backlog (i.e., the level of investment required to attain a complete state of good repair, as of December 2011). The tool next simulates the ongoing aging of these assets over the upcoming ten-year period to determine the level of investment required to replace (or rehabilitate) assets that will reach the end of their useful life over this ten-year period (or longer).

Figure 4-3: Conceptual Model of Decision Tool



The Decision Tool user sets the period of analysis, which can be can be 10 years, 20 years, or another period. FTA does require 20 years of analysis for New Starts financial plans, and several other large agencies work with 20 or more year planning horizons for their needs projections. This report produces a 10-Year Needs Analysis like the Baseline Report, however in Chapter 7, Capital Needs Analysis, a 20-Year needs assessment is also presented for comparison. The advantage of examining a 20-year period is the ability to view large reinvestment needs not apparent over the 10-year timeframe.

For most analyses presented in this report, it is assumed that the level of future funding will be completely unlimited (i.e., funding is "unconstrained"). This allows the tool to both fully eliminate the backlog while also addressing all other normal replacement needs (e.g., asset replacements, rehabilitations and other minor capital needs) over the ten-year period of analysis. Note, however, that as a "prioritization" tool the Decision Tool can also be run "financially constrained" (i.e., with insufficient funding to address all needs) to determine (1) which assets will and will not obtain scarce funding over the ten-year period of analysis and (2) what is the impact of this constrained funding on the investment backlog and asset conditions for those assets that do not obtain any reinvestment funding.

Finally, the tool output includes a detailed assessment of both current asset conditions and deferred investment needs as well as a forecast of future asset conditions and needs subject to the assumed level of future funding (either unconstrained or some constrained level of reinvestment).

5. CONDITION ASSET RATING PROCESS

A primary output of the Condition Assessment Update is a current assessment of the physical conditions of the region's transit assets. This chapter provides background on the process the region has adopted to both estimate regional asset conditions (using asset "decay curves") and then to validate those curves (based on limited sampling of actual asset conditions).

5.1 Background

The Federal Transit Administration (FTA) has established a five-level condition rating process that defines condition ratings for each level and a methodology for estimating the condition of individual assets based on asset type, age and other factors. In FTA's October 2008 report *Transit State of Good Repair: Beginning the Dialogue*, "physical asset condition assessment is the best way to measure State of Good Repair (SGR) for individual assets and on an agency-wide basis. Asset age is a second best proxy." More significantly, the recent Federal MAP-21 legislation has made the assessment of transit asset conditions a requirement for recipients of Federal funding support.

With some exceptions, the RTA has largely adopted FTA's five point condition rating scale, thus ensuring consistency with FTA and compliance with MAP-21 condition assessment requirements. For the original Baseline Assessment, RTA utilized a five point, age quintile based condition rating system comparable to that used by FTA. For this report, RTA has adopted FTA's decay curve based condition estimation approach. However, it is fully expected that this approach will be adapted over time to better reflect the unique conditions and life expectancies of the region's transit assets.

5.2 Condition Rating Levels

One of RTA's objectives for the condition assessment rating process is to ensure consistency with the FTA's condition rating levels. Figure 5-1 shows the condition rating levels that were used for the Update.

Figure 5-1. Condition Rating Levels

Condition	Definition
Excellent 4.8 to 5.0	▸ New asset ▸ No visible defects
Good 4.0 to 4.7	▸ Asset showing minimal signs of wear ▸ Some (slightly) defective or deteriorated component(s)
Adequate 3.0 to 3.9	▸ Asset has reached its mid-life (condition 3.5) ▸ Some moderately defective or deteriorated component(s)
Marginal 2.0 to 2.9	▸ Asset reaching or just past the end of its useful life (typically reached between condition 2.75 and 2.5) ▸ Increasing number of defective or deteriorated component(s) and increasing maintenance needs
Worn 1.0 to 1.9	▸ Asset is past its useful life and should be prioritized for repair or replacement

5.3 Condition Assessment Approach

With the Update, RTA determined to move beyond age-only as the predictor of asset condition and to adopt several strategies to move towards a regional physical asset condition assessment based on estimated conditions but supplemented with samples of actual condition observations. Towards this end, RTA adopted FTA's decay-curve based approach for asset condition estimation while establishing an asset condition sampling program (carried over from the Baseline Assessment) to help validate those decay curves.

There are three approaches to measuring asset condition: (1) straight age-based, linear condition projection; (2) incorporating decay curves to project physical condition; and (3) physical site visits via sampling or other methods. Each approach is briefly described in Figure 5-2. The current approach is focused on utilizing decay curves to the inventory data to estimate physical condition of assets, supplemented by sampling observations of assets to assist in validating condition estimates.

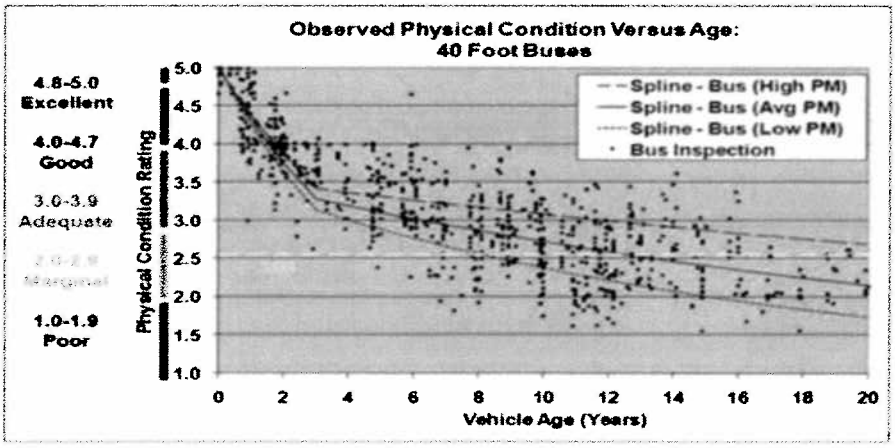
Figure 5-2. Condition Approaches and Application

Condition Approaches	Methodology	Comment
1. Age Quintile	Asset useful life divided into five quintiles	Basis for condition used during Baseline Assessment
2. Asset Condition Decay Curves	Estimated asset condition based on asset type specific decay curve	FTA-developed curves used to estimate asset conditions for Update Report
3. Sampling Observations	Physical observation by condition experts, then rated by using a scale	Process initiated. Will be used in future to validate / recalibrate FTA decay curves

5.4 FTA Asset Decay Curves

The FTA has developed "generic" transit asset decay curves for major asset types using condition data collected from transit agencies nationwide. These curves predict asset physical condition as a function of age, maintenance history and other factors on a common 5 to 1 rating scale. Figure 5-3 illustrates a typical decay curve for a 40-foot bus. The "best fit" curves in red (there are three curves based on the level of preventive maintenance) predict the expected physical deterioration of a 40-foot bus over time.

Figure 5-3. Asset Decay Curve Example

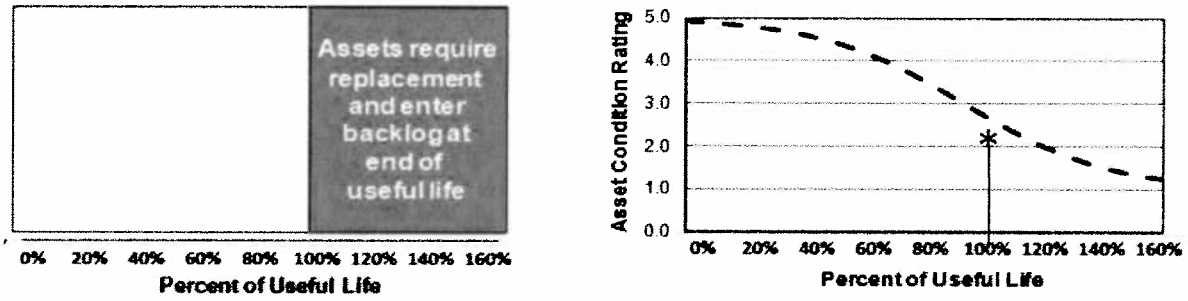


The decay-curve approach to estimate asset condition represents a shift from the prior approach, which relied purely on age based useful life quintiles (i.e., first quintile for first quarter of asset life, second quintile for second quarter of asset life, and so forth up to fifth quintile for assets exceeding their life). Using the decay curve approach, asset condition is estimated on an empirically derived continuum of physical condition, with asset age as starting input. There are several advantages to using decay curves:

- Provides more accurate predictions and distributions instead of using a life cycle proxy
- Provides an asset class-specific rating prediction
- Is consistent with on-site (field) observation condition rating criteria definitions
- Has no impact on asset backlog and investment needs estimates.

The last point is important since the use of a decay curve approach does not impact projections for age-based replacement needs. The Decision Tool was set up to calculate all key metrics related to replacement needs. For example, as illustrated in Figure 5-4, when an asset exceeds its useful life (left side of the figure) it is due for replacement, will no longer be in a State of Good Repair, and enters the Backlog. The right side of Figure 5-4 illustrates condition ratings determined from the decay curves, which can help prioritize the order of asset replacement and develop a regional distribution of asset conditions.

Figure 5-4. Replacement Needs Versus Asset Conditions



The summary results of applying decay curves to the updated inventory tables are provided in Chapter 6 while sampling findings are included in Appendix A.

5.5 On-Site Condition Assessment

On-site assessment of actual transit asset conditions was completed for a sampling of the region's transit assets as a part of this Update. The objective of these condition assessments (still ongoing) is to both validate and eventually recalibrate FTA's decay curves to better reflect the asset deterioration characteristics of transit assets in the Chicago region. The on-site assessments followed a similar approach used during the Baseline Assessment. Asset Condition Sampling Forms (see Figure 5-5) were used to gather information on a selected sample of assets.

Figure 5-5. Sample Condition Assessment Form (Generic)

Identification – Location -	Date: / /
	Assessed by: Accompanied by:
Age: Yrs	Last Major Maintenance:

ASSET CONDITION RATINGS: 1 = WORN, 2 = MARGINAL, 3 = FAIR, 4 = GOOD, 5 = EXCELLENT

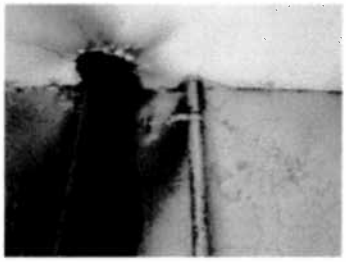
ASSET CLASS	COMMENT	LAST RENOV.	PHOTO	CONDITION
				1 2 3 4 5

Roughly 200 assets within the Service Board inventories were sampled, which represents approximately 1.1 percent of total assets and 3.3 percent of total asset valuation. The level of detail on the forms corresponds to the specific component condition level definitions as determined by the FTA for development of its asset decay curves (also based on on-site asset conditions at a sample of US transit properties).

Figure 5-6. On-Site Sampling - Examples

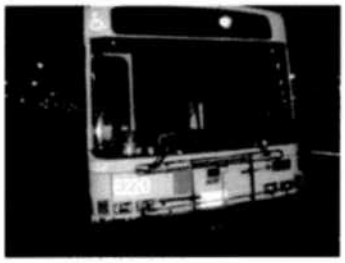
Rail Car

Maintenance Facility



Roof

Revenue Bus



Station Signage

Grade Crossing

While Figure 5-5 presents an example of a generic asset condition assessment form, asset specific forms have been developed and utilized for each of the following types of assets:

- Facilities
  - Bus garages
  - Other major (bus) facilities

  - Railcar maintenance shops
  - Yard facilities
- Guideway Elements
  - Track structures (e.g., bridges)
  - Ties
  - Rail-track
  - Grade crossings
  - Special trackwork (e.g., interlockings)
- Stations
  - Station facilities
  - Station parking lots
  - Bus passenger facilities (bus turnarounds)
- Systems
  - Substation buildings
  - Rail power feeder cables
  - Third rail (within right-of-way)
  - Catenary (where applicable)
  - Electrical services
  - Subway fans
  - Subway pumps
  - Interlockings
  - Cab signals
  - Signal systems
  - Fare collection
  - Radio
  - CCTV station
  - Cable plant fiber
  - Fiber optic backbone
- Vehicles
  - Rail revenue vehicles (locomotives, railcars, EMUs)
  - Buses and vans (including ADA rolling stock, paratransit, and vanpool)
  - Non-revenue vehicles

The on-site condition data were collected to aggregate the scores of individual components into a single, overall condition score for that asset. The aggregation methodology is based on the expected replacement cost for a particular asset. Since the condition assessments were conducted at the component level, and the inventory data in many cases were aggregated at the asset level, RTA developed weighting factors to calculate an aggregated asset-level condition based on the percent value of each component. For example, using a revenue bus as the asset, the interior, the exterior, engine compartment, and chassis are worth 28%, 28%, 16%, and 28%, respectively, of the price of a new replacement bus. These same percentages are then applied to the individual component condition scores to derive a single aggregated asset condition score. This approach was used for all major assets with components.

A part of the FTA TAM pilot project, the RTA will develop and conduct a statistically reliable and cost effective asset condition-sampling plan consisting of an on-site asset condition assessment process that

ties with those developed by FTA for condition sampling at the system level (e.g. vehicles, facilities, stations) and major subcomponent levels. This will result in an improved overall approach that will be embedded in RTA's ongoing inventory assessment process. Documentation will consist of a "how-to" instruction manual including providing database structure and protocol, data collection methods, and guides for asset tracking, inspection, and assessing physical condition. RTA is hopeful this approach will be helpful to the industry.

Moving forward, the on-site condition assessment data will be used to validate or recalibrate the decay curves adopted from FTA. Since the FTA developed their decay curves based on the experience of a broad sample of U.S. transit agencies, they may not be specifically representative of RTA's experience (for example, the Service Boards operate in a harsh northern environment). Therefore, more on-site condition assessments will be performed each year to better reflect the asset decay and life expectancy experiences of the CTA, Metra, and Pace. It is estimated that this sample size will be sufficiently large to recalibrate some decay curves by late 2013. At that point, the RTA condition assessment results (assessed condition ratings for individual assets) will be compared to the FTA decay relationships (using statistical and graphical representations) and the decay curves recalibrated as appropriate to improve condition rating predictive accuracy.

A summary of on-site condition data collected during the 2011 effort is presented in Appendix C.

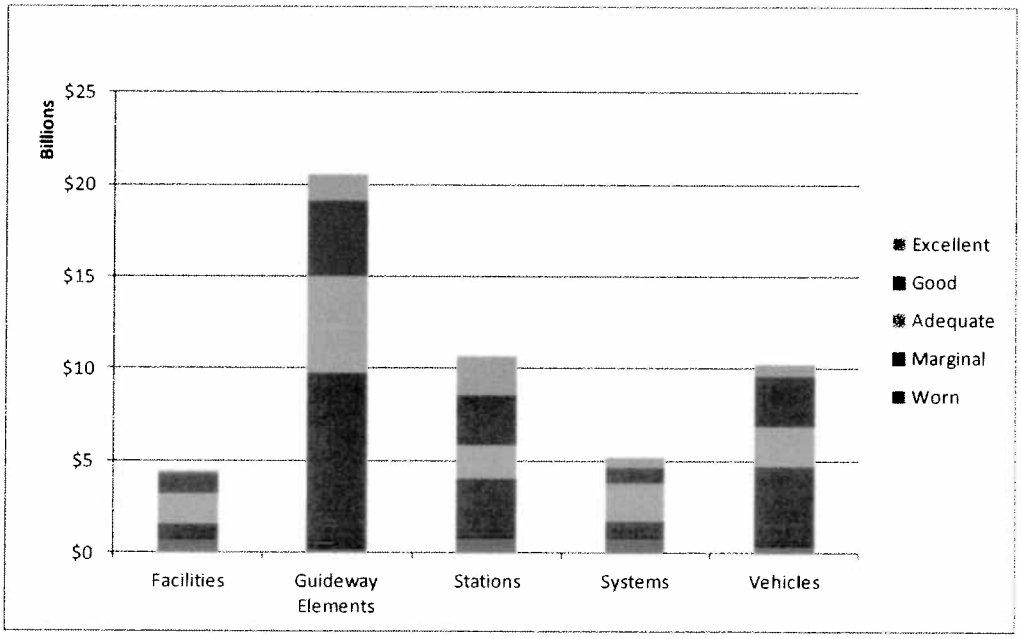
6. CONDITION ASSESSMENT

Development of the Decision Tool, adoption of FTA's decay curves and ongoing improvements to the region's asset inventory have enhanced RTA's and each Service Board's ability to assess and monitor the condition of the region's transit assets. This section presents Decision Tool (decay curve based) analysis of the current physical condition and age distribution of each Service Board's transit assets based on asset inventory data as of December 2011. RTA has also conducted limited condition sampling of assets for the first year of the update (approximately 1% of assets). Summary results are located in Appendix C.

This condition assessment is based on analysis of the current physical condition and age distribution of each Service Board's transit assets based on inventory data reported as of December 2011. As stated previously, the condition rating levels established by RTA for purposes of categorizing physical condition are numbered 1 through 5 and labeled Excellent, Good, Adequate, Fair, and Worn.

Figure 6-1 represents the full distribution of transit asset conditions for the entire region for each of the major asset types: Facilities; Guideway Elements; Stations; Systems; and Vehicles. This is for all assets, not just the assets needing capital reinvestment. The height of each bar represents the total value in billions of 2011 dollars.

Figure 6-1. Distribution of Asset Conditions by Asset Category: RTA



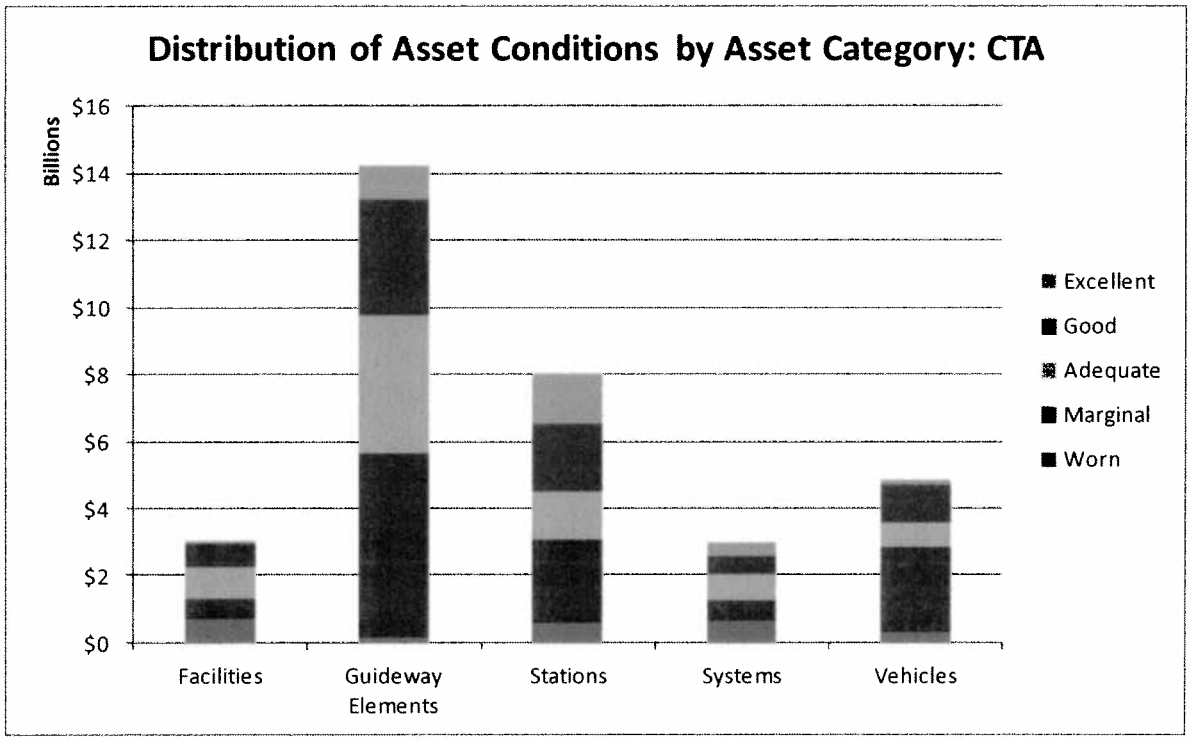
The figure illustrates, for instance, that Guideway Elements, Stations and Vehicles have large proportions of assets in marginal condition and may need the most attention.

6.1 Chicago Transit Authority (CTA)

CTA is in the process of improving the quality of its inventory data, including both inventory information as well as condition assessment updates across its facilities. This will improve the level of information in future years.

Estimates of the distribution of physical conditions for CTA assets - segmented by asset category and presented based on asset replacement value - are presented in Figure 6-2 (analysis excludes subway tunnels). Based on this analysis, roughly 40 percent of CTA's assets are estimated to be in marginal or worn condition, with most of these assets concentrated in older track and track structures, stations, and rail vehicles.

Figure 6-2. Distribution of Asset Conditions by Asset Category - CTA

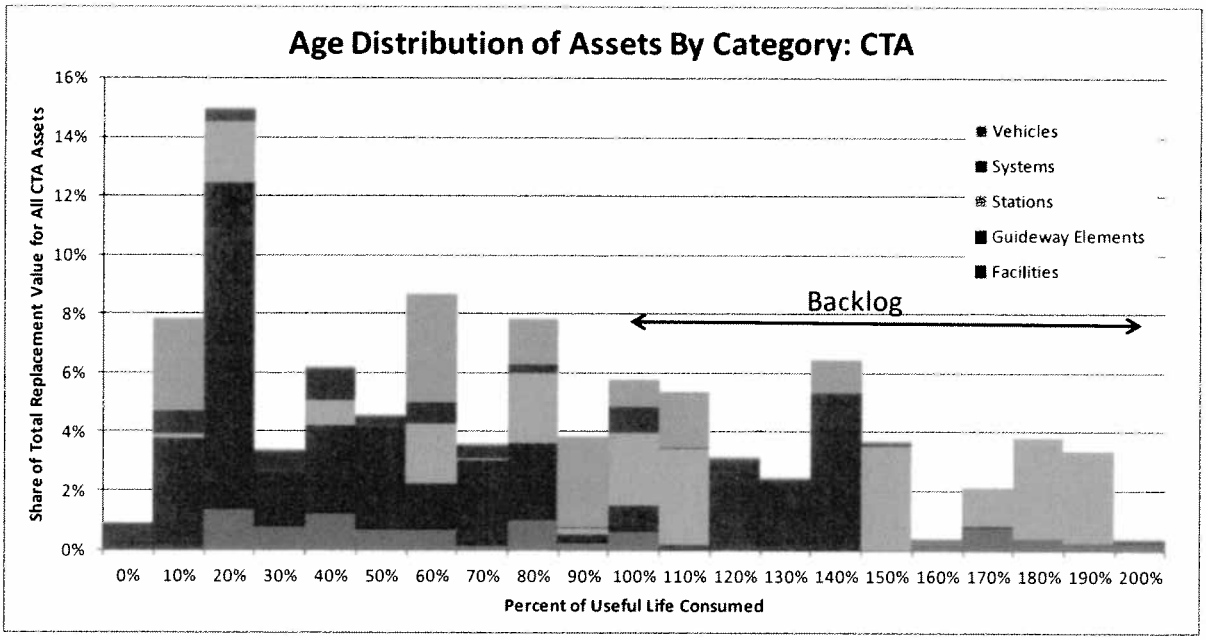


Note the chart above represents the condition of all assets, even new assets with no reinvestment needs. The total asset value (sum of the bars) exceeds the backlog plus normal reinvestment needs.

Figure 6-3 illustrates the age distribution of CTA's assets – by asset category – as of the end of 2011 (presented as a percent of useful life consumed vs. the asset's share of the total replacement value of CTAs asset holdings). This chart is helpful in assessing the span of asset ages for each asset category, the relative value of assets within each age group and specifically the types and values asset types that currently exceed their useful life.

The assets listed to the right of the 100% Useful Life Consumed represent assets in the backlog. This chart highlights the concentration of guideway elements (track and structures) and stations among over-age assets.

Figure 6-3. Age Distribution of Assets by Category - CTA

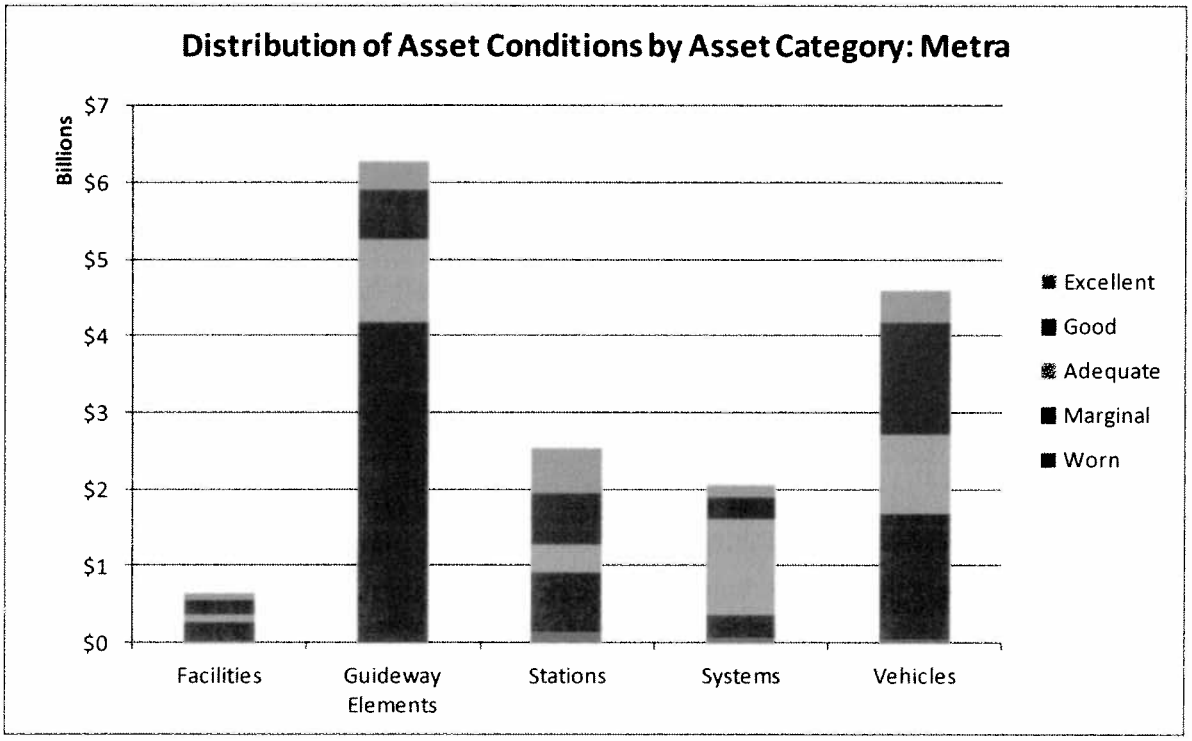


6.2 Metra

Metra is in the process of improving the quality of its asset inventory data, which at present does not fully account for all Metra assets. Once this process is completed over the next several years, it is anticipated that the Decision Tool will provide a more accurate assessment of Metra's long-term reinvestment needs.

Current estimates of the distribution of physical conditions for Metra assets -- segmented by asset category and presented based on asset replacement value – are presented in Figure 6-4. Based on this analysis, roughly 45 percent of Metra assets are estimated to be in marginal or worn condition, with most of these assets concentrated in older track structures (bridges) but also in stations and passenger vehicles as well.

Figure 6-4. Distribution of Asset Conditions by Asset Category - Metra



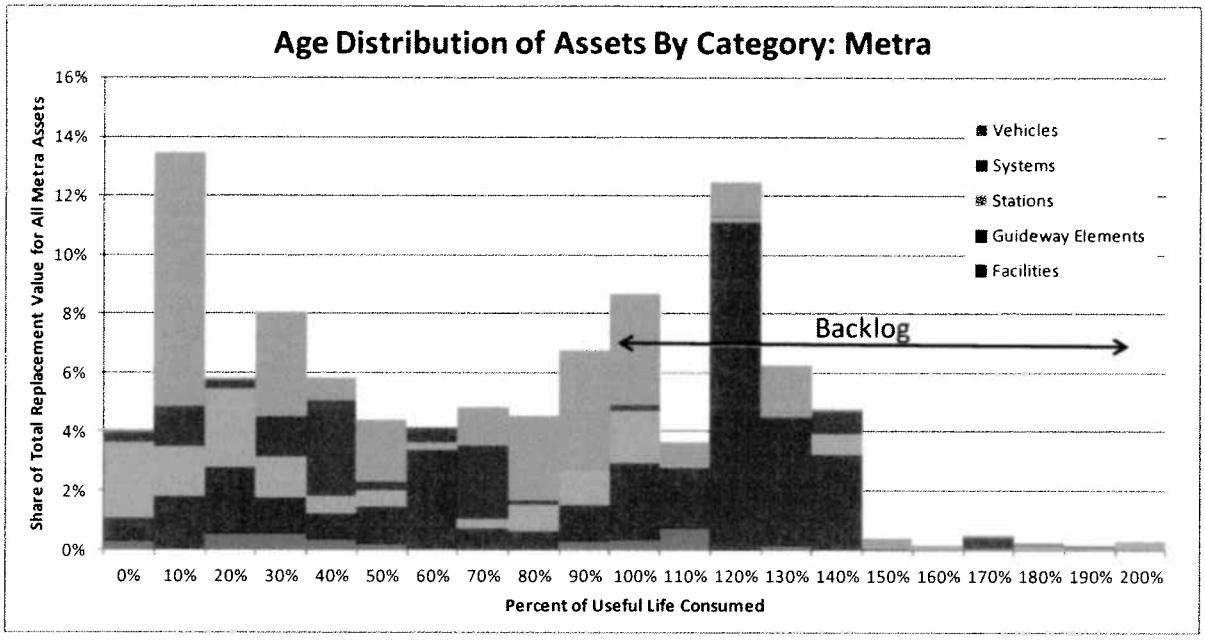
Note the chart above represents the condition of all assets, even new assets with no reinvestment needs. The total asset value (sum of the bars) exceeds the backlog plus normal reinvestment needs.

Figure 6-5 illustrates the age distribution of Metra's assets – by asset category – as of the end of 2011 (presented as a share of total asset replacement value). This chart is helpful in assessing the span of asset ages for each asset category, the relative value of assets within each age group and specifically the types and values asset types that currently exceed their useful life.

The assets listed to the right of the 100% Useful Life Consumed represent assets in the backlog.

This chart highlights the high proportion of guideway elements (bridges) considered to be over age.

Figure 6-5. Age Distribution of Assets by Category - Metra

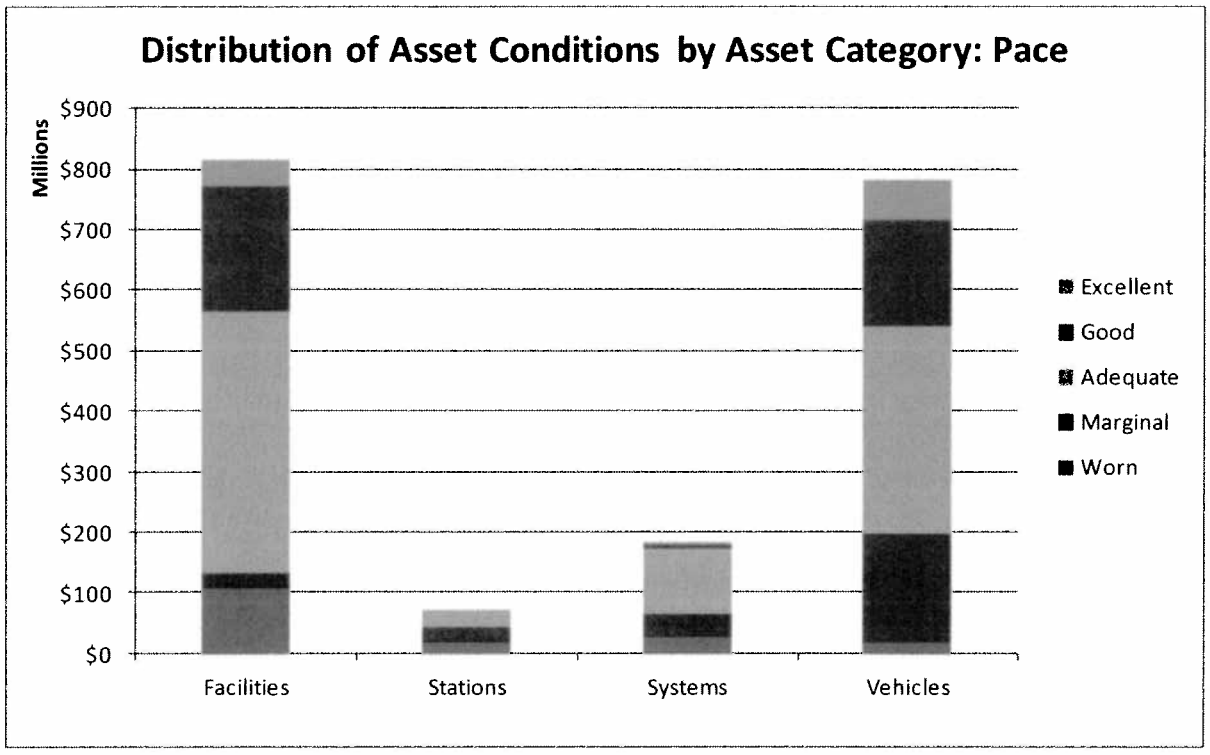


6.3 Pace

Pace is in the process of improving the quality of its inventory data, consistent with regional efforts on the Capital Asset Condition Assessment Update.

Estimates of the distribution of physical conditions for Pace's assets - segmented by asset category and presented based on asset replacement value -- is presented below in Figure 6-6. Based on this analysis, roughly 20 percent of Pace assets are estimated to be in marginal or worn condition, with most of these assets concentrated in older passenger vehicles.

Figure 6-6. Distribution of Asset Conditions by Asset Category - Pace



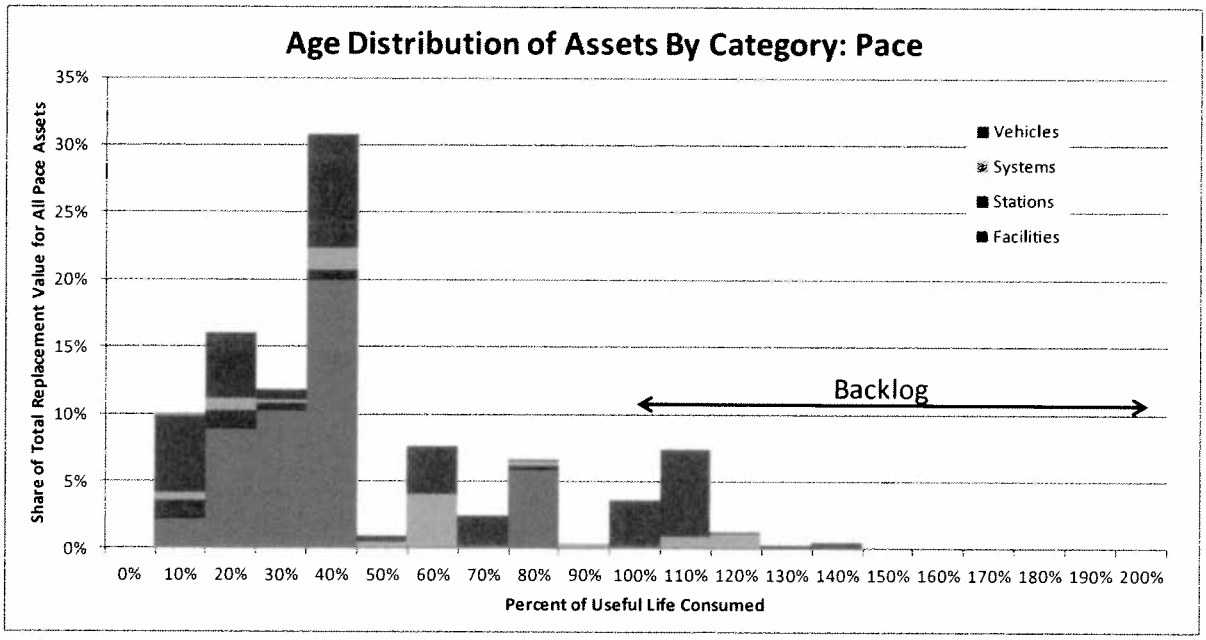
Note the chart above represents the condition of all assets, even new assets with no reinvestment needs. The total asset value (sum of the bars) exceeds the backlog plus normal reinvestment needs.

Figure 6-7 provides a graphical representation of the age distribution of Pace's assets – by asset category – as of the end of 2011 (presented as a share of total asset replacement value). This chart is helpful in assessing the span of asset ages for each asset category, the relative value of assets within each age group and specifically the types and values asset types that currently exceed their useful life.

The assets listed to the right of the 100% Useful Life Consumed represent assets in the backlog.

This chart highlights some vehicle reinvestment needs and maintenance facilities nearing the end of their useful life.

Figure 6-7. Age Distribution of Assets by Category - Pace



7. CAPITAL NEEDS ASSESSMENT

7.1 Definitions

The 10-Year capital needs assessment is based on the dollar value estimation for total backlog, normal replacement, rehabilitation, and annual capital maintenance of assets for the three Service Boards. Each of these activities is required to maintain a State of Good Repair. Definitions for each of these terms are provided in Figure 7-1.

Figure 7-1. Definitions for the Types of Capital Replacement Need

Backlog	Deferred investments in asset rehabilitation, replacement, and annual capital maintenance.
Normal Replacement	Ongoing replacement of existing assets as they reach the end of their expected useful life. Normal replacement does not include deferred replacement needs, only those needs for assets that will reach the end of their useful life over the next ten year period.
Rehabilitation	Ongoing rehabilitation needs for existing assets. Rehabilitation does not include deferred rehabilitation needs, only those rehabilitation activities that will arise over the next ten year period as required to maintain a state of good repair.
Annual Capital Maintenance (ACM)	Ongoing minor capital investments as required to maintain a state of good repair over the next 10-year period.

The backlog can be thought of as the total amount of deferred reinvestment actions (such as overdue asset replacements). The remaining capital replacement needs elements include normal replacement of assets, rehabilitation ("rehab") of assets, and annual capital maintenance (ACM) of assets. ACM typically represents a minor ongoing capital investment required to maintain a SGR (for example, an annual painting or paving contract). These three elements represent ongoing needs that will arise over the 10-year analysis timeframe (from 2012 through 2021) and have been grouped together throughout this report under the name "normal reinvestment needs."[1]

1 Note that the definition of capital maintenance used here differs from that used in the Baseline Assessment. In that report, "capital maintenance" referred to all rehabilitation activities including smaller reinvestment actions not conducted as part of in a major rehabilitation project. In the Update report, rehabilitation refers to major, planned rehabilitation activities likely involving multiple components of the asset being rehabilitated and a well-defined project budget. The term "annual capital maintenance" now refers to smaller, more routine capital expenditures on a broad variety of minor reinvestment actions (e.g., painting facilities, patching roofs) and covered by a general, "multi-purpose" budget source.

Two other cost components are important in estimating total capital maintenance needs - soft costs and contingency costs - which are applied to each asset type as appropriate, according to the assumptions delineated in Figure 7-2. These assumptions were also used during the Baseline Assessment.

Figure 7-2. Definitions for the Types of Capital Replacement Need

Soft Costs	• The majority of soft costs are expended in the planning, engineering, and project management efforts. These services include in-house agency staff, government related support staff, and the occasionally consultants. Project start-up expenses are also included in this category. Project financing cost and "other" expenses (reconciliation and unaccountable costs) comprise the full range of project development capital costs (FTA definition). • Rail and Bus Infrastructure Components: Additional 22.7% of total base cost including miscellaneous costs related to development of passenger services. • Rail and Bus Rolling Stock and Equipment: Additional 15% of total base cost including miscellaneous costs related to development of passenger services.
Contingency Costs	• Contingency costs are budgeted for unforeseen emergencies or design shortfalls typically identified after a project commences. The contingency is included in the budget so the project can proceed with minimal interruption for changes or cost overruns. • Rail and Bus Infrastructure Components: Additional 20% of total base cost including miscellaneous costs related to development of passenger services. • Rail and Bus Rolling Stock and Equipment: Additional 15% of total base cost including miscellaneous costs related to development of passenger services.

7.2 Key Assumptions

The Update report is also based on several other assumptions:

- **Unconstrained Needs**. The investment needs estimates presented in this report are financially unconstrained. In other words, these estimates determine the level of investment to fully eliminate the current investment backlog (and attain SGR) and then to address all subsequent reinvestment needs (to maintain SGR) with the assumption there is unlimited funding capacity. However, the level of annual investment required to address these needs is in excess of the region's current rate of capital reinvestment. This unconstrained analysis also assumes that the backlog can be eliminated in a very short time period (this is not realistic when real world financial and project management constraints are introduced).
- **Constant Dollar Needs Estimates**. All backlog and needs estimates are presented in constant, 2011 dollars (2011$). If an asset inventory cost is reported in 2009$ for example, the historic cost is inflated to 2011$.

- **In-Kind Replacement**. While some level of technological change can be expected over the 10-year period of analysis, the Update analysis assumes that all assets are replaced by new, identical assets.
- **Impact of Regulatory Requirements**. Except for Positive Train Control (PTC), which is federally mandated to be in place by 2015, the 10-year needs estimates do not include future regulatory type costs that may impact future needs and reinvestments.

7.3 Region-Wide Results for 10-Year Needs Assessment

Region-wide reinvestment needs for the 10-year projection period are presented in Figure 7.3 (expressed in $2011). Over this time period, total reinvestment needs are estimated to roughly $30 billion, including $18.5 billion to eliminate the current investment backlog (60 percent of needs) and an additional $12.3 billion to address normal reinvestment needs (including asset replacements, rehabilitations and capital maintenance) expected to occur over the 10-year project period. Note that rail (CTA rail and Metra) accounts for more than 80 percent of the combined backlog and normal reinvestment needs. Investment needs for bus account for roughly 15 percent of regional needs while the remaining 3 percent of needs are for paratransit, vanpool and "shared" assets (assets that serve more than one mode).

Figure 7-3. Backlog and 10-Year Normal Reinvestment Needs: 2012 – 2021

Service Board	Mode	SGR Backlog	10-Year Normal Reinvestment Needs				
			Replacements	Rehabs	Capital Maint.	Total	% of Total
CTA	Rail	$10,937	$2,719	$1,393	$449	**$15,497**	49.9%
	Bus	$669	$1,717	$1,021	$80	**$3,487**	11.2%
	Shared	$98	$58	$5	$7	**$168**	0.5%
	CTA	**$11,704**	**$4,494**	**$2,419**	**$535**	**$19,151**	61.7%
Metra	**Metra**	**$6,551**	**$2,235**	**$612**	**$263**	**$9,661**	31.1%
PACE	Bus	$356	$664	$396	$87	**$1,502**	4.8%
	Shared	$76	$552	$44	$65	**$737**	2.4%
	Pace	**$432**	**$1,216**	**$440**	**$151**	**$2,239**	7.2%
RTA Total		**$18,687**	**$7,945**	**$3,470**	**$949**	**$31,051**	100.0%
% of Total		60.2%	25.6%	11.2%	3.1%	100.0%	

Note: in the table "Shared" represents assets independent of mode which in fact support the entire agency (examples include: administrative facilities and equipment, central revenue collection and some types of non-revenue vehicles)

Figure 7-4 provides a graphical presentation of these same needs; however, the normal reinvestment needs are spread out over the 2012 to 2021 time period. Figure 7-4 highlights the significant size of the investment backlog relative to the annual level of reinvestment required to cover normal needs once the backlog has been addressed. Again, the backlog represents the level of investment required to bring all of the region's transit assets (as they exist today) to SGR while normal reinvestment is the level of annual investment required to maintain SGR once attained. The ratio of these two numbers (average annual normal needs once in SGR divided by the size of the investment to attain SGR, i.e., the backlog) provides a useful measure of size of the backlog and can be interpreted as "years of normal investment" to address the backlog. Given an annual average normal reinvestment needs of approximately $1.3 billion and a backlog of $18.5 billion, the value of this "SGR Backlog Ratio" for RTA approximately 14.9 - 15 years of normal reinvestment would be required to eliminate the backlog. As discussed in Section 7.6, Impact of Maintaining Current Levels of Reinvestment, the region's recent rate of reinvestment – currently on the order of $450 million to $600 million annually - is well below the estimated $1.3 billion required to address estimated normal reinvestment needs. This implies the backlog will continue to increase without an increase in regional SGR expenditures.

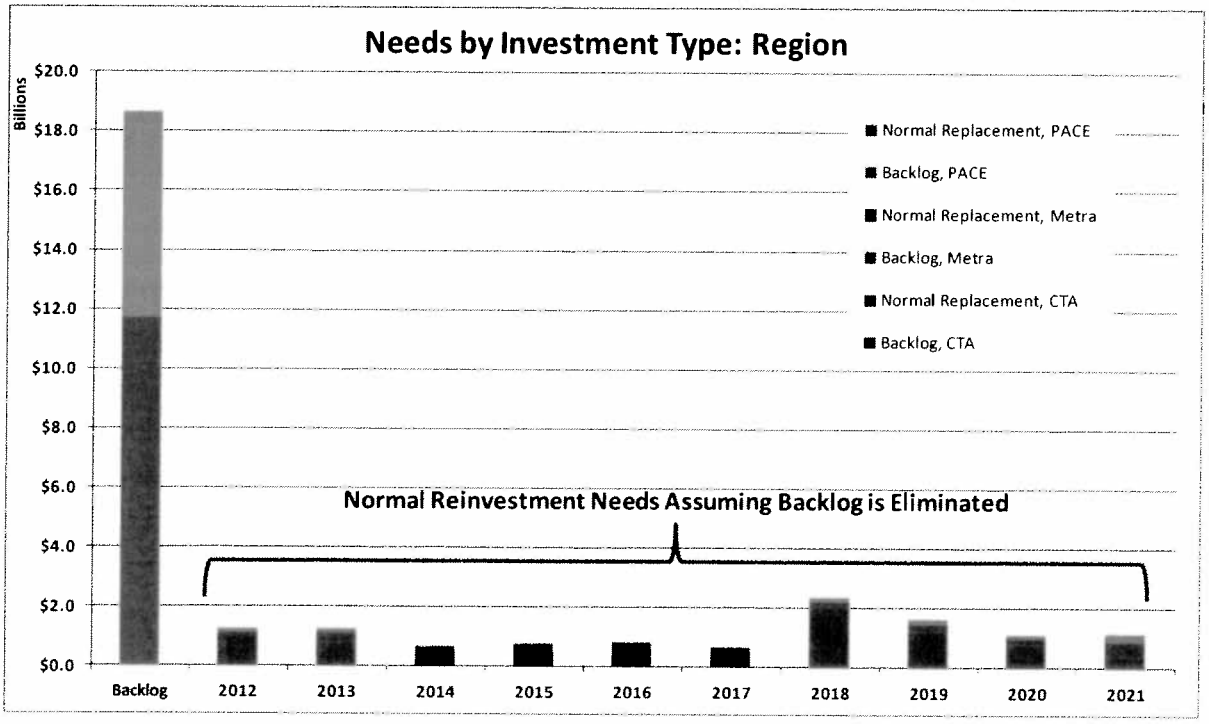
SGR Backlog Ratio

The SGR Backlog Ratio measures the size of the investment backlog relative to average annual normal investment needs (i.e., non-deferred reinvestment needs as they arise). The higher the Ratio, the more severe the backlog. For older rail agencies, the SGR ratio can range anywhere from 10 to 20. For younger rail and bus agencies the ratio can be on the order of 2. The SGR Backlog is calculated as follows:

$$SGR\ Backlog\ Ratio = \frac{SGR\ Backlog}{Average\ Annual\ Normal\ Investment\ Needs}$$

The SGR ratio can also be interpreted as the number of years of normal reinvestment to eliminate the investment backlog

Figure 7-4. Region-wide Summary 10-Year Unconstrained Needs by Year



While the objective of this report is to focus on the region's 10-year reinvestment needs, RTA's Decision Tool can be used to estimate needs over a longer time frame. Figure 7-5 and Figure 7-6 expand the analysis to cover a 20-year time frame. The 20-year analysis can help the RTA identify and plan for any large reinvestment needs not apparent over the 10-year time frame. The second 10-year period (2021 through 2031) indicates that annual average reinvestment needs for this period are appreciably higher than for the period covered by this report (averaging roughly $1.7 billion vs. $1.3 billion for the upcoming ten year period), and include particularly significant reinvestment needs for some later years of the 2023 to 2031 time period.

Figure 7-5. Region-wide Summary 20-Year Unconstrained Needs

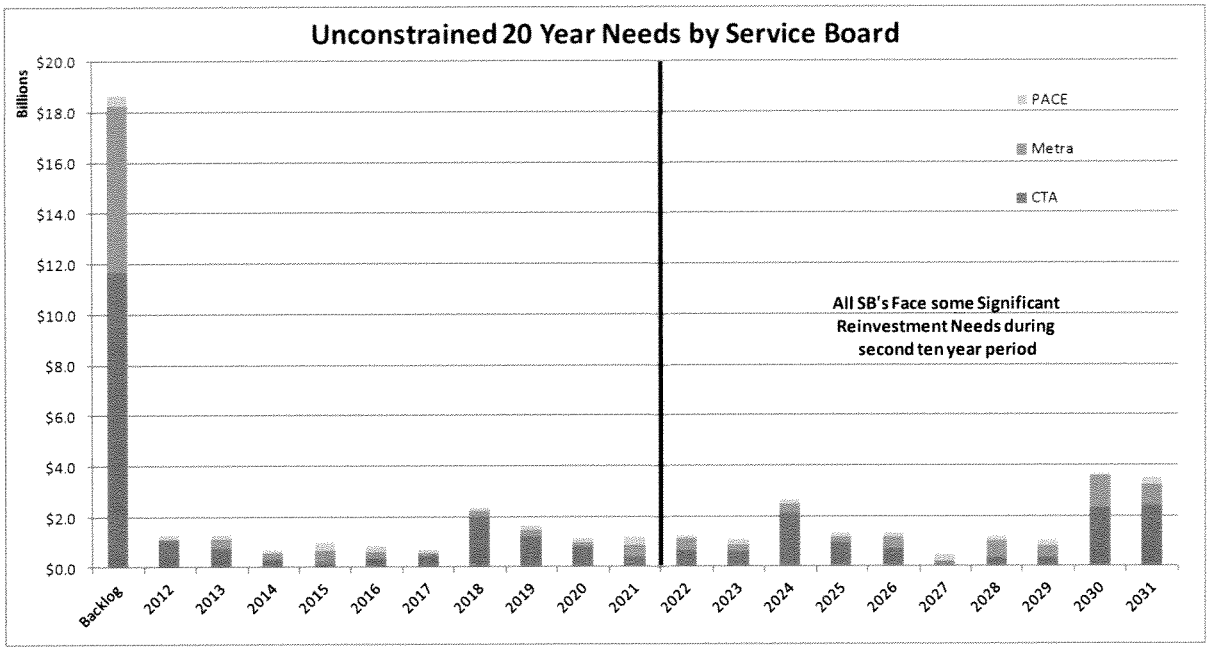


Figure 7-6 below presents the same data in tabular form (all needs are expressed in $2011). As with most other analyses in this report, Figures 7-5 and 7-6 assume the full backlog is eliminated and all-other normal reinvestment needs are addressed over the period of analysis.

Figure 7-6. Region-wide Summary 20-Year Needs, First Ten Years and Second Ten Years

Service Board	SGR Backlog	Normal Reinvestment 2012 - 2021	Normal Reinvestment 2022 - 2031	20-Year Total	Percent of Total
CTA	$11,704	$7,448	$10,663	$29,814	61.1%
Metra	$6,551	$3,110	$5,294	$14,955	30.6%
PACE	$432	$1,807	$1,787	$4,026	8.3%
Total	**$18,687**	**$12,364**	**$17,744**	**$48,795**	**100.0%**

7.4 Comparison with Baseline Assessment

A comparison of the current needs estimates with those presented in the Baseline Assessment report is presented in Figure 7-7. The current needs estimates – including both the backlog and normal reinvestment needs – are significantly higher than those presented in the prior report.

Figure 7-7. Needs Assessment Comparison – Baseline Assessment and Update Report ($Millions)*

	Need Type	2009 Needs ($2009)	2009 Needs ($2011)	2011 Needs ($2011)	Difference	Percent Difference
CTA	Backlog	$10,006	$10,704	$11,704	$1,000	9%
	Normal Reinvestment	$4,994	$5,342	$7,448	$2,106	39%
Metra	Backlog	$3,701	$3,959	$6,551	$2,592	65%
	Normal Reinvestment	$3,672	$3,928	$3,110	($818)	-21%
Pace	Backlog	$115	$123	$432	$309	251%
	Normal Reinvestment	$2,140	$2,289	$1,807	($482)	-21%
Region	Backlog	$13,822	$14,786	$18,687	$3,901	26%
	Normal Reinvestment	$10,806	$11,560	$12,364	$804	7%
Total		**$24,628**	**$26,346**	**$31,051**	**$4,705**	**18%**

* Note: The 2009 needs were adjusted from $2009 to $2011 using RS Means Construction Cost Index

The differences between the Baseline Assessment and the Update report needs estimates arise from a variety of sources. The most noteworthy are addressed below in Figure 7-8.

Figure 7-8. Differences Between 2009 Baseline Assessment and 2011 Update Approaches

Source	Description
Needs Estimation Method	The Baseline analysis covered backlog and needs for the 2010-2019 period while the December 2011 analysis covered the 2012-2021 period. This latter period includes natural growth in the backlog since 2009, normal reinvestment needs from the two years (2020-2021) not included in the prior report and the impact of actual reinvestment actions the Service Boards undertook between December 2009 and December 2011. For example, the large increase in CTA's normal reinvestment needs between the 2009 and 2011 analyses is primarily driven by bus and rail vehicle replacement needs that occur in the last two years of 2012 period of analysis (a period not covered the Baseline report). Similarly, much of the decline in normal reinvestment needs for Metra and Pace between these two reports reflect significant reinvestments in these Service Board's vehicle fleets undertaken between December 2009 and December 2011.
Inventory Data	All three Service Boards submitted new asset inventory data for the December 2011 assessments. For many asset types this data represented updates and improvements to prior submissions but the new submissions also included many asset types not included in the 2010 needs assessment (the Service boards submitted 121 tables for 2011, up from 80 in 2009).

Unit Costs	The Service Boards provided updated unit replacement cost assumptions for December 2011. In most cases, these changes consisted of increased unit costs relative to the prior assumptions for December 2009.
Life Cycle Events (rehabs and capital maintenance)	RTA and the Service Boards developed improved life cycle cost assumptions for a variety of asset types, most notably passenger stations and maintenance facilities. These improved life cycle assumptions provide a better assessment of the timing and cost of rehabilitation and capital maintenance events required to keep Service Board assets in a state of good repair.
Inflation	The December 2011 needs assessment was conducted in $2011 while the Baseline needs assessment was conducted in $2009, thus adding two years of inflation to all needs estimates (including the size of the reinvestment backlog).
Period of Analysis	The Baseline analysis covered backlog and needs for the 2010-2019 period while the December 2011 analysis covered the 2012-2021 period. Hence this latter period includes both natural growth in the backlog plus normal reinvestment needs from the two years (2020-2021) not included in the prior report. Note that the later years for the December 2011 analysis period include some significant normal reinvestment needs not included in the prior, Baseline report.

There are several caveats to understand when comparing the Baseline Assessment and the Update. These caveats are important to placing the value and accuracy of long-term regional reinvestment needs in context and it is important that RTA, the Service Boards, and the region's transit stakeholders continue to take these caveats into account as RTA continues to update these estimates in future years.

- 2011 to 2009 Needs Estimates Are Not Strictly Comparable: When taken together, the differences in needs estimation methods, life cycle cost assumptions, inventory data and periods of analysis result in sufficient differences that the 2011 and 2009 needs estimates are not strictly comparable. Hence, the reader should not interpret the results from Figure 7-7 as suggesting that there has been an actual increase in either the backlog or normal reinvestment needs (though this may in fact be the case). Rather, the differences in needs estimates between the 2011 and 2009 analyses primarily reflect improvements in analysis methods, data and assumptions.
- Expect Variations in Future Needs Estimates: RTA, the Service Boards and the region should expect ongoing variations in the region's needs estimates (including variations in the Service Board's shares of regional reinvestment needs) over time, again primarily as the result of ongoing improvements to analysis methods, assumptions and asset inventory data. These ongoing improvements will also yield improved accuracy in the region's needs estimates over time, allowing for more meaningful comparisons of needs and backlog estimates from one period to the next. Developing these capabilities is a long-term process.
- Some Periodic Variations are Natural: Given that the needs assessment process is designed to cover a fixed period of time (ten years) and the grouped nature of reinvestment needs (i.e., new reinvestment needs can be minor one year but very large the next), RTA should expect some natural variation in regional needs estimates and in each Service Board's share of those needs estimates over time. RTA and the Service Boards need to take this into account with the current backlog and needs estimates, and shares of investment needs. The region should expect that

regional needs can and will change from one time period to the next based on the timing of normal reinvestment needs and the growth (or decline) of the backlog.

7.5 Service Board Results for 10-Year Needs Assessment

The reinvestment needs for each of the region's three Service Board were also analyzed.

7.5.1 Chicago Transit Authority (CTA)

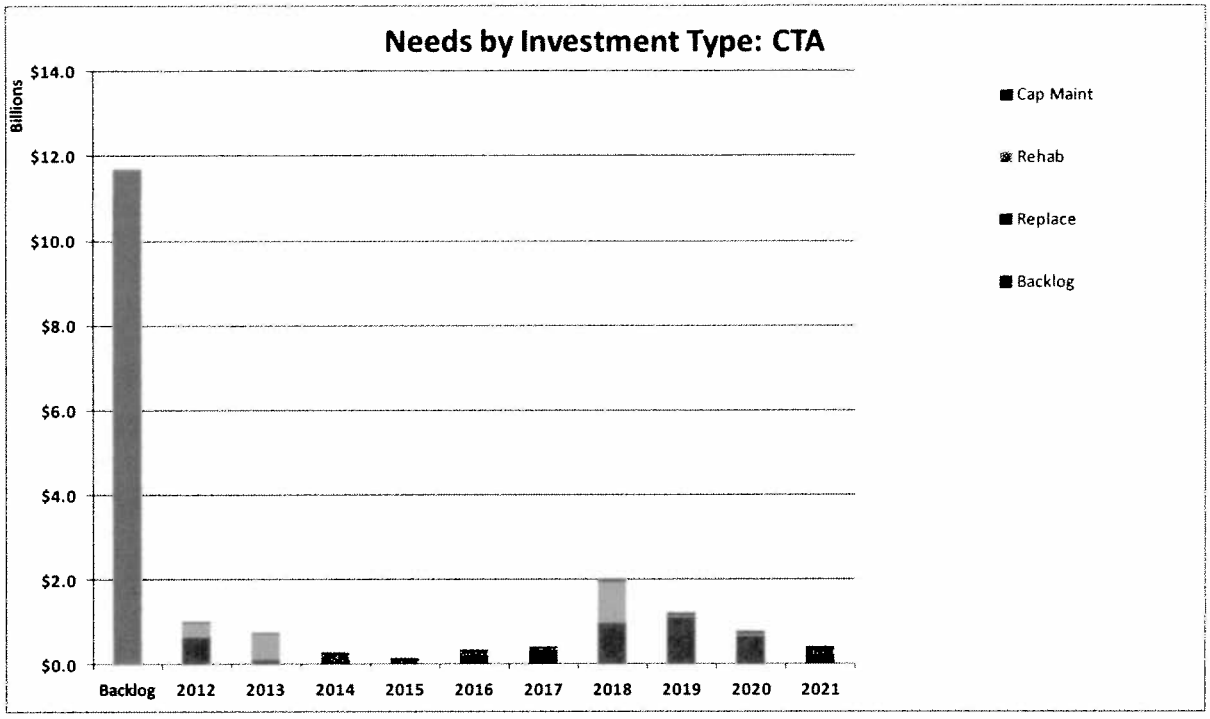
Figure 7-9 shows the estimates of CTA's share of the region's reinvestment needs. For the 10-year period 2012 to 2021, CTA is estimated to have $18.9 billion in unconstrained reinvestment needs, including a backlog of $11.5 billion (investment to attain SGR) and normal reinvestment needs of $7.4 billion (to maintain SGR). Note that the backlog is estimated to account for 60 percent of CTA's estimated reinvestment needs. Rail assets account for roughly 80 percent of CTA's reinvestment needs, which are concentrated in deferred investment for rail rolling stock, stations, facilities, and track and structures. Bus needs account for 19 percent of the remaining needs, and are dominated by major bus fleet replacement needs late in the 10-year analysis period. Investment needs for shared assets (e.g., assets serving both bus and rail) account for the remaining one percent of needs. A more detailed, asset type level breakout of CTA's 10-year annual reinvestment needs can be found in Appendix E.

Figure 7-9. CTA Backlog and 10-Year Normal Reinvestment Needs (Millions of 2011$)

Mode	Asset Group	SGR Backlog	10-Year Normal Reinvestment Needs				
			Replacements	Rehabs	Capital Maint.	Total	% of Total
Rail	Electrical and Subway Equipment	$1,078	$249	$0	$0	**$1,327**	6.9%
	Rolling Stock	$2,326	$808	$981	$0	**$4,114**	21.5%
	Stations and Facilities	$3,513	$658	$412	$225	**$4,807**	25.1%
	Systems	$213	$268	$0	$27	**$508**	2.7%
	Track and Structures	$3,807	$736	$0	$197	**$4,740**	24.7%
	Rail	**$10,937**	**$2,719**	**$1,393**	**$449**	**$15,497**	80.9%
Bus	Rolling Stock	$0	$1,562	$781	$0	**$2,344**	12.2%
	Stations and Facilities	$666	$137	$240	$80	**$1,122**	5.9%
	Systems	$3	$18	$0	$0	**$21**	0.1%
	Bus	**$669**	**$1,717**	**$1,021**	**$80**	**$3,487**	18.2%
Shared	Rolling Stock	$22	$57	$0	$0	**$79**	0.4%
	Stations and Facilities	$75	$0	$5	$7	**$87**	0.5%
	Systems	$0	$1	$0	$0	**$1**	0.0%
	Shared Assets	**$98**	**$58**	**$5**	**$7**	**$168**	0.9%
CTA Total		**$11,704**	**$4,494**	**$2,419**	**$535**	**$19,151**	100.0%
% of Total		61.1%	23.5%	12.6%	2.8%	100.0%	

Figure 7-10 provides a graphical presentation of CTA's reinvestment needs, including elimination of the existing investment backlog and the level of investment to address normal reinvestment needs thereafter. Similar to the region as a whole, CTA's investment backlog is large relative to the annual level of reinvestment required to address normal needs (i.e., sustain SGR) once the backlog has been addressed. Given annual average normal reinvestment needs of roughly $0.7 billion and a backlog of $11.2 billion, the value of the "SGR Backlog Ratio" for CTA is roughly 15.6 (approximately 15 years of normal reinvestment would be required to eliminate the backlog).

Figure 7-10. Summary 10-Year Unconstrained Needs by Year – CTA



7.5.2 Metra

Metra is in the process of improving the quality of its asset inventory data, which at present does not fully account for all assets. Once this process is completed over the next several years, the Decision Tool is expected to provide a more accurate assessment of Metra's long-term reinvestment needs.

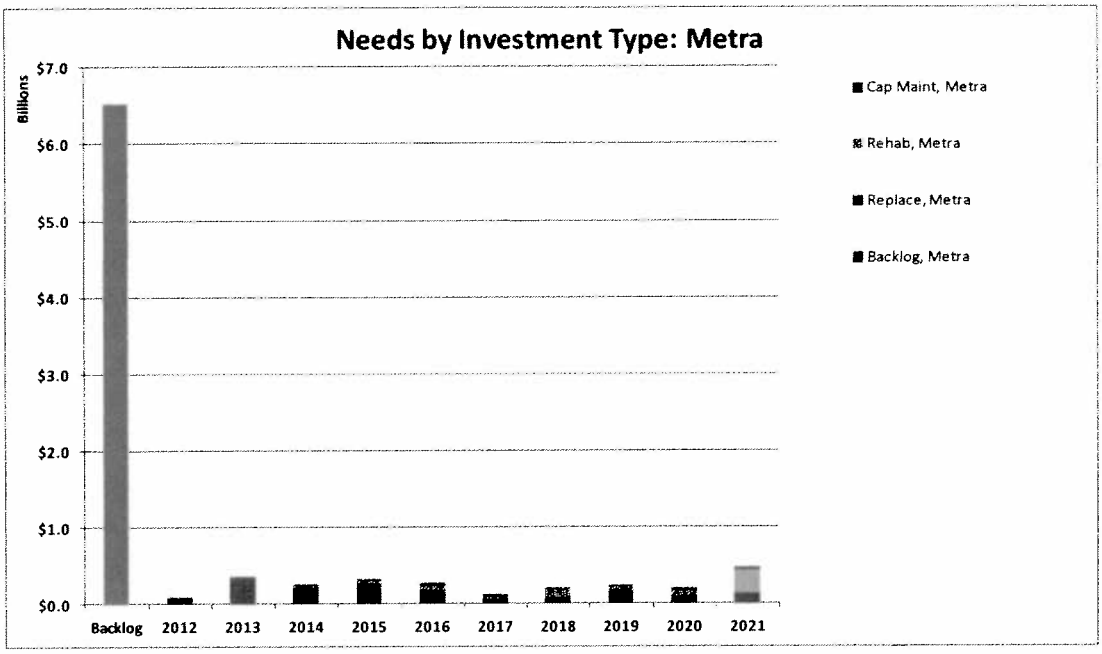
The current estimates of Metra's reinvestment needs are presented in Figure 7-11. For the 10-year period 2012 to 2021, Metra is estimated to have $9.7 billion in unconstrained reinvestment needs, including a backlog of $6.6 billion (investment to attain SGR) and normal reinvestment needs of $3.1 billion (to maintain SGR). Note that the backlog is estimated to account for fully two-thirds of Metra's reinvestment needs and is driven primarily by deferred bridge reinvestment needs. Metra also has deferred needs for both maintenance facilities and passenger vehicles. A more detailed, asset type level breakout of Metra's 10-year annual reinvestment needs can be found in Appendix E.

Figure 7-11. Metra Backlog and 10-Year Normal Reinvestment Needs (Millions of 2011$)

Mode	Asset Group	SGR Backlog	10-Year Normal Reinvestment Needs				
			Replacements	Rehabs	Capital Maint.	Total	% of Total
Rail	Electrical and Subway Equipment*	$76	$219	$0	$0	**$295**	3.1%
	Rolling Stock	$1,395	$796	$198	$0	**$2,389**	24.7%
	Stations and Facilities*	$1,005	$258	$414	$87	**$1,763**	18.3%
	Systems	$260	$85	$0	$42	**$387**	4.0%
	Track and Structures*	$3,816	$877	$0	$134	**$4,826**	50.0%
	Rail	**$6,551**	**$2,235**	**$612**	**$263**	**$9,661**	100.0%
Metra Total		**$6,551**	**$2,235**	**$612**	**$263**	**$9,661**	100.0%
% of Total		67.8%	23.1%	6.3%	2.7%	100.0%	

Figure 7-12 illustrates Metra's reinvestment needs, with normal reinvestment needs distributed out over the 2012 to 2021 time period. Similar to CTA and the region as a whole, Metra's investment backlog is large relative to the annual level of reinvestment required to normal needs. Given an annual average normal reinvestment needs of roughly $0.3 billion and a backlog of $6.5 billion, the value of the "SGR Backlog Ratio" for Metra is roughly 21.1 (approximately 21 years of normal reinvestment would be required to eliminate the backlog).

Figure 7-12. Summary 10-Year Unconstrained Needs by Year, METRA



7.5.3 Pace

Figure 7-13 shows the estimates of Pace's share of the region's reinvestment needs. Pace's 10-year normal reinvestment need is $1.8 billion. Given annual average normal reinvestment needs of $180 million, and a SGR backlog of $432 million, the value of the "SGR Backlog Ratio" for Pace is roughly 2.4. This means approximately 2.4 years of normal reinvestment would be required to eliminate the backlog.

A more detailed, asset type level breakout of Pace's 10-year annual reinvestment needs can be found in Appendix E.

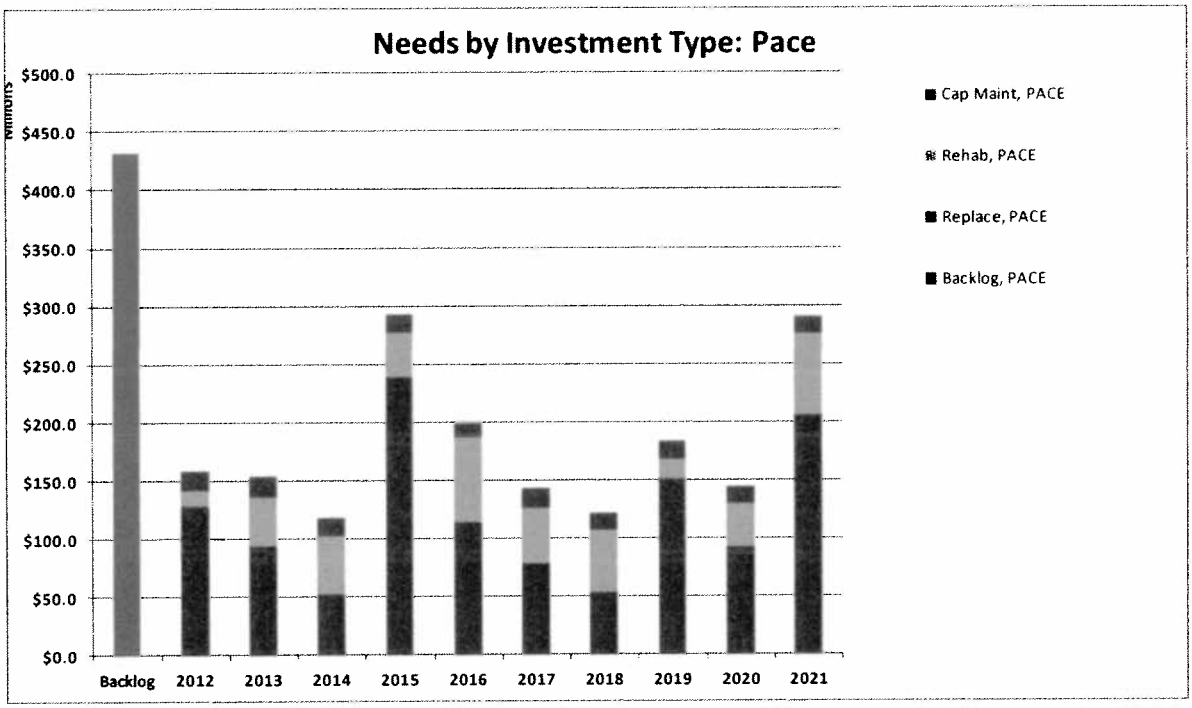
Figure 7-13. Backlog and 10-Year Normal Reinvestment Needs (Millions of 2011$)

Mode	Asset Group	SGR Backlog	10-Year Normal Reinvestment Needs			Total	% of Total
			Replacements	Rehabs	Capital Maint.		
Bus	Rolling Stock	$116.8	$503.9	$184.3	$0.0	**$805.0**	36.0%
	Stations and Facilities	$185.2	$64.6	$211.5	$86.5	**$547.8**	24.5%
	Systems	$53.9	$95.8	$0.0	$0.0	**$149.7**	6.7%
	Bus	**$355.9**	**$664.3**	**$395.8**	**$86.5**	**$1,502.5**	67.1%
Paratransit	Rolling Stock	$25.1	$361.1	$0.0	$45.0	**$431.2**	19.3%
	Stations and Facilities	$22.6	$19.2	$44.0	$19.8	**$105.7**	4.7%
	Systems	$2.3	$65.2	$0.0	$0.0	**$67.5**	3.0%
	Patratransit	**$50.0**	**$445.5**	**$44.0**	**$64.9**	**$604.3**	27.0%
Vanpool	Rolling Stock	$22.5	$87.2	$0.0	$0.0	**$109.7**	4.9%
	Systems	$2.6	$12.1	$0.0	$0.0	**$14.7**	0.7%
	Vanpool	**$25.1**	**$99.3**	**$0.0**	**$0.0**	**$124.4**	5.6%
Shared	Rolling Stock	$0.1	$3.1	$0.0	$0.0	**$3.2**	0.1%
	Systems	$0.9	$3.8	$0.0	$0.0	**$4.7**	0.2%
	Shared Assets	**$1.1**	**$6.9**	**$0.0**	**$0.0**	**$7.9**	0.4%
Pace Total		**$432.0**	**$1,216.0**	**$439.8**	**$151.4**	**$2,239.1**	100.0%
% of Total		19.3%	54.3%	19.6%	6.8%	100.0%	

Note: "Shared" refers to assets such as central revenue collection and non-revenue vehicles that serve multiple modes.

Figure 7-14 provides a graphical presentation of Pace's reinvestment needs, with normal reinvestment needs distributed out over the 2012 to 2021 time period. Pace's SGR Backlog Ratio (i.e., ratio of investment backlog to normal reinvestment needs) is estimated to be 2.3.

Figure 7-14. Summary 10-Year Unconstrained Needs by Year - Pace



7.6 Impact of Maintaining Recent Rate of Reinvestment

The needs estimates presented to this point are all financially unconstrained and assume an unlimited level of funding capacity is available to both eliminate the current investment backlog and address all future reinvestment needs as they arise. With reinvestment 10-year needs estimated to be on the order of $30 billion, this means that approximately $3 billion in average annual investment would be required to address all of these needs (including complete backlog elimination) over a 10-year period.[2] Note however, the region's recent rate of capital reinvestment has been on the order of $450 to $600 million annually, which is considerably less than required to address all needs over the time period.

Figure 7-15 illustrates the impact of a continuation of historic reinvestment rates on the size of the region's reinvestment backlog. Levels of reinvestment have tended to vary significantly over the past decade, making it difficult to identify a reasonable "average rate of reinvestment." For example, over the 5-year period from 2007 to 2011, reinvestment ranged from roughly $450 million to $600 million).

To help address this uncertainty, this analysis shows the impact of maintaining both of these two different rates of annual reinvestment ($450 million and $600 million) over the 20-year period of analysis. For both levels of reinvestment, the analysis predicts an increase in the size of the region's investment backlog – increasing from roughly $18.5 billion in 2011 to between $24.5 billion and $27.6

[2] Given the size of the current backlog, it is unrealistic, from both financial and project management perspectives ("constructability"), to eliminate the backlog over a 10-year period.

billion by 2031, depending on the level of annual reinvestment (increases of 33 percent and 50 percent, respectively). The implication of this analysis is that the current level of reinvestment is insufficient to prevent continued and ongoing growth in the size of the region's reinvestment backlog.

Figure 7-15. Regional Backlog Projections (Replaced)

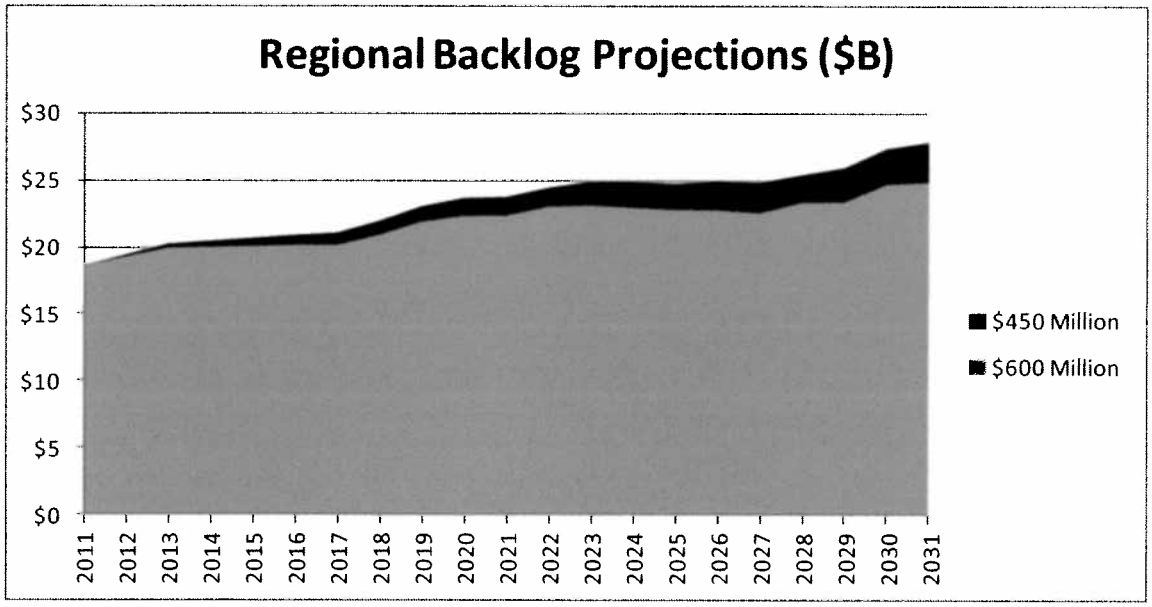
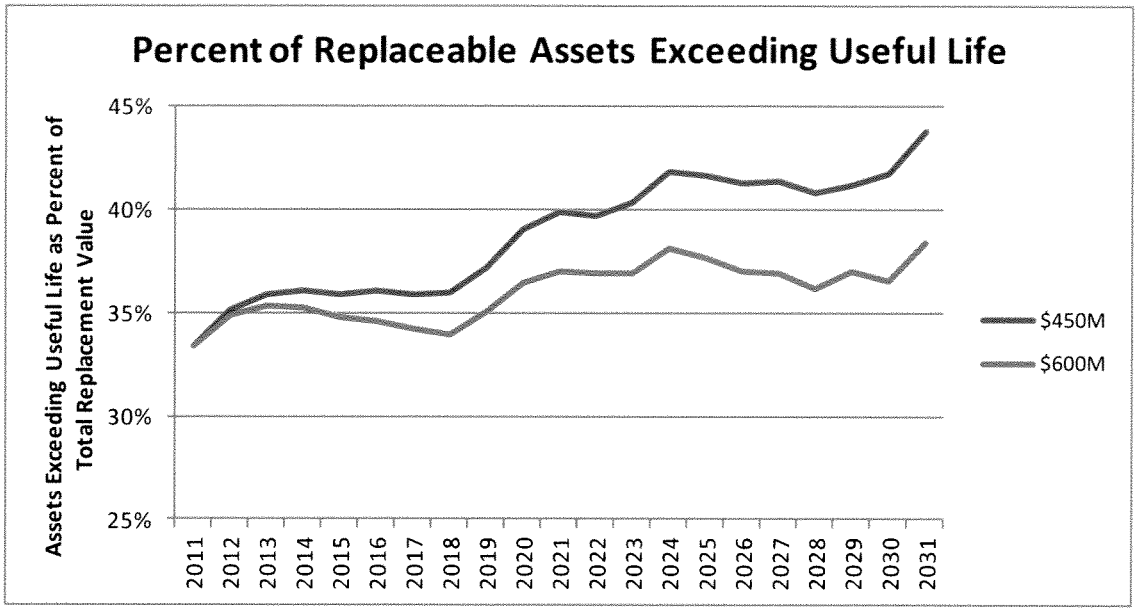


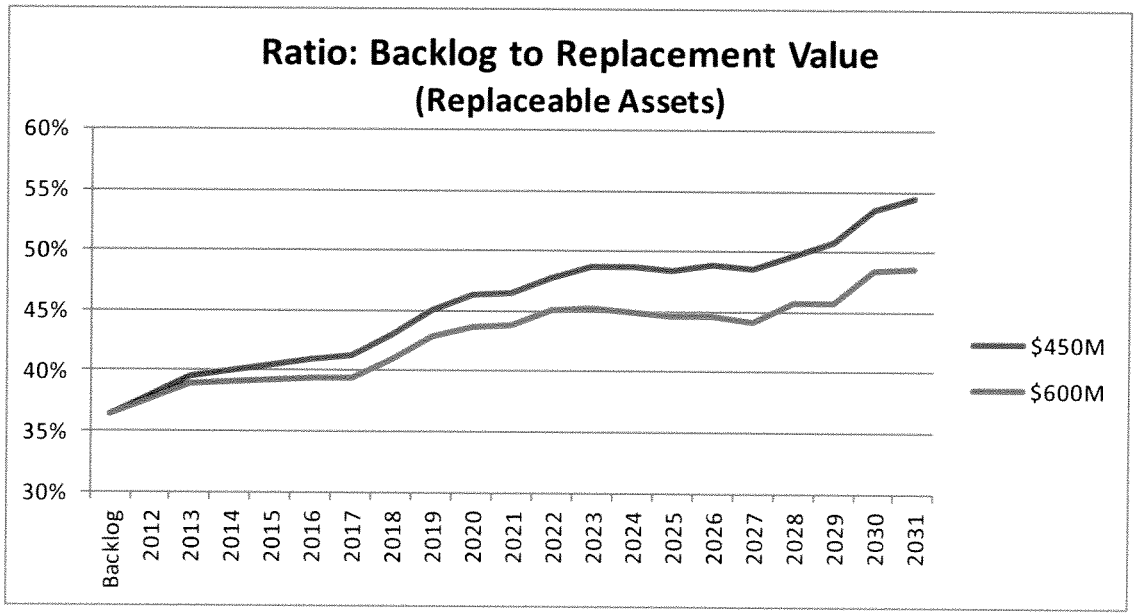
Figure 7-16 shows the impact of these same rates of reinvestment on the share of transit assets that exceed their useful life (i.e., assets that remain in service past their expected retirement date). Specifically, this figure shows the percent of assets that exceed their useful life as a percent of the total replacement value for all replaceable transit assets documented in the RTA's current asset inventory (excluding the value of subway tunnels, which are not considered "replaceable" in this analysis). Similar to the investment backlog analysis, this analysis projects the proportion of assets that exceed their useful life to increase from roughly 33 percent in 2011 to between 38 percent and 43 percent by 2031.

Figure 7-16. Percent of Replaceable Assets Exceeding Useful Life (Replaced)



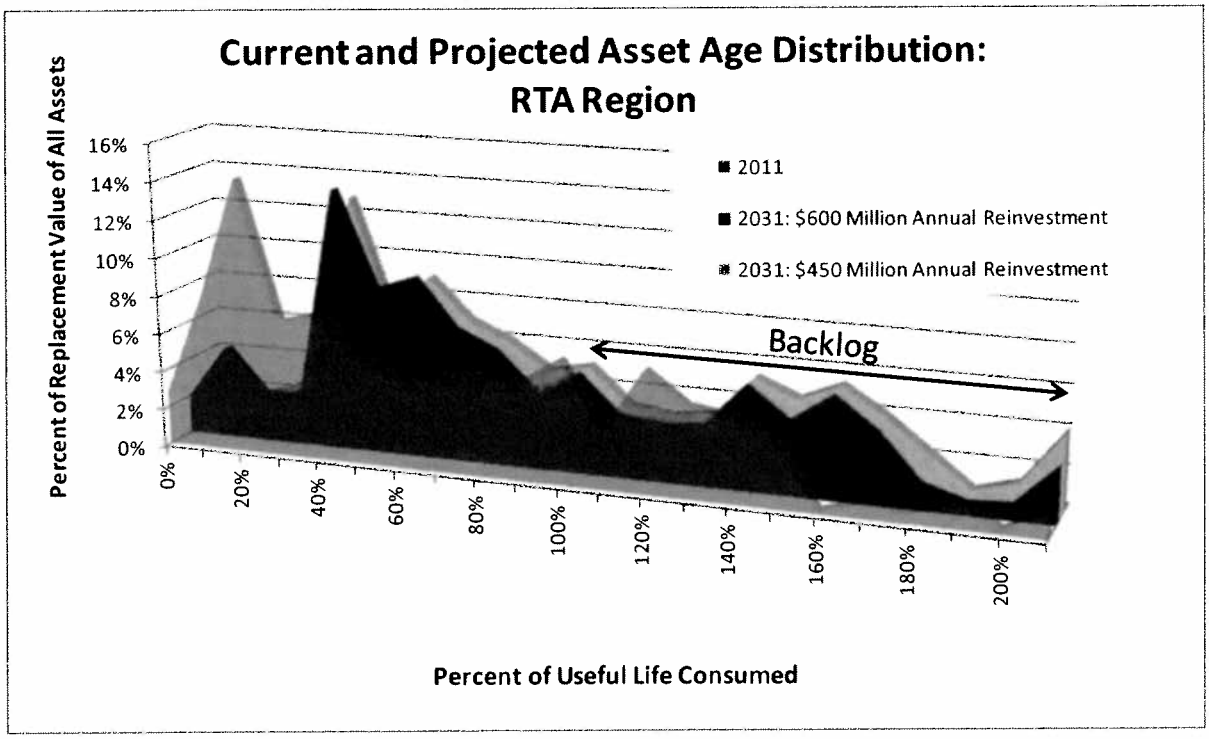
Next, Figure 7-17 presents the size of the investment backlog relative to the total replacement value of the region's transit assets (again, only for replaceable assets). This measure is similar to that presented in Figure 7-16. However, whereas Figure 7-16 only includes those assets that exceed their useful service life (deferred replacements), Figure 7-17 also includes the cost of deferred rehabilitations and deferred capital maintenance (in addition to deferred replacements). Therefore, this backlog- to-replacement value ratio is higher than that presented in Figure 7-16 since it includes additional deferred needs (Note: this measure only considers capital needs, there is no consideration of the increased cost to maintain a larger stock of aging assets). Here, the level of total deferred investment is estimated to increase from 36 percent on 2011, to between 48 to 54 percent by 2031. The implication of each of these preceding analyses is that the current level of reinvestment is insufficient to prevent continued and ongoing growth in the size of the region's reinvestment backlog, with an increasing share of the region's assets requiring some level of reinvestment and with potential consequences for regional service quality and reliability.

Figure 7-17. Backlog to Replacement Value Ratio (Replaced)



Finally, Figure 7-18 provides a different view of the impact of sustaining recent rates of reinvestment on the regional asset conditions and reinvestment needs. Specifically, Figure 7-18 shows both the current and projected future age distributions of the region's transit assets (expressed as a percent of useful life consumed vs. percent share of the total replacement value of all regional transit assets). Based on this analysis, both of the future funding scenarios (i.e., $450 million and $600 million in annual reinvestment) yield asset age distributions that have the effect of shifting the 2011 distribution "to the right" (to a higher percent of useful life consumed). The shape of the projected future distributions partially reflect the investment priorities used by the Decision Tool to determine which assets are addressed and which are not when funding is constrained.

Figure 7-18. Current and Projected Asset Age Distribution – RTA Region



7.7 Regional Funding Capacity, Reinvestment Needs and the Investment Backlog

As discussed above, the current rate of annual reinvestment is insufficient to address the region's normal replacement needs, leading to predicted ongoing growth in the size of the investment backlog and an associated decline in overall asset conditions. The question arises then: What level of funding would be required to stop or reverse growth in the investment backlog? The question is addressed by Service Board and for the region as a whole in Figure 7-19. Specifically, this figure indicates that an estimated $1.24B in annual reinvestment is required to maintain the current size of the region's investment backlog (note that this amount is roughly double the level of expected funding for this time period). Similarly, an estimated $2.17 billion in annual investment would be required to attain SGR in twenty years (including full elimination of the backlog) and $3.11 billion annually to do so in 10-years. Given the volume of infrastructure needs that would need to be addressed, it should be noted that full elimination of the backlog over a single ten –year period is not considered to be either financially or physically feasible.

Figure 7-19. Required Funding to Attain Specific Investment Targets (Millions of $2011)

Service Board	SGR Backlog	Normal Reinvestment	Annual Investment to: Maintain Backlog	Attain SGR in 20 Years	Attain SGR in 10 Years
CTA	$11,704	$7,448	$745	$1,330	$1,915
Metra	$6,551	$3,110	$311	$639	$966
PACE	$432	$1,807	$181	$202	$224
Total	**$18,687**	**$12,364**	**$1,236**	**$2,171**	**$3,105**

APPENDIX A, GLOSSARY AND ABBREVIATIONS

ACM	Annual Capital Maintenance – Ongoing minor capital investments as required to maintain a state of good repair over the next 10-year period.
Asset Decay Curves	FTA has developed "generic" transit asset decay curves for major asset types using data collected from transit agencies nationwide. An asset decay curve joins age with physical condition so the curve itself becomes the predictor of the asset's physical condition.
Asset Types	Categories of assets making up each Service Board asset inventory. The Capital Decision Prioritization Support Tool uses five main categories of assets: Guideway; Stations; Facilities; Systems and Vehicles.
Backlog	Deferred investments in asset rehabilitation, replacement, and annual capital maintenance.
Condition Rating Levels	Rating levels established by RTA and the Service Boards for purposes of categorizing physical condition of assets. The five levels are: excellent, good, adequate, fair, and worn.
Contingency Costs	Contingency costs are budgeted for unforeseen emergencies or design shortfalls typically identified after a project commences. The contingency is included in the budget to minimize interruptions due to changes or cost overruns.
Decision Tool	Capital Decision Prioritization Support Tool - Decision Support tool developed by RTA with support from the Service Boards to assess and prioritize transit capital investment needs within the parameters of regional funding and the region's long-term strategic objectives.
Facilities	Facilities includes all assets related to maintenance and administrative facilities (but excluding systems within the facilities). Facilities represent one of five main Decision Tool asset types.
FTA	Federal Transit Administration
Guideway	Guideway includes all assets related to the guideway including track, track or Bus Rapid Transit (BRT) guideway, and associated structures. Guideway is one of five main Decision Tool asset types.
MAP-21	Moving Ahead for Progress in the 21st Century, the 2012 Transportation Legislation bill
Normal Reinvestment	Normal replacement, plus scheduled rehabilitation work and Annual Capital Maintenance
Normal Replacement	Ongoing replacement of existing assets as they reach the end of their expected useful life. Normal replacement does not include deferred replacement needs, only those needs for assets that will reach the end of their useful life over the next ten year period.
Rehabilitation	Ongoing rehabilitation needs for existing assets. Rehabilitation does not include deferred rehabilitation needs, only those rehabilitation activities that will arise over the next ten year period as required to maintain a state of good repair.
RTA	Regional Transportation Authority of Northeastern Illinois

SGR	State of Good Repair – Federally-led, collaborative initiative to comprehensively articulate the problem, to define a commonly adopted definition of "state of good repair", and to identify strategies, technical assistance briefs, peer to peer exchanges, and best practices aimed at achieving such a state industry-wide (FTA, Transit State of Good Repair, Beginning the Dialogue, October 2008). For this Update report, SGR is used primarily as a major assumption for determining capital needs – that is, assets are replaced once they reach useful life, all rehabs are performed and capital maintenance is up to date.
Stations	Stations represent customer facing facilities, and include assets such as passenger stations, transfer terminals, and park and rides. Station assets exclude systems assets already accounted for under Systems. Stations represent one of five main Decision Tool asset types.
Soft Costs	The majority of soft costs are expended in the planning, engineering, and project management efforts. These services include in-house agency staff, government related support staff, and the occasionally consultants. Project start-up expenses are also included in this category. Project financing cost and "other" expenses (reconciliation and unaccountable costs) comprise the full range of project development capital costs (FTA definition).
Systems	Systems include all infrastructure support categories, such as communications, train control, traction power, and fare collection systems. Systems represent one of five main Decision Tool asset types.
TAM	Transit Asset Management
TERM	Transit Economics Requirements Model – FTA-led program, which is FTA's capital needs analysis tool
Useful Life	Expected life of a particular asset (e.g., 12 years for a transit bus). Expected useful lives for individual assets are driven by several factors, including historical performance, manufacturer recommendations, and policy.
Unconstrained Needs	Financially unconstrained. Unconstrained needs scenarios are typically the first run to establish total asset management needs in order to fully measure the combination of upcoming needs as well as any existing backlog.
Vehicles	Vehicles include both revenue vehicles and non-revenue vehicles. Vehicles represent one of five main Decision Tool asset types.

APPENDIX B, MAJOR ASSUMPTIONS

Period of Analysis	This assessment update Report is based on December 2011 conditions. The condition assessment is of regional transit assets as of December 2011. The capital needs assessment covers the 10 year period 2012 to 2021.
Asset Condition Definitions	Asset condition definitions on the five point scale are based on FTA definitions for all major asset types.
Needs Projections	All needs projections are based upon Inventory Data current as of December 2011, as well as key Service Board assumptions regarding asset useful life, timing and cost of rehabilitations, and capital maintenance.
Life Cycle Events (Rehabs and Capital Maintenance)	RTA and the Service Boards developed improved life cycle cost assumptions for a variety of asset types, most notably passenger stations and maintenance facilities. These life cycle assumptions provide a reasonable assessment of the timing and cost of rehabilitation and capital maintenance events required to keep Service Board assets in a state of good repair.
Unit Costs	Service Boards provided updated life cycle cost assumptions for December 2011.
Dollars of Analysis	The December 2011 needs assessment was conducted in $2011. Future updates will be performed in the same dollar of analysis as the data itself (e.g., December 2013 needs conducted in $2013). Where RTA compared the December 2009 Baseline Assessment ($2009 dollars) to the current Update ($2011 dollars), RTA added two years of inflation to all needs estimates (including the size of the reinvestment backlog) to accurately compare the projections.
Inflation	Inflation is determined based on a projection of the RS Means Construction Index.
Useful Life	Assumptions for useful live values are provided in the tables that follow, for each Service Board.

B.1 Useful Life Assumptions, CTA

RTAAssetType	Code	Category	Sub-Category	Element	Sub-Element	UsefulLife	Rehabs
Track Structures	10112	Guideway Elements	Guideway	At Grade Ballast	HR	80	0
Track Structures	10322	Guideway Elements	Guideway	Elevated Structure	Steel Viaducts HR	80	0
Track Structures	10402	Guideway Elements	Guideway	Elevated Fill	HR	80	0
Track Structures	10512	Guideway Elements	Guideway	Underground	Tunnel HR	80	0
Track Structures	10602	Guideway Elements	Guideway	Retained Cut	HR	80	0
Rail	11000	Guideway Elements	Trackwork	-	-	30	0
Rail	11101	Guideway Elements	Trackwork	Direct Fixation	Tangent	40	0
Rail	11102	Guideway Elements	Trackwork	Direct Fixation	Curve	25	0
Rail	11201	Guideway Elements	Trackwork	Ballasted	Tangent	40	0
Rail	11202	Guideway Elements	Trackwork	Ballasted	Curve	25	0
Grade Crossings	11303	Guideway Elements	Trackwork	Embedded	At-Grade Crossings	20	0
Special Trackwork	11400	Guideway Elements	Trackwork	Special	-	40	0
Bus Turnaround	13201	Guideway Elements	Bus Guideway	Turnaround	CTA	20	5
Other Major Facilities	21100	Facilities	Buildings	Administration	-	60	1
Railcar Maint Shops	21152	Facilities	Buildings	Administration	CTA Admin Building - 2 floor	60	5
Other Major Facilities	21251	Facilities	Buildings	Maintenance	CTA -- Interior Bus	60	5
Bus Garages	21251	Facilities	Buildings	Maintenance	CTA -- Interior Bus	60	5
Other Major Facilities	21254	Facilities	Buildings	Maintenance	CTA -- Rail	60	5
Railcar Maint Shops	21254	Facilities	Buildings	Maintenance	CTA -- Rail	60	5
Other Major Facilities	21255	Facilities	Buildings	Maintenance	CTA -- Warehouse	60	5
Yard	22212	Facilities	Storage Yard	Rail	HR	50	1
Work Equipment Misc	23300	Facilities	Equipment	Maintenance	-	20	0
Other Major Facilities	25000	Facilities	Central Control	-	-	60	1
Cab Signals	31102	Systems	Train Control	Wayside Train Control	HR	25	0
Grade Crossings	31402	Systems	Train Control	Roadway Crossings	HR	25	0
Interlockings	31500	Systems	Train Control	Interlockings	-	40	0
Substations	32202	Systems	Electrification	Substations	HR	30	0
SCADA RTUs	32210	Systems	Electrification	Substations	SCADA RTUs	7	0
ROW Traction Power	32400	Systems	Electrification	Contact Rail	Contact Rail/Chairs/Anchor/Incline	20	0
ROW Traction Power	32400	Systems	Electrification	Contact Rail	Contact Rail/Chairs/Anchor/Incline	25	0
Substation Distribution	32501	Systems	Electrification	Power Cable	Substations	30	0
Subway Electrical Serv	32600	Systems	Electrification	Building	Electrical Systems	25	0
Cable Plant Fiber	33101	Systems	Communications	Cable	-	20	0
Fiber Optic BB	33102	Systems	Communications	Cable	Nodes	10	0
Public Address Audio	33200	Systems	Communications	PA Systems	-	10	0
Bus Rail Radio Systems	33700	Systems	Communications	Base Radio Stations	-	15	0
SCCTV Cameras	33900	Systems	Security/Surv Equipment		-	15	0
CCTV Stations	33900	Systems	Security/Surv Equipment		-	5	0
Vault Operations	34002	Systems	Central Revenue Collection	-	HR	10	0
Subway Illumination	36101	Systems	Utilities	Lighting	Subway	20	0
Subway Pumps	36204	Systems	Utilities	Sump Pumps	Subway	30	0
Subway Fans - no updates	36302	Systems	Utilities	Fan Plants	Subway	25	0
GPS OnBoard Bus	37004	Systems	ITS	GPS	-	10	0
Stations	41051	Stations	Rail	CTA	At-Grade	60	5
Stations	41052	Stations	Rail	CTA	At-Grade Median	60	5
Stations	41053	Stations	Rail	CTA	Elevated	60	5
Stations	41054	Stations	Rail	CTA	Subway	60	5
Station Parking	41601	Stations	Rail	Parking	Garage	20	5
Station Parking	41602	Stations	Rail	Parking	Lot	20	1
Public Address VMS	41901	Stations	Rail	Signage & Graphics	Electronic	10	0
Rail Revenue Cars	51601	Vehicles	Revenue Vehicles	Heavy Rail	HR	25	3
Buses	51903	Vehicles	Revenue Vehicles	Motor Bus	BA	12	1
NonRevenue Vehicles	53001	Vehicles	Non-Revenue Vehicles	Car	-	5	0
Work Trucks	53002	Vehicles	Non-Revenue Vehicles	Truck	-	10	0
NonRevenue Vehicles	53002	Vehicles	Non-Revenue Vehicles	Truck	-	5	0
Work Equipment Trailers	53003	Vehicles	Non-Revenue Vehicles	Special	-	15	0
RailborneWork Equipment	53003	Vehicles	Non-Revenue Vehicles	Special	-	20	0

B.2 Useful Life Assumptions, Metra

RTAAssetType	Code	Category	Sub-Category	Element	Sub-Element	UsefulLife	Rehabs
Rail Bridges NCS	10330	Guideway Elements	Guideway	Elevated Structure	Bridge	80	0
Rail Bridges - MD-N	10330	Guideway Elements	Guideway	Elevated Structure	Bridge	80	0
Rail Bridges-MD-Main	10330	Guideway Elements	Guideway	Elevated Structure	Bridge	80	0
Rail Bridges-MD-W	10330	Guideway Elements	Guideway	Elevated Structure	Bridge	80	0
Rail Bridges -SWS	10330	Guideway Elements	Guideway	Elevated Structure	Bridge	80	0
Rail Bridges_UP-W	10330	Guideway Elements	Guideway	Elevated Structure	Bridge	80	0
Rail Bridges_UP-NW	10330	Guideway Elements	Guideway	Elevated Structure	Bridge	80	0
Rail Bridges_UP-N	10330	Guideway Elements	Guideway	Elevated Structure	Bridge	80	0
Rail Bridges_RI	10330	Guideway Elements	Guideway	Elevated Structure	Bridge	80	0
Rail Bridges_ME	10330	Guideway Elements	Guideway	Elevated Structure	Bridge	80	0
Rail Bridges_HC	10330	Guideway Elements	Guideway	Elevated Structure	Bridge	80	0
Rail Bridges_BNSF	10330	Guideway Elements	Guideway	Elevated Structure	Bridge	80	0
Rail	11200	Guideway Elements	Trackwork	Ballasted	-	70	0
Grade Crossing Track	11303	Guideway Elements	Trackwork	Embedded	At-Grade Crossings	12	0
Special Trackwork	11400	Guideway Elements	Trackwork	Special	-	70	0
Ties	11601	Guideway Elements	Trackwork	Ties	Wood	28	0
Ties	11601	Guideway Elements	Trackwork	Ties	Wood	32	0
Maint & Yard Facilities	21154	Facilities	Buildings	Administration	Metra Admin Building - 15 floor	60	5
Maint & Yard Facilities	21257	Facilities	Buildings	Maintenance	Metra -- Rail	60	5
Work Equipment	23311	Facilities	Equipment	Maintenance	Rail CR	10	0
Work Equipment	23311	Facilities	Equipment	Maintenance	Rail CR	20	0
Maint & Yard Facilities	23403	Facilities	Equipment	Maintenance	Train Washer	60	0
Maint & Yard Facilities	25000	Facilities	Central Control	-	-	60	1
BNSF Signals	31111	Systems	Train Control	Wayside Train Control	Signals & Train Stops CR	40	0
Metra Signals	31111	Systems	Train Control	Wayside Train Control	Signals & Train Stops CR	40	0
UP Signals	31111	Systems	Train Control	Wayside Train Control	Signals & Train Stops CR	40	0
CN (NCS) Signals	31111	Systems	Train Control	Wayside Train Control	Signals & Train Stops CR	40	0
CN (HC) Signals	31111	Systems	Train Control	Wayside Train Control	Signals & Train Stops CR	40	0
BNSF Grade Xing Signal	31401	Systems	Train Control	Roadway Crossings	CR	40	0
CN(NCS) Grade Xing Sig	31401	Systems	Train Control	Roadway Crossings	CR	40	0
CN (HC) Grade Xing Sig	31401	Systems	Train Control	Roadway Crossings	CR	40	0
Metra Grade Xing Sig	31401	Systems	Train Control	Roadway Crossings	CR	40	0
UP Grade Xing Signals	31401	Systems	Train Control	Roadway Crossings	CR	40	0
BNSF Interlockings	31500	Systems	Train Control	Interlockings	-	40	0
UP Interlockings	31500	Systems	Train Control	Interlockings	-	40	0
CN Interlockings	31500	Systems	Train Control	Interlockings	-	40	0
CN (NCS) Interlockings	31500	Systems	Train Control	Interlockings	-	40	0
Metra Interlockings	31500	Systems	Train Control	Interlockings	-	40	0
Substations	32201	Systems	Electrification	Substations	CR	30	0
Traction Power	32501	Systems	Electrification	Power Cable	Substations	40	0
Catenary & Strct	32700	Systems	Electrification	Overhead Catenary	-	40	0
Catenary & Strct	32706	Systems	Electrification	Overhead Catenary	Poles and Foundation	80	0
Cable Plant	33101	Systems	Communications	Cable	-	20	0
Fiber Optic BB Net	33102	Systems	Communications	Cable	Nodes	10	0
Public Address Systems	33200	Systems	Communications	PA Systems	-	10	0
Telephone Systems	33400	Systems	Communications	PBX	-	10	0
Telephone Systems	33401	Systems	Communications	Phone System	-	10	0
Wireless Telephones	33401	Systems	Communications	Phone System	-	5	0
Radio Systems	33500	Systems	Communications	Radio	-	15	0
Radio Systems	33700	Systems	Communications	Base Radio Stations	-	15	0
Microwave	33701	Systems	Communications	Base Radio Stations	-	15	0
Radio Systems	33800	Systems	Communications	Mobile Radios	-	15	0
CCTV Vending	33900	Systems	Security/Surv Equipment		-	10	0
CCTV Homeland Security	33900	Systems	Security/Surv Equipment		-	10	0
Fare Collection	34001	Systems	Central Revenue Collection	-	CR	40	0
Fare Collection	34001	Systems	Central Revenue Collection	-	CR	20	0
Fare Collection	34001	Systems	Central Revenue Collection	-	CR	7	0
Fare Collection	35001	Systems	Revenue Collection	CR	Other Fare Equipment	40	0
Fare Collection	35001	Systems	Revenue Collection	CR	Universal Fare Card	15	0
Fare Collection	35111	Systems	Revenue Collection	In-Station	System CR	10	0
Fare Collection	35115	Systems	Revenue Collection	In-Station	TVMs	15	0
Fare Collection	35201	Systems	Revenue Collection	On-Vehicle	Fareboxes	10	0
Train Stations	41056	Stations	Rail	Metra	At-Grade w Building	60	5
Train Stations	41059	Stations	Rail	Metra	Downtown Terminal	60	5
Station Parking	41601	Stations	Rail	Parking	Garage	60	5
Station Parking	41602	Stations	Rail	Parking	Lot	20	1
Locomotives	51301	Vehicles	Revenue Vehicles	Commuter Rail	RL	30	1
Coaches	51302	Vehicles	Revenue Vehicles	Commuter Rail	RP	50	1
EMUs	51303	Vehicles	Revenue Vehicles	Commuter Rail	RS	35	1
EMUs	51303	Vehicles	Revenue Vehicles	Commuter Rail	RS	50	1
NonRevenue Vehicles	53000	Vehicles	Non-Revenue Vehicles	Work vehicles	-	10	0
NonRevenue Vehicles	53000	Vehicles	Non-Revenue Vehicles	Autos and vans	-	5	0

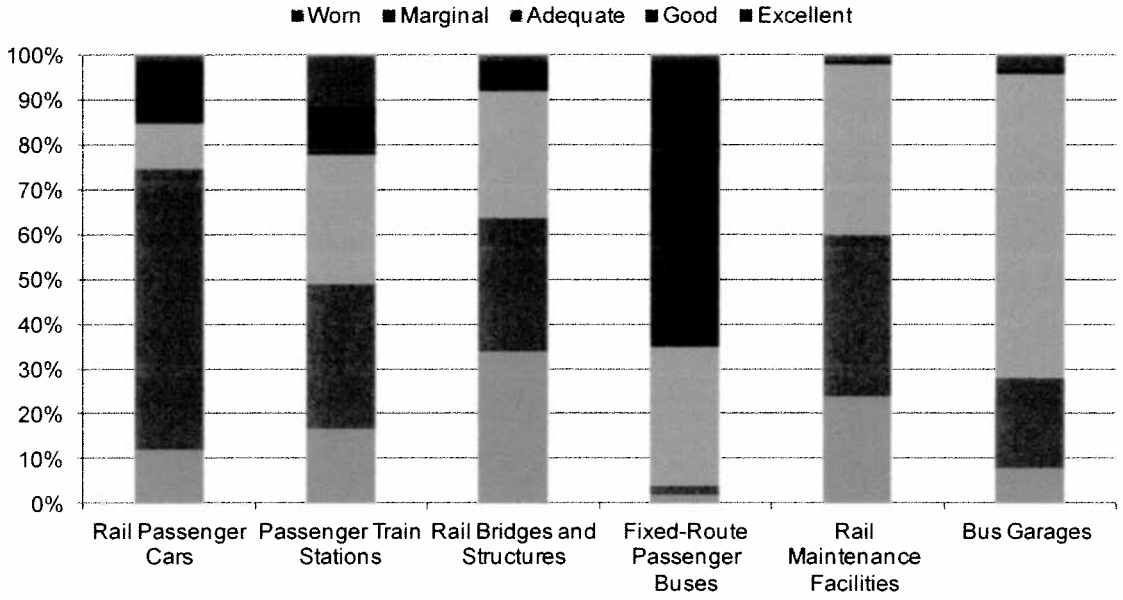
B.3 Useful Life Assumptions, Pace

RTAAssetType	Code	Category	Sub-Category	Element	Sub-Element	UsefulLife	Rehabs
Garages - Site Work	21153	Facilities	Buildings	Administration	Pace Admin Building - 2 floor	60	5
ADA Facilities	21153	Facilities	Buildings	Administration	Pace Admin Building - 2 floor	50	5
ADA Facilities	21258	Facilities	Buildings	Maintenance	Pace -- Bus - Small	50	5
Garages - Site Work	21258	Facilities	Buildings	Maintenance	Pace -- Bus - Small	60	5
Infrastructure Support	21258	Facilities	Buildings	Maintenance	Pace -- Bus - Small	20	5
Garages - Site Work	21259	Facilities	Buildings	Maintenance	Pace -- Bus - Large	60	5
Radio Systems City	33500	Systems	Communications	Radio	-	20	0
Radio Systems Buses	33500	Systems	Communications	Radio	-	10	0
Radio Systems Sub Para	33500	Systems	Communications	Radio	-	10	0
CTS	33900	Systems	Security/Surv Equipment		-	4	0
Suburb Event Recorders	33900	Systems	Security/Surv Equipment		-	5	0
Suburb Road Recorders	33900	Systems	Security/Surv Equipment		-	5	0
Paratransit Event Rec	33900	Systems	Security/Surv Equipment		-	20	0
Vanpool Drivecam	33901	Systems	Security/Surv Equipment	Bus On-Board Video	-	20	0
Fare Collection	34000	Systems	Central Revenue Collection	-	-	5	0
Fare Collection Paratransit	35201	Systems	Revenue Collection	On-Vehicle	Fareboxes	7	0
Fare Collection	35201	Systems	Revenue Collection	On-Vehicle	Fareboxes	5	0
ITS IBS Systems	37000	Systems	ITS	-	-	12	0
AVL Systems	37002	Systems	ITS	AVL	-	2	0
AVL Systems	37002	Systems	ITS	AVL	-	5	0
ADA Call Center-other	37003	Systems	ITS	CAD	-	20	0
Bus Terminal	42051	Stations	Motor Bus	-	Pace Bus Terminal	15	1
ADA Pass Facilities	42052	Stations	Motor Bus	-	Pace Bus Park & Ride	10	1
Bus Pass Pavement	42052	Stations	Motor Bus	-	Pace Bus Park & Ride	10	1
Paratransit	51407	Vehicles	Revenue Vehicles	Demand Response	VN	4	0
ADA Rolling Stock	51407	Vehicles	Revenue Vehicles	Demand Response	VN	4	0
Suburb Rolling Stock	51903	Vehicles	Revenue Vehicles	Motor Bus	BA	12	1
Suburb Rolling Stock	51906	Vehicles	Revenue Vehicles	Motor Bus	BD	12	0
Suburb Rolling Stock	51912	Vehicles	Revenue Vehicles	Motor Bus	OTR	12	0
Vanpool	52302	Vehicles	Revenue Vehicles	Vanpool	VN	4	0
ADA Rolling Stock	52501	Vehicles	Revenue Vehicles	Rural	AO	4	0
ADA Rolling Stock	52520	Vehicles	Revenue Vehicles	Rural	-	4	0
Non-Revenue Vehicles	53000	Vehicles	Non-Revenue Vehicles	Autos and vans	-	5	0
Non-Revenue Vehicles	53000	Vehicles	Non-Revenue Vehicles	Small Trucks	-	7	0
Non-Revenue Vehicles	53000	Vehicles	Non-Revenue Vehicles	Work vehicles	-	10	0

APPENDIX C, CONDITION BY MAJOR ASSET CATEGORY

Figure C-1 presents the distribution of asset conditions by major asset category (expressed as a percent of replacement value for all assets in that Category), calculated across all three Service Boards. This analysis suggests that Rail Passenger Cars, Stations, Bridges & Structures and Maintenance Facilities have the largest proportion of assets in marginal or worn condition.

Figure C-1. Condition Assessment by Major Asset Category (By Value)



APPENDIX D, SAMPLING SUMMARY

As described in Section 5.5, On-Site Condition Assessment, sampling for all Service Boards represented approximately 1.1% of assets and 3.3% of asset valuation. Approximately 200 assets within the Service Board inventories were sampled. The assessments consisted of a high-level visual examination of the asset classes, and did not include a detailed engineering condition assessment (i.e., the teams spent hours or a day at a facility, not days or weeks). Detailed scoring sheets for these assets and photographs representative of the conditions witnessed are located on the project website.

This Appendix presents summary results for the principal asset classes. The figures in the next several pages compare the sampling condition rating range (i.e., lowest condition rating and highest condition rating witnessed) to the average decay curve rating from the Decision Tool. When comparing the numbers, it is important to note that assets to sample were chosen at random, with no pre-disposition towards "worst-first" assets. This means some of the assets sampled are new or virtually new assets. Given this fact, coupled with the small size of the sample, deviations from the decay curve average are to be expected. As the sampling volume increases in subsequent years, these differences are expected to diminish.

Thousands of photographs, almost 4,000, were taken of the assets examined. These are posted on the project website. This section contains a handful for each of the Service Boards.

D.1 CTA

Figure D-1. Calendar Year 2011 Sampling Summary, CTA

Asset Category	Total Assets	Average Decay-Curve Condition Rating	Assets Sampled	Sampling Condition Rating Range
Facilities	40	2.08 – 2.95	16	2.67 – 4.0
Guideway Elements	3,086	See below		See below
Guideway/Bridges		2.92	4	2.6 – 4.25
Guideway/Track		3.04 – 3.61	12	2.5 – 4.3
Stations/Passenger Facilities	270	3.09	9	1.36 – 4.11
Systems	9,200	2.02 – 3.83	13	3.7 - 4.5
Vehicles	3,334	See below	25	See below
Vehicles/Rail Cars	1,211	2.31	10	2.82 – 5.0
Vehicles/Buses	1,782	3.32	10	2.88 – 4.0

Note. Non revenue vehicles and work equipment not shown under Vehicles.

Facility Bus Turnaround/Rail Station – Belmont & Kimball

Guideway 95th St. Dan Ryan Branch – Red Line

Station Quincy Wells – Inner Loop Platform

Vehicle 2914 Budd

D.2 Metra

Figure D-2. Calendar Year 2011 Sampling Summary, Metra

Asset Category	Total Assets	Average Decay-Curve Condition Rating	Assets Sampled	Sampling Condition Rating Range
Facilities	57	3.07	1	3.64
Bridges	801	2.02 – 3.17	36	3.0 – 4.4
Stations	422	3.53	39	1.80 – 5.0
Systems	9,438	1.09 – 4.33	9	3.13 – 4.92
Vehicles	2,333	See below		See below
Vehicles/Rail Cars	839	3.48	4	2.9 – 4.1
Vehicles/EMUs	171	2.66	N/A	N/A
Vehicles/Locomotives	155	2.69	4	2.91 – 4.56

Note. Track assets could not be reviewed in Year 1 and will be reviewed in Year 2.

Facility Rail Maintenance – 14th St. Yard

Station Prospect Heights

Vehicle Coach Car 0741

Vehicle Unit Metx 131 F40PH-3 no. 11

D.3 Pace

Figure D-3. Calendar Year 2011 Sampling Summary, Pace

Asset Category	Total Assets	Average Decay-Curve Condition Rating	Assets Sampled	Sampling Condition Rating Range
Facilities	47	1.61 – 3.41	3	3.22 – 4.21
Stations	23	3.07 – 3.12	1	3.08
Systems	9,447	1.72 – 3.11	1	4.0
Vehicles	2,741	2.54 – 3.31	6	2.16 – 5.0

Facility MV Niles Call Center

Facility West Division Roof

Vehicle NABI 6625

Vehicle Ford 3911

APPENDIX E, 10-YEAR ANNUAL INVESTMENT DETAIL

The asset-type level breakout of 10-Year annual reinvestment needs for the Service Boards is presented in the following pages.

Figure E.1. CTA Detailed Asset Type Level Breakout of 10-Year Annual Reinvestment Needs ($2011 Millions)

Asset Group	Asset	Cost Type	Backlog	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-Year Needs	10-Year Total Needs	Soft-Costs / Contingency	Asset
			$11,704	$1,029	$766	$300	$151	$366	$425	$2,013	$1,209	$785	$404	$19,151			
Facilities	Bus Garages	Backlog	$277											$277	$563	22.7% / 20.0%	Bus Garages
		Rehab and Cap Maint	$0	$6	$62	$6	$6	$41	$6	$6	$6	$6	$6	$154			
		Replace	$0	$0	$0	$0	$0	$0	$133	$0	$0	$0	$0	$133			
	Other Major Facilities	Backlog	$245											$245	$288	22.7% / 20.0%	Other Major Facilities
		Rehab and Cap Maint	$0	$3	$14	$7	$3	$3	$3	$3	$3	$3	$3	$43			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	Railcar Maint Shops	Backlog	$84											$84	$183	22.7% / 20.0%	Railcar Maint Shops
		Rehab and Cap Maint	$0	$8	$13	$10	$11	$5	$5	$8	$8	$12	$19	$100			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	Work Equipment Misc	Backlog	$0											$0	$2	15.0% / 15.0%	Work Equipment Misc
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2			
	Yard	Backlog	$658											$658	$941	22.7% / 20.0%	Yard
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$40	$0	$0	$0	$40			
		Replace	$0	$81	$0	$0	$0	$0	$0	$0	$162	$0	$0	$243			
Guideway Elements	Bus Turnaround	Backlog	$234											$234	$393	22.7% / 20.0%	Bus Turnaround
		Rehab and Cap Maint	$0	$1	$2	$2	$36	$2	$2	$67	$1	$1	$40	$155			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$2	$2	$0	$4			
	Grade Crossings	Backlog	$0											$0	$1	22.7% / 20.0%	Grade Crossings
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1			
	Rail	Backlog	$698											$698	$1,363	22.7% / 20.0%	Rail
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$64	$53	$3	$135	$13	$45	$31	$313	$10	$666			
	Special Trackwork	Backlog	$27											$27	$92	22.7% / 20.0%	Special Trackwork
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$1	$13	$4	$0	$7	$2	$0	$3	$25	$10	$66			
	Track Structures	Backlog	$3,082											$3,082	$3,283	22.7% / 20.0%	Track Structures
		Rehab and Cap Maint	$0	$20	$20	$20	$20	$20	$20	$20	$20	$20	$20	$197			
		Replace	$0	$0	$0	$4	$0	$0	$0	$0	$0	$0	$0	$4			
Stations	Public Address VMS	Backlog	$12											$12	$36	15.0% / 15.0%	Public Address VMS
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$1	$0	$2	$0	$8	$0	$1	$0	$0	$12	$24			
	Station Parking	Backlog	$70											$70	$105	22.7% / 20.0%	Station Parking
		Rehab and Cap Maint	$0	$0	$1	$0	$1	$0	$0	$2	$0	$0	$4	$11			
		Replace	$0	$0	$3	$0	$0	$0	$0	$1	$0	$0	$20	$25			
	Stations	Backlog	$2,686											$2,686	$3,541	22.7% / 20.0%	Stations
		Rehab and Cap Maint	$0	$32	$91	$32	$30	$88	$30	$24	$26	$60	$53	$465			
		Replace	$0	$0	$0	$0	$0	$0	$0	$304	$0	$58	$29	$391			

Note: Rail includes ties

Figure E.1. CTA Detailed Asset Type Level Breakout of 10-Year Annual Reinvestment Needs ($2011 Millions), *Continued*

Asset Group	Asset	Cost Type	Backlog	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-Year Needs	10-Year Total Needs	Soft-Costs / Contingency	Asset
			$11,704	$1,029	$766	$300	$151	$366	$425	$2,013	$1,209	$785	$404	$19,151			
Systems	Bus Rail Radio Systems	Backlog	$0											$0	$9	15.0% / 15.0%	Bus Rail Radio Systems
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$9	$0	$0	$9			
	Cab Signals 11-9	Backlog	$157											$157	$255	22.7% / 20.0%	Cab Signals 11-9
		Rehab and Cap Maint	$0	$1	$1	$1	$1	$1	$1	$1	$1	$1	$1	$10			
		Replace	$0	$0	$14	$0	$0	$0	$5	$38	$0	$0	$32	$89			
	Cable Plant Fiber	Backlog	$0											$0	$1	15.0% / 15.0%	Cable Plant Fiber
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1			
	CCTV Stations -12_2	Backlog	$6											$6	$43	15.0% / 15.0%	CCTV Stations - 12_2
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$3	$0	$15	$0	$0	$3	$0	$15	$37			
	Fiber Optic BB	Backlog	$0											$0	$24	22.7% / 20.0%	Fiber Optic BB
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$2	$19	$0	$0	$3	$0	$0	$0	$24			
	GPS OnBoard Bus	Backlog	$3											$3	$12	15.0% / 15.0%	GPS OnBoard Bus
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$1	$0	$0	$4	$0	$0	$0	$0	$3	$9			
	Grade Crossings	Backlog	$0											$0	$0	22.7% / 20.0%	Grade Crossings
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	Interlockings - 11-9	Backlog	$8											$8	$40	22.7% / 20.0%	Interlockings - 11-9
		Rehab and Cap Maint	$0	$2	$2	$2	$2	$2	$2	$2	$2	$2	$2	$17			
		Replace	$0	$0	$0	$6	$6	$0	$4	$0	$0	$0	$0	$16			
	Public Address Audio	Backlog	$9											$9	$28	22.7% / 20.0%	Public Address Audio
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$3	$0	$2	$0	$0	$0	$5	$0	$0	$9	$19			
	ROW Traction Power	Backlog	$165											$165	$312	22.7% / 20.0%	ROW Traction Power
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$40	$2	$3	$3	$12	$0	$2	$0	$0	$85	$147			

Figure E.1. CTA Detailed Asset Type Level Breakout of 10-Year Annual Reinvestment Needs ($2011 Millions), *Continued*

Asset Group	Asset	Cost Type	Backlog	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-Year Needs	10-Year Total Needs	Soft-Costs / Contingency	Asset
			$11,704	$1,029	$766	$300	$151	$366	$425	$2,013	$1,209	$785	$404	$19,151			
Systems	SCADA RTUs	Backlog	$22											$22	$64	22.7% / 20.0%	SCADA RTUs
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$2	$0	$4	$6	$0	$0	$22	$2	$0	$4	$42			
	SCCTV Cameras	Backlog	$0											$0	$16	15.0% / 15.0%	SCCTV Cameras
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$16	$0	$0	$16			
	Substation Distribution	Backlog	$22											$22	$24	22.7% / 20.0%	Substation Distribution
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$2	$0	$0	$0	$0	$0	$0	$0	$2			
	Substations 11-9	Backlog	$320											$320	$374	22.7% / 20.0%	Substations 11-9
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$27	$0	$0	$0	$0	$0	$9	$18	$0	$55			
	Subway Electrical Serv	Backlog	$46											$46	$56	22.7% / 20.0%	Subway Electrical Serv
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$2	$0	$0	$5	$0	$0	$3	$9			
	Subway Fans - no updates	Backlog	$512											$512	$548	22.7% / 20.0%	Subway Fans - no updates
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$35	$0	$0	$0	$35			
	Subway Illumination	Backlog	$13											$13	$13	22.7% / 20.0%	Subway Illumination
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	Subway Pumps	Backlog	$0											$0	$0	22.7% / 20.0%	Subway Pumps
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	Vault Operations	Backlog	$0											$0	$1	15.0% / 15.0%	Vault Operations
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$1	$0	$0	$0	$0	$0	$0	$0	$1			

Figure E.1. CTA Detailed Asset Type Level Breakout of 10-Year Annual Reinvestment Needs ($2011 Millions), *Continued*

Asset Group	Asset	Cost Type	Backlog	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-Year Needs	10-Year Total Needs	Soft-Costs / Contingency	Asset
			$11,704	$1,029	$766	$300	$151	$366	$425	$2,013	$1,209	$785	$404	$19,151			
Vehicles	Buses	Backlog	$0											$0	$2,344	15.0% / 15.0%	Buses
		Rehab and Cap Maint	$0	$23	$430	$131	$0	$0	$0	$198	$0	$0	$0	$781			
		Replace	$0	$396	$0	$0	$0	$0	$0	$45	$860	$261	$0	$1,562			
	NonRevenue Vehicles	Backlog	$14											$14	$50	15.0% / 15.0%	NonRevenue Vehicles
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$2	$1	$0	$0	$14	$2	$1	$0	$0	$14	$36			
	Rail Revenue Cars	Backlog	$2,312											$2,312	$4,094	15.0% / 15.0%	Rail Revenue Cars
		Rehab and Cap Maint	$0	$282	$5	$0	$0	$0	$0	$660	$33	$0	$0	$981			
		Replace	$0	$122	$0	$0	$0	$5	$196	$471	$8	$0	$0	$801			
	RailborneWork Equipment	Backlog	$14											$14	$20	15.0% / 15.0%	RailborneWork Equipment
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$1	$0	$1	$0	$2	$0	$1	$0	$0	$1	$6			
	Work Equipment Trailers	Backlog	$1											$1	$2	15.0% / 15.0%	Work Equipment Trailers
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1			
	Work Trucks	Backlog	$7											$7	$25	15.0% / 15.0%	Work Trucks
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$1	$1	$2	$0	$1	$2	$1	$2	$0	$7	$18			
CTA	Grand Total	Backlog	$11,704											$11,704	$19,151		Grand Total
		Rehab and Cap Maint	$0	$378	$640	$212	$109	$160	$68	$1,032	$101	$105	$149	$2,954			
		Replace	$0	$652	$126	$88	$41	$206	$357	$982	$1,108	$679	$255	$4,494			
		Total	$11,704	$1,029	$766	$300	$151	$366	$425	$2,013	$1,209	$785	$404	$19,151			

Figure E.2. METRA Asset Type Level Breakout of 10-Yr Annual Reinvestment Needs ($2011 Millions)

Asset Group	Asset	Cost Type	Backlog	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-Year Needs	10-Year Total Needs	Soft-Costs / Contingency	Asset
			$6,551	$136	$394	$298	$549	$298	$158	$249	$282	$238	$508	$9,661			
Guideway Elements	Grade Crossing Track	Backlog	$0											$0	$89	22.7% / 20.0%	Grade Crossing Track
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$9	$9	$9	$9	$9	$9	$9	$9	$9	$9	$89			
	Rail	Backlog	$0											$0	$222	22.7% / 20.0%	Rail
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$22	$22	$22	$22	$22	$22	$22	$22	$22	$22	$222			
	Rail Bridges - MD-N	Backlog	$125											$125	$155	22.7% / 20.0%	Rail Bridges - MD-N
		Rehab and Cap Maint	$0	$1	$1	$1	$1	$1	$1	$1	$1	$1	$1	$5			
		Replace	$0	$0	$0	$0	$0	$11	$0	$0	$9	$0	$4	$24			
	Rail Bridges NCS	Backlog	$4											$4	$14	22.7% / 20.0%	Rail Bridges NCS
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1			
		Replace	$0	$0	$0	$0	$4	$0	$5	$0	$0	$0	$0	$8			
	Rail Bridges -SWS	Backlog	$225											$225	$241	22.7% / 20.0%	Rail Bridges - SWS
		Rehab and Cap Maint	$0	$1	$1	$1	$1	$1	$1	$1	$1	$1	$1	$8			
		Replace	$0	$0	$0	$0	$0	$1	$0	$0	$0	$3	$3	$7			
	Rail Bridges_BNSF	Backlog	$515											$515	$584	22.7% / 20.0%	Rail Bridges_BNSF
		Rehab and Cap Maint	$0	$2	$2	$2	$2	$2	$2	$2	$2	$2	$2	$17			
		Replace	$0	$0	$0	$5	$8	$39	$0	$0	$0	$0	$0	$52			
	Rail Bridges_HC	Backlog	$248											$248	$267	22.7% / 20.0%	Rail Bridges_HC
		Rehab and Cap Maint	$0	$1	$1	$1	$1	$1	$1	$1	$1	$1	$1	$7			
		Replace	$0	$0	$7	$0	$0	$3	$0	$0	$0	$0	$1	$11			
	Rail Bridges_ME	Backlog	$513											$513	$542	22.7% / 20.0%	Rail Bridges_ME
		Rehab and Cap Maint	$0	$2	$2	$2	$2	$2	$2	$2	$2	$2	$2	$16			
		Replace	$0	$0	$0	$0	$0	$0	$13	$0	$0	$0	$0	$13			
	Rail Bridges_RI	Backlog	$133											$133	$161	22.7% / 20.0%	Rail Bridges_RI
		Rehab and Cap Maint	$0	$1	$1	$1	$1	$1	$1	$1	$1	$1	$1	$11			
		Replace	$0	$0	$0	$6	$0	$0	$7	$0	$2	$1	$0	$17			
	Rail Bridges_UP-N	Backlog	$393											$393	$447	22.7% / 20.0%	Rail Bridges_UP-N
		Rehab and Cap Maint	$0	$1	$1	$1	$1	$1	$1	$1	$1	$1	$1	$13			
		Replace	$0	$6	$0	$0	$0	$11	$2	$3	$20	$1	$0	$42			
	Rail Bridges_UP-NW	Backlog	$405											$405	$438	22.7% / 20.0%	Rail Bridges_UP-NW
		Rehab and Cap Maint	$0	$2	$2	$2	$2	$2	$2	$2	$2	$2	$2	$18			
		Replace	$0	$0	$0	$0	$0	$4	$0	$2	$0	$9	$0	$15			
	Rail Bridges_UP-W	Backlog	$940											$940	$976	22.7% / 20.0%	Rail Bridges_UP-W
		Rehab and Cap Maint	$0	$3	$3	$3	$3	$3	$3	$3	$3	$3	$3	$26			
		Replace	$0	$0	$0	$0	$0	$0	$8	$0	$0	$2	$0	$9			
	Rail Bridges-MD-Main	Backlog	$197											$197	$214	22.7% / 20.0%	Rail Bridges-MD-Main
		Rehab and Cap Maint	$0	$1	$1	$1	$1	$1	$1	$1	$1	$1	$1	$7			
		Replace	$0	$0	$0	$0	$0	$10	$0	$0	$0	$0	$0	$10			
	Rail Bridges-MD-W	Backlog	$116											$116	$131	22.7% / 20.0%	Rail Bridges-MD-W
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$5			
		Replace	$0	$0	$0	$5	$0	$0	$0	$0	$6	$0	$0	$11			
	Special Trackwork	Backlog	$0											$0	$44	22.7% / 20.0%	Special Trackwork
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$4	$4	$4	$4	$4	$4	$4	$4	$4	$4	$44			
	Ties	Backlog	$0											$0	$287	22.7% / 20.0%	Ties
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$29	$29	$29	$29	$29	$29	$29	$29	$29	$29	$287			

Figure E.2. METRA Asset Type Level Breakout of 10-Yr Annual Reinvestment Needs ($2011 Millions), *Continued*

Asset Group	Asset	Cost Type	Backlog	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-Year Needs	10-Year Total Needs	Soft-Costs / Contingency	Asset
			$6,551	$136	$394	$298	$549	$298	$158	$249	$282	$238	$508	$9,661			
Systems	BNSF Grade Xing Signal	Backlog	$0											$0	$1	22.7% / 20.0%	BNSF Grade Xing Signal
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	BNSF Interlockings	Backlog	$0											$0	$4	22.7% / 20.0%	BNSF Interlockings
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$4			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	BNSF Signals	Backlog	$0											$0	$1	22.7% / 20.0%	BNSF Signals
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	Cable Plant	Backlog	$0											$0	$3	22.7% / 20.0%	Cable Plant
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$3	$0	$0	$0	$0	$3			
	Catenary & Strct	Backlog	$19											$19	$35	22.7% / 20.0%	Catenary & Strct
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$17	$0	$0	$0	$0	$0	$0	$17			
	CCTV Homeland Security	Backlog	$0											$0	$1	15.0% / 15.0%	CCTV Homeland Security
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1			
	CCTV Vending	Backlog	$0											$0	$1	15.0% / 15.0%	CCTV Vending
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	CN (HC) Grade Xing Sig	Backlog	$0											$0	$0	22.7% / 20.0%	CN (HC) Grade Xing Sig
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	CN (HC) Signals	Backlog	$0											$0	$0	22.7% / 20.0%	CN (HC) Signals
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	CN (NCS) Interlockings	Backlog	$0											$0	$2	22.7% / 20.0%	CN (NCS) Interlockings
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	CN (NCS) Signals	Backlog	$0											$0	$0	22.7% / 20.0%	CN (NCS) Signals
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	CN Interlockings	Backlog	$0											$0	$2	22.7% / 20.0%	CN Interlockings
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	CN(NCS) Grade Xing Sig	Backlog	$0											$0	$1	22.7% / 20.0%	CN(NCS) Grade Xing Sig
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	Fare Collection	Backlog	$8											$8	$10	15.0% / 15.0%	Fare Collection
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2			
	Fiber Optic BB Net	Backlog	$4											$4	$8	22.7% / 20.0%	Fiber Optic BB Net
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$4	$4			

Figure E.2. METRA Asset Type Level Breakout of 10-Yr Annual Reinvestment Needs ($ 2011 Millions), *Continued*

Asset Group	Asset	Cost Type	Backlog	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-Year Needs	10-Year Total Needs	Soft-Costs / Contingency	Asset
			$6,551	$136	$394	$298	$549	$298	$158	$249	$282	$238	$508	$9,661			
Systems	Metra Grade Xing Sig	Backlog	$36											$36	$41	22.7% / 20.0%	Metra Grade Xing Sig
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$4			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	Metra Interlockings	Backlog	$174											$174	$223	22.7% / 20.0%	Metra Interlockings
		Rehab and Cap Maint	$0	$1	$1	$1	$1	$1	$1	$1	$1	$1	$1	$14			
		Replace	$0	$0	$0	$0	$2	$0	$0	$0	$0	$32	$0	$34			
	Metra Signals	Backlog	$28											$28	$57	22.7% / 20.0%	Metra Signals
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2			
		Replace	$0	$0	$0	$0	$0	$0	$8	$0	$0	$19	$0	$27			
	Microwave	Backlog	$0											$0	$0	15.0% / 15.0%	Microwave
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	Positive Train Control	Backlog	$0											$0	$180	22.7% / 20.0%	Positive Train Control
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$180	$0	$0	$0	$0	$0	$0	$180			
	Public Address Systems	Backlog	$3											$3	$5	15.0% / 15.0%	Public Address Systems
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3	$3			
	Radio Systems	Backlog	$4											$4	$14	15.0% / 15.0%	Radio Systems
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$2	$0	$4	$1	$0	$3	$0	$1	$11			
	Substations	Backlog	$24											$24	$43	22.7% / 20.0%	Substations
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$19	$0	$0	$19			
	Telephone Systems	Backlog	$0											$0	$1	15.0% / 15.0%	Telephone Systems
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	Traction Power	Backlog	$33											$33	$37	22.7% / 20.0%	Traction Power
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$4	$0	$0	$0	$0	$0	$0	$4			
	UP Grade Xing Signals	Backlog	$0											$0	$3	22.7% / 20.0%	UP Grade Xing Signals
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	UP Interlockings	Backlog	$0											$0	$4	22.7% / 20.0%	UP Interlockings
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$4			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	UP Signals	Backlog	$0											$0	$3	22.7% / 20.0%	UP Signals
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	Wireless Telephones	Backlog	$0											$0	$0	15.0% / 15.0%	Wireless Telephones
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			

Figure E.2. METRA Asset Type Level Breakout of 10-Yr Annual Reinvestment Needs ($2011 Millions), *Continued*

Asset Group	Asset	Cost Type	Backlog	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-Year Needs	10-Year Total Needs	Soft-Costs / Contingency	Asset
			$6,551	$136	$394	$298	$549	$298	$158	$249	$282	$238	$508	$9,661			
Facilities	Maint & Yard Facilities	Backlog	$190											$190	$277	22.7% / 20.0%	Maint & Yard Facilities
		Rehab and Cap Maint	$0	$2	$6	$3	$2	$3	$7	$3	$2	$2	$9	$40			
		Replace	$0	$0	$0	$0	$46	$0	$0	$0	$0	$0	$0	$46			
	Metra Headquarters Building	Backlog	$19											$19	$33	22.7% / 20.0%	Metra Headquarters Building
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$9	$1	$1	$1	$1	$1	$1	$1	$1	$1	$15			
	Work Equipment	Backlog	$39											$39	$87	15.0% / 15.0%	Work Equipment
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$3	$1	$1	$2	$2	$0	$0	$0	$39	$48			
Stations	Station Parking	Backlog	$487											$487	$895	22.7% / 20.0%	Station Parking
		Rehab and Cap Maint	$0	$1	$1	$8	$5	$10	$1	$1	$2	$3	$241	$273			
		Replace	$0	$22	$29	$30	$1	$38	$1	$0	$0	$3	$12	$135			
	Train Stations	Backlog	$309											$309	$573	22.7% / 20.0%	Train Stations
		Rehab and Cap Maint	$0	$9	$11	$15	$33	$38	$12	$19	$18	$19	$11	$187			
		Replace	$0	$2	$0	$0	$7	$0	$0	$50	$8	$10	$0	$77			
Vehicles	Coaches	Backlog	$465											$465	$829	15.0% / 15.0%	Coaches
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$6	$50	$44	$100			
		Replace	$0	$0	$13	$77	$157	$3	$3	$10	$0	$0	$0	$264			
	EMUs	Backlog	$396											$396	$518	15.0% / 15.0%	EMUs
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$61	$61	$0	$0	$0	$0	$0	$0	$0	$121			
	Locomotives	Backlog	$440											$440	$793	15.0% / 15.0%	Locomotives
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$73	$25	$0	$0	$98			
		Replace	$0	$0	$175	$0	$0	$0	$0	$0	$80	$0	$0	$255			
	NonRevenue Vehicles	Backlog	$55											$55	$163	15.0% / 15.0%	NonRevenue Vehicles
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$1	$4	$2	$1	$38	$2	$5	$0	$2	$54	$108			
Metra	**Grand Total**	Backlog	$6,551											$6,551	**$9,661**		**Grand Total**
		Rehab and Cap Maint	$0	$31	$37	$43	$58	$68	$39	$114	$71	$91	$323	$874			
		Replace	$0	$105	$357	$254	$491	$229	$119	$135	$212	$147	$185	$2,235			
		Total	**$6,551**	**$136**	**$394**	**$298**	**$549**	**$298**	**$158**	**$249**	**$282**	**$238**	**$508**	**$9,661**			

Figure E-3. Pace Detailed Asset Type Level Breakout of 10-Yr Annual Reinvestment Needs ($2011 Millions)

Asset Group	Asset	Cost Type	Backlog	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-Year Needs	10-Year Total Needs	Soft-Costs / Contingency	Asset
			$432	$158	$154	$118	$293	$199	$144	$122	$184	$145	$290	$2,239			
Systems	ADA Call Center-other	Backlog	$0											$0	$51	15.0% / 15.0%	ADA Call Center-other
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$51	$51			
	AVL Systems	Backlog	$5											$5	$21	15.0% / 15.0%	AVL Systems
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$1	$0	$0	$7	$0	$1	$0	$0	$7	$16			
	CTS	Backlog	$3											$3	$15	15.0% / 15.0%	CTS
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$2	$0	$3	$0	$2	$0	$3	$0	$2	$12			
	Fare Collection	Backlog	$29											$29	$58	15.0% / 15.0%	Fare Collection
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$14	$0	$0	$0	$0	$14	$29			
	Fare Collection Para	Backlog	$1											$1	$4	15.0% / 15.0%	Fare Collection Para
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$1	$0	$1	$1	$0	$0	$0	$3			
	ITS IBS Systems	Backlog	$0											$0	$26	15.0% / 15.0%	ITS IBS Systems
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$1	$1	$18	$3	$0	$0	$3	$0	$0	$26			
	Paratransit Event Rec	Backlog	$0											$0	$3	15.0% / 15.0%	Paratransit Event Rec
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3	$3			
	Radio Systems Buses	Backlog	$21											$21	$48	15.0% / 15.0%	Radio Systems Buses
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$3	$2	$0	$2	$0	$0	$0	$0	$0	$20	$28			
	Radio Systems City	Backlog	$0											$0	$6	15.0% / 15.0%	Radio Systems City
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$6	$6			
	Radio Systems Sub Para	Backlog	$1											$1	$7	15.0% / 15.0%	Radio Systems Sub Para
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$3	$1	$0	$0	$0	$0	$1	$6			
	Suburb Event Recorders	Backlog	$1											$1	$21	15.0% / 15.0%	Suburb Event Recorders
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$9	$0	$0	$1	$0	$9	$0	$0	$1	$20			
	Suburb Road Recorders	Backlog	$4											$4	$16	15.0% / 15.0%	Suburb Road Recorders
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$1	$0	$0	$1	$4	$1	$0	$0	$1	$4	$13			
	Vanpool Drivecam	Backlog	$0											$0	$1	15.0% / 15.0%	Vanpool Drivecam
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1	$1			

Figure E-3. Pace Detailed Asset Type Level Breakout of 10-Yr Annual Reinvestment Needs ($2011 Millions), *Continued*

Asset Group	Asset	Cost Type	Backlog	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-Year Needs	10-Year Total Needs	Soft-Costs / Contingency	Asset
			$432	$158	$154	$118	$293	$199	$144	$122	$184	$145	$290	$2,239			
Facilities	ADA Facilities	Backlog	$18											$18	$55	22.7% / 20.0%	ADA Facilities
		Rehab and Cap Maint	$0	$1	$1	$1	$1	$1	$1	$1	$1	$30	$1	$38			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	Garages - Site Work	Backlog	$123											$123	$381	22.7% / 20.0%	Garages - Site Work
		Rehab and Cap Maint	$0	$19	$7	$40	$27	$60	$14	$53	$15	$9	$14	$258			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	Infrastructure Support	Backlog	$4											$4	$33	22.7% / 20.0%	Infrastructure Support
		Rehab and Cap Maint	$0	$0	$0	$0	$7	$0	$0	$3	$0	$0	$0	$11			
		Replace	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$19	$19			
Stations	ADA Pass Facilities	Backlog	$5											$5	$40	22.7% / 20.0%	ADA Pass Facilities
		Replace	$0	$0	$0	$0	$0	$19	$0	$0	$0	$0	$0	$19			
	Bus Pass Pavement	Backlog	$30											$30	$89	22.7% / 20.0%	Bus Pass Pavement
		Rehab and Cap Maint	$0	$2	$2	$2	$2	$8	$2	$3	$2	$2	$0	$26			
		Replace	$0	$0	$3	$0	$0	$0	$0	$0	$0	$0	$30	$33			
	Mid Life	Backlog	$28											$28	$55	22.7% / 20.0%	Mid Life
		Rehab and Cap Maint	$0	$1	$1	$1	$1	$1	$1	$1	$7	$1	$1	$13			
		Replace	$0	$0	$2	$5	$0	$2	$0	$3	$0	$0	$1	$13			
Vehicles	ADA Rolling Stock	Backlog	$22											$22	$266	15.0% / 15.0%	ADA Rolling Stock
		Rehab and Cap Maint	$0	$2	$3	$3	$2	$2	$3	$3	$2	$2	$3	$25			
		Replace	$0	$39	$5	$18	$26	$39	$5	$18	$26	$39	$5	$220			
	Non-Revenue Vehicles	Backlog	$1											$1	$12	15.0% / 15.0%	Non-Revenue Vehicles
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
	Paratransit	Backlog	$3											$3	$161	15.0% / 15.0%	Paratransit
		Rehab and Cap Maint	$0	$2	$2	$2	$2	$2	$2	$2	$2	$2	$2	$20			
		Replace	$0	$13	$16	$16	$9	$13	$16	$16	$9	$13	$16	$138			
	Suburb Rolling Stock	Backlog	$111											$111	$759	15.0% / 15.0%	Suburb Rolling Stock
		Rehab and Cap Maint	$0	$0	$42	$16	$10	$11	$40	$3	$0	$3	$58	$184			
		Replace	$0	$68	$48	$7	$150	$4	$50	$0	$84	$31	$21	$464			
	Vanpool	Backlog	$22											$22	$108	15.0% / 15.0%	Vanpool
		Rehab and Cap Maint	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			
		Replace	$0	$4	$4	$5	$26	$4	$4	$5	$26	$4	$4	$86			
Pace	Grand Total	Backlog	$432											$432	$2,239		Grand Total
		Rehab and Cap Maint	$0	$29	$59	$66	$53	$84	$64	$69	$32	$51	$84	$591			
		Replace	$0	$129	$94	$53	$240	$114	$79	$54	$152	$94	$207	$1,216			
		Total	$432	$158	$154	$118	$293	$199	$144	$122	$184	$145	$290	$2,239			

Figure E-4. Summary for All Service Boards, 10-Yr Annual Reinvestment Needs ($2011 Millions)

Service Board	Cost Type	Backlog	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-Year Needs	10-Year Total Needs
CTA	Backlog	$11,704											$19,151	$19,151
	Rehab and Cap Maint	$0	$378	$640	$212	$109	$160	$68	$1,032	$101	$105	$149	$2,954	
	Replace	$0	$652	$126	$88	$41	$206	$357	$982	$1,108	$679	$255	$4,494	
	Total	**$11,704**	**$1,029**	**$766**	**$300**	**$151**	**$366**	**$425**	**$2,013**	**$1,209**	**$785**	**$404**	**$19,151**	
Metra	Backlog	$6,551											$6,551	$9,661
	Rehab and Cap Maint	$0	$31	$37	$43	$58	$68	$39	$114	$71	$91	$323	$874	
	Replace	$0	$105	$357	$254	$491	$229	$119	$135	$212	$147	$185	$2,235	
	Total	**$6,551**	**$136**	**$394**	**$298**	**$549**	**$298**	**$158**	**$249**	**$282**	**$238**	**$508**	**$9,661**	
Pace	Backlog	$432											$432	$2,239
	Rehab and Cap Maint	$0	$29	$59	$66	$53	$84	$64	$69	$32	$51	$84	$591	
	Replace	$0	$129	$94	$53	$240	$114	$79	$54	$152	$94	$207	$1,216	
	Total	**$432**	**$158**	**$154**	**$118**	**$293**	**$199**	**$144**	**$122**	**$184**	**$145**	**$290**	**$2,239**	
Total RTA	Backlog	$18,687											$18,687	$31,051
	Rehab and Cap Maint	$0	$437	$736	$321	$220	$313	$171	$1,214	$203	$248	$555	$4,419	
	Replace	$0	$886	$577	$395	$773	$549	$556	$1,170	$1,472	$920	$647	$7,945	
	Total	**$18,687**	**$1,324**	**$1,313**	**$716**	**$993**	**$863**	**$727**	**$2,384**	**$1,675**	**$1,167**	**$1,202**	**$31,051**	

STRATEGIC PERFORMANCE MEASURES

2012 REPORT

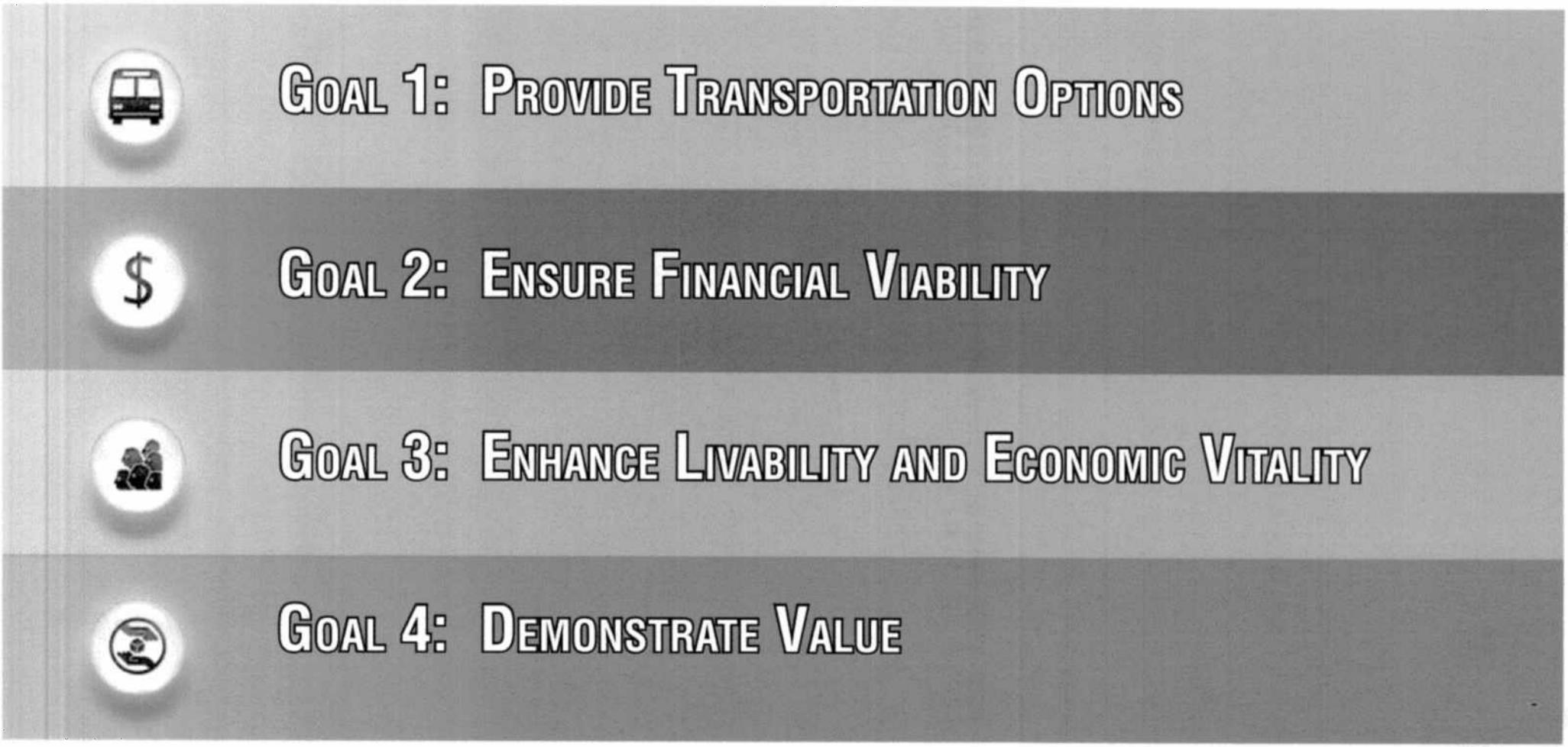
Regional Transportation Authority

Background

In 2007, the RTA worked with CTA, Pace, and Metra as well as other community stakeholders to develop a Regional Transportation Strategic Plan. This plan, published as *Moving Beyond Congestion*, expressed a clear long-term vision for transit in the Chicago region:

> A world-class public transportation system that is convenient, affordable, reliable, and safe, and is the keystone of the region's growing business opportunities, thriving job market, clean air, and livable communities.

This overall vision was illustrated by four specific goals.



INTRODUCTION

To establish a benchmark and create a means for measuring how well the region is performing, the Board of Directors of the Regional Transportation Authority (RTA) adopted these Strategic Performance Measures in January 2012.

These measures examine broad outcomes in the economy, environment, and the community to assess transit's impact on the quality of life. Although these measures involve factors outside the direct control of the RTA and its Service Boards, they are useful for understanding and tracking the evolving relationship between transit and the region as a whole.

The Strategic Performance Measures are considered elements of the RTA's Strategic Plan of 2007, *Moving Beyond Congestion* and represent continued work on updating our Strategic Plan and link to RTA's Transit Priority Initiatives of 2011. These measures also align with Chicago Metropolitan Agency for Planning (CMAP) *Go To 2040: Comprehensive Regional Plan.*

As these measures are by definition strategic, they are intended to be updated only every five years. This time span is seen as appropriate for tracking general trends without being caught up in short-term disturbances. Several measures included in this list require special and extensive data collection as part of regional or national efforts and will be updated accordingly, possibly less frequently.

This report is the first presentation of the Strategic Performance Measures. While the report seeks to demonstrate long-term shifts in the transit environment in the Chicago region, several measures are reported herein for the first time and therefore can not, at this point, be placed in a historical context.

These measures as reported demonstrate strength in ridership (over 2 million trips per day and growing) and transit's value to the vitality and livability of the region (congestion reduction, job access, savings to consumers and reduction of pollutants). Transit is an important part of people's daily lives (38% of all households across the regions are frequent users) and an 83% satisfaction rating shows a favorable view towards transit service. However the ambitious goal established in the Go To 2040 Regional Plan of doubling transit ridership by 2040 will not be met at the current ridership growth rate. Other challenges include insufficient capital funding (only 5.2% of annual need is being met) and rapidly increasing costs to provide ADA paratransit service, which are likely to escalate as the population continues to age.

MEASURES

GOAL 1: Provide Transportation Options

- Transit Trips per Resident
- Passenger Miles Traveled per Resident
- Average Weekday Transit Trips
- Annual ADA Trips
- Annual ADA Registrants
- Annual Demand Response and Vanpool Trips
- Percentage of Households That Use Transit Regularly
- Work Trip Cost: Transit to Auto Ratio

GOAL 2: Ensure Financial Viability

- Percentage of Total Operating Funding by Source
- Percentage of Total Capital Funding by Source
- Federal Flexible Funds Obligated to Fund Transit-Related Activities
- Change in CPI over 5 Years Compared to Change in Transit Measures
- Ratio of Capital Funding to Capital Need

GOAL 3: Enhance Livability and Economic Vitality

- Regional Auto Travel Time Index
- Annual Regional Hours of Delay per Auto Commuter
- Cost of Congestion
- Cost of Congestion if Transit Not Available
- Average Work Travel Time
- Percent of Residents with Access to Transit
- Percent of Jobs with Access to Transit
- Percent of Jobs Accessible within 90 minutes to Residents
- Weekend Transit Trips as Percent of Weekday Trips
- Location Efficiency Factor
- Emissions Avoidance Factor

GOAL 4: Demonstrate Value

- Ratio of Regional Product to Gross State Product
- Transit Mode Share for Work Trips for the City and for the Region
- Car Trips not Made as a Result of Transit
- Participation in Transit Benefit Program
- Customer Satisfaction with Transit in the Region

EXECUTIVE SUMMARY

TREND 1:

The continued under-funding of transit's capital needs will challenge the RTA system's ability to sustain and promote ridership growth, particularly at the rate as aspired in our region's long range plan--*Go To 2040*. The region desires transit to be a more viable option for more people and for more trip purposes.

The limitation of resources places pressure on transit to strike an optimal balance between investing in existing capital needs to prevent future decay & delay and investment that would support service provision and expansion.

Findings:

- Current and future projections for capital funding suggest that funding levels will not cover normal replacement and capital maintenance costs. Funding will not address the $18.5 billion in backlogged capital needs.
- Based on the 2011 Regional Customer Satisfaction survey, the key driver in customer satisfaction is the availability of transit throughout the region (having it available when and where you need it).
- Although regional transit ridership is growing, the current rate of growth (approximately 0.8% annually) would only grow ridership 25% by 2040. The region aspires to grow ridership 100% by 2040 (3.3% annually), as specified in *Go To 2040*.

TREND 2:

Transit is expected to play a key role in providing transportation options to an increasingly aging population.

The American's with Disabilities Act of 1990 (ADA) requires the provision of accessible fixed route and ADA complementary paratransit service. As a large segment of the region's population ages, accessible services will be in greater demand. With this market segment growth, it will be critical for transit to devise strategies that will improve the accessibility of the mainline system and will manage growing demand for ADA paratransit services.

Findings:

- Between 2007 and 2011 the region's population above age of 65 grew 6.1% while the group between 60-64 years old grew 18.8%.
- Between 2007 and 2011, ADA paratransit demand grew by 6.8%.
- ADA ridership is projected to grow 7% to 8% annually over the next five years.
- Because ADA paratransit provides origin-to-destination service for eligible riders, ADA paratransit service is the most costly service in the RTA system on a per-ride basis.

TREND 3:

The region's transit system provides broad benefits to both riders and non-riders at regional and state levels, yet transit funding and revenue sources remain relatively constrained.

Traditional funding sources such as federal funding and local sales tax have proven to be insufficient and do not correlate to the economic, congestion and environmental benefits of transit. A collaborative partnership among government agencies and stakeholders is essential to any effort to develop and implement innovative financing strategies.

Findings:

- The Chicago region is an economic driver of the state and accounts for over four-fifths of the state's output.
- Twelve percent of the region relies on transit to arrive at their workplaces and 38% of households regularly use transit at least once a week.
- The Texas Transportation Institute estimates that without transit, the region's time lost to delay in traffic congestion would increase by one-third from nearly 9 working days a year to 12 working days a year.
- Between 2006 and 2010, the amount of money flexed for transit in Illinois has dropped from $36 million to $9 million. The Illinois share of flexed funds nationwide also dropped more than three-quarters, suggesting that, relative to other states, Illinois has fallen behind in its commitment to transit.
- *Go To 2040* sees improving the financing of transit as crucial to achieving the full benefits of transit and urges all levels of government to develop innovative financing to support a world-class transportation system.

Goal 1:
Provide Transportation Options

Providing transportation options was the first goal of RTA's Strategic Plan. This includes providing public transportation choices that reliably and cost-effectively link to jobs, reducing peak period automobile use and the attendant congestion, and facilitating the use of transit for non-work purposes.

The associated performance measures consider transit ridership for traditional weekday and weekend travel as well as ADA paratransit, demand-responsive and vanpool services. This section also examines household use of transit and the economics of transit vs. automobile use.

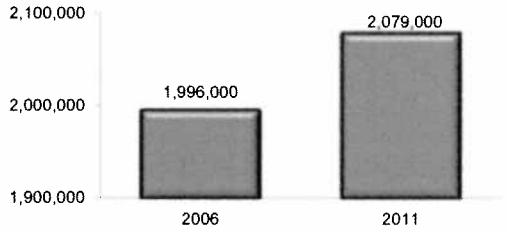
The RTA region has a population of over 8 million, and produces 2 million transit trips on an average weekday. The average weekday number of trips increased 4.2% between 2006 and 2011. There was an accompanying 4.0% increase in the number of annual transit trips per resident, increasing from 74 trips per year in 2006 to 77 trips per year in 2011.

Miles traveled per resident on transit also increased 4.0% over this analysis period, raising to 484 miles traveled per resident in 2011.

While this trip growth is a positive development, this rate of growth is too low to reach the ambitious targets of the CMAP *Go To 2040* plan, which seeks a 100 percent increase in weekday transit trips by 2040.

Average Weekday Transit Trips

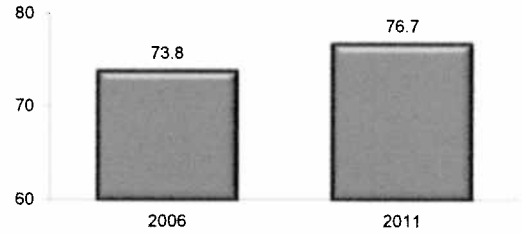
Number of transit trips taken on a typical weekday.



Source: National Transit Database

Transit Trips Per Resident

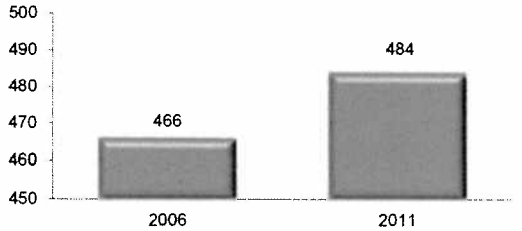
Average number of transit trips taken per resident of the six-county region per year.



Source: National Transit Database & US Census

Passenger Miles Traveled per Resident

Average number of transit passenger-miles traveled per resident of the six county region per year.



Source: National Transit Database & US Census

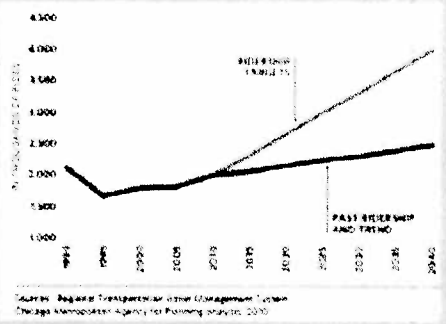
Ridership

Providing over 2 million rides per weekday, transit is vital to the mobility of the region.

In 2011 the number of trips per resident rose to 76.7 trips per year.

***GO TO 2040* establishes an ambitious goal of doubling weekday ridership.**

Although growing, the current rate would grow ridership only 25% by 2040.



Public transit is critical for providing mobility for people with disabilities. Federally mandated ADA paratransit services offer origin-to-destination travel for eligible people with disabilities within three quarters of a mile from the fixed route transit network. This report tracks the number of trips made on ADA paratransit as well as the number of residents eligible for making those trips.

Between 2007 and 2011 the number of ADA paratransit trips grew 6.8%. Furthermore it appears that the demand for ADA paratransit trips is likely to increase even faster. Between 2007 and 2011, the number of people registered as eligible for ADA paratransit service increased 15.6% to 48,073 registrants.

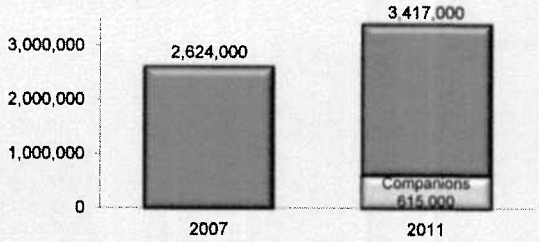
ADA ridership is expected to grow 7% to 8% annually over the next five years.

Service is provided only to individuals found eligible by the RTA Paratransit Certification Program. Additionally, RTA provides travel training to ADA registrants to enable use of fixed-route services. Maximizing the use of the fixed-route system, by making it fully and more easily accessible, will be constrained by insufficient capital funding to meet the system's State of Good Repair needs.

The RTA system also offers vanpool and demand responsive transit services to provide mobility options to connect people with their destinations. Vanpool programs are aimed at linking commuters to their workplaces while demand-responsive transit, such as Pace's Call-and-Ride and Dial-a-Ride programs, offer all day coverage throughout a predefined area. Trips taken on these modes have remained steady at about three million per year.

Annual ADA Paratransit Trips

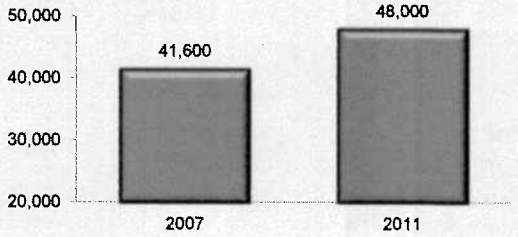
Total number of ADA-Eligible Paratransit trips taken per year.



Source: National Transit Database (Personal care attendants and companions included in trip count beginning in 2011)*

Annual ADA Registrants

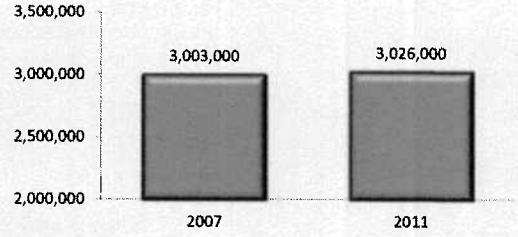
Total number of ADA registrants per year.



Source: RTA ADA Paratransit Certification Program*

Annual Demand Response and Vanpool Trips

Total number of trips taken on non-ADA paratransit services and vanpool services.



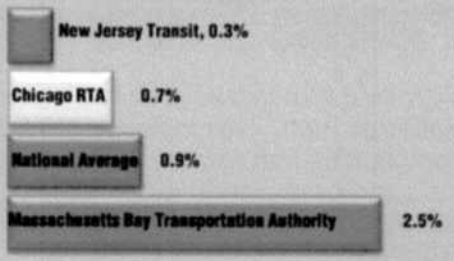
Source: National Transit Database*

*NTD and ADA data not available for these measures prior to 2007

ADA and Paratransit

RTA ADA paratransit registrants per capita is 0.7%, a rate that is about average for peer regions nationally.

Per Capita ADA Registrants



A typical ADA paratransit trip costs $36.72 to provide.

Annual growth in ADA trips is expected to accelerate to 7%-8% per year over the next five years.

Pace provides Vanpools, Call-n-Rides and partners with local communities for Dial-a-Ride service to supplement fixed-route service.

An important measure of serving the region is identifying the number of households that use transit regularly. The 2008 CMAP Travel Tracker Survey found that 38% of households in the region had at least one member who used transit at least once a week.

This finding shows that public transportation currently impacts a significant portion of the Chicago region's families and attests to transit's importance as a mobility option. It also shows that more than half of the region's households are not regularly using transit and suggests that there is potential to increase transit familiarity.

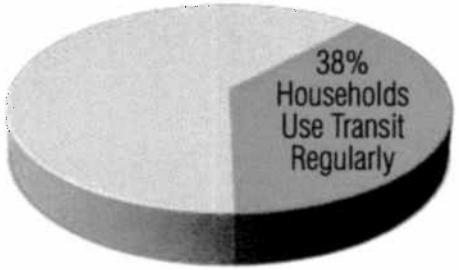
This measure is not collected annually and will be updated only as part of CMAP's regional travel surveying efforts. The latest available data reported here is from 2008.

Finally, the RTA is interested in providing a cost-effective travel alternative to driving. One strategic performance measure specifically tracks the ratio of transit out-of-pocket costs for a typical commuting trip to auto out-of-pocket costs for the same trip. The transit costs include a round trip fare and the auto costs include gas, maintenance, and tires (drawn from the AAA publication *Your Driving Costs – 2011 Edition*).

In 2011, the first year that this ratio was calculated, transit costs were 17% of auto costs. In other words, auto commuting costs were almost 6 times those of transit costs. This value demonstrates a substantial transit cost savings over driving and releases money that can be reinvested back into the local economy

Percentage of Households that Use Transit Regularly

Percentage of total households in the six-county region with at least one member who uses transit at least once per week.



Source: CMAP Travel Tracker Survey, 2008 (2011 data not available for reporting)

Work Trip Cost: Transit to Auto

The cost of travel by transit divided by the cost of travel by auto

Source: AAA Your Driving Costs, 2011

Mobility

38% of all households in the Chicagoland area regularly use transit at least once a week.

A transit rider will spend only 17cents for every $1 spent by an auto driver.

Goal 2:
Ensure Financial Viability

RTA's Strategic Plan elaborates on this second goal by specifying actions that illustrate success. These include ensuring the sustained financial viability of public transportation, maximizing beneficial returns, demonstrating measurable achievement in the provision of clean, attractive, affordable, safe, reliable and convenient public transportation services, and continually enhancing efficiencies.

Go To 2040 also sees improving the financing of transit as crucial to achieving the full benefits of public transportation.

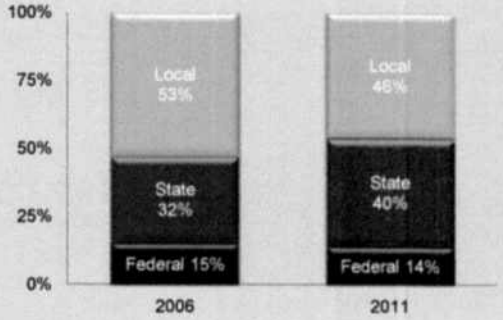
The strategic performance measures related to financial viability examine the source of capital and operating subsidies, how this funding, as well as costs, have changed in relation to the consumer price index (CPI), and gauge the well being of our infrastructure.

The relative contribution of the federal, state, and local governments in providing the operating and capital subsidies for transit in the Chicago region has shifted somewhat over the five years of the current study period. Note that the allowable transfer of capital funds to operations is reflected in values shown in this report.

The federal and state shares of operating subsidies have increased slightly over the period. For capital subsidies the federal share declined. Capital subsidies are heavily weighted towards the federal government which supplies three-fifths of the total support.

Percentage of Total Operating Funding by Source

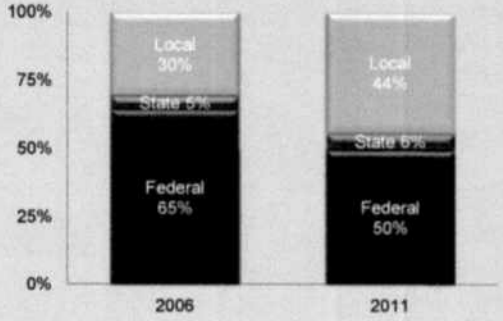
These numbers do not include any transit agency revenues such as advertising or farebox receipts.



Source: National Transit Database

Percentage of Total Capital Funding by Source

These numbers do not include any transit agency revenues such as advertising or farebox receipts.



Source: National Transit Database

Funding Sources

***Go To 2040* sees improving the financing of transit as crucial to achieving the full benefits of public transportation.**

The report "urges the federal government, the State of Illinois, transit agencies, and local governments to develop innovative financing to support a world class transportation system."

In 2011 the RTA system had a total operating budget of $2.5 billion and a five-year capital program of $4.4 billion.

The *Strategic Performance Measure Report* tracks the relative contribution of the federal, state, and local governments in providing the operating subsidies for transit in the Chicago region.

To examine more specifically how the region is optimizing federal funding opportunities for transit, this report considers the amount of federal funds 'flexed' for transit. An innovative feature of federal transportation policy since the early 1990's has been the ability by each state to choose to flexibly allocate federal transportation monies between highways and transit.

This report tracks the absolute value of funds flexed for transit in Illinois as well as that percentage of flexed funds nationwide by all states. Between 2006 and 2010, the amount of money flexed for transit in Illinois has dropped from $36 million to $9 million. The Illinois share of flexed funds nationwide also dropped more than 75%.

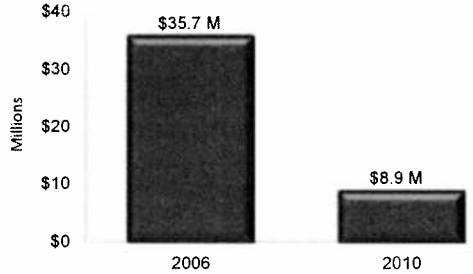
These findings suggest that Illinois is not taking full advantage of the funding flexibility offered by the federal government and is falling substantially behind its peers.

It is also useful to examine the changes in subsidies, revenue from fares and operating costs relative to the regional consumer price index (CPI). Between 2006 and 2011 operating costs increased at a rate less that the CPI, while operating funding grew faster than the CPI. Service reductions and a restructuring of pension benefits held down costs; the funding increase is largely the result of the 2008 sales tax initiative.

The regional average fare increased more slowly than the CPI over this period. With an increase in ridership and reduced capital funding in 2011, the capital funding per passenger declined significantly.

FEDERAL FLEXIBLE FUNDS OBLIGATED TO FUND TRANSIT RELATED ACTIVITIES

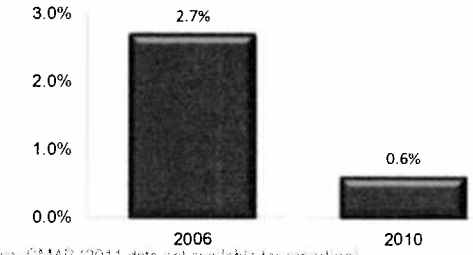
The dollar amount flexed to fund transit in Illinois.



Source: CMAP (2011 data not available for reporting)

ILLINOIS SHARE OF NATIONAL FUNDS FLEXED FOR TRANSIT

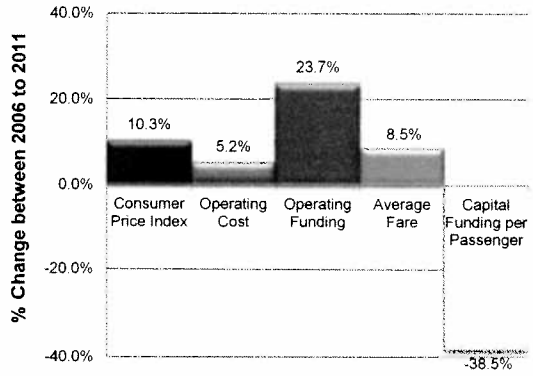
Illinois funds flexed as a percentage of total funds flexed by all states.



Source: CMAP (2011 data not available for reporting)

COMPARISON OF CHANGE IN TRANSIT MEASURES TO CHANGE IN CPI

Percentage change in CPI, operating costs, operating funding, capital funding per passenger, and average fares.



Source: Bureau of Labor Statistics and National Transit Database

FUNDING

Federal transportation funds can be "flexed" by states – to be allocated at states discretion between highway and transit.

Between 2006 and 2010, the amount of money flexed for transit by the State of Illinois dropped from $36 million to $9 million.

The Illinois share of total funds flexed by all states has dropped more than 75% during this period.

Service reductions and a restructuring of pension payments drove the change in regional operating costs to decline relative to the CPI.

The 2008 tax restructuring provided an operating funding increase at a rate greater than the CPI in the 2006-2011 period.

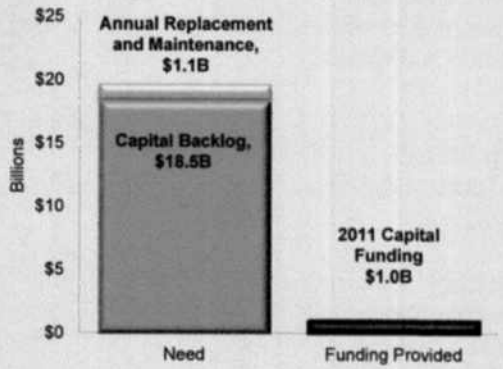
Capital funding per passenger in 2011 dropped substantially compared to 2006.

The RTA has been a leader in the national policy discussion on the critical nature of focusing on State of Good Repair infrastructure investment, including early development of capital asset management tools. Although MAP-21, the federal transportation authorization for 2012 – 2014, created a new State of Good Repair grant program, the law does not provide significant new levels of capital funding.

In 2011, only 5.2% of the region's capital need was covered by capital funding. This level of funding is short of covering normal replacement and capital maintenance and does not touch the $18.5 billion capital backlog. Addressing this capital backlog is a critical challenge for the years ahead.

Capital Funding to Capital Need

Comparison of one -year capital funding to the one-year capital need.



Source: RTA Capital Asset Condition Assessment, 2011

Funding Needs

Addressing the capital backl[illegible] a critical challenge in [illegible] ahead.

In 2011 capital funding [illegible] sufficient to address [illegible] replacement and mai[illegible] costs.

2011 capital funding [illegible] address a $18.5 billion ca[illegible] backlog.

Goal 3: Enhance Livability and Economic Vitality

A robust transit system enhances the life of the region. *Go To 2040* emphasizes these livability and economic vitality issues.

RTA's Strategic Plan identifies strategic objectives tied to this goal including providing employers with access to a broader workforce, protecting the environment, and providing an alternative to private automobiles, particularly for groups for which automobility is not possible.

The strategic performance measures which track this goal emphasize the livability benefits that transit affords the region. Several of these measures explore how transit reduces congestion as well as the cost of travel in general.

Enhancing livability and economic vitality includes both reducing and providing an alternative to traffic congestion. Such congestion is an endemic factor of urban life but threatens to impede that vitality (too much congestion and people move their activities elsewhere).

Congestion's primary impact on the economy is that it adds time to travel. This additional time can be thought of as a tax on free movement. Currently, in the region, during the most congested times, that tax rate is 24 percent. As a result, it is estimated that auto commuters in the region lose, on average, 71 hours a year (almost 9 working days) to congestion delay. The region's expansive transit system helps to keep this loss in check. The Texas Transportation Institute estimates that without transit the time lost to delay would be a third larger, increasing to almost 12 lost working days.

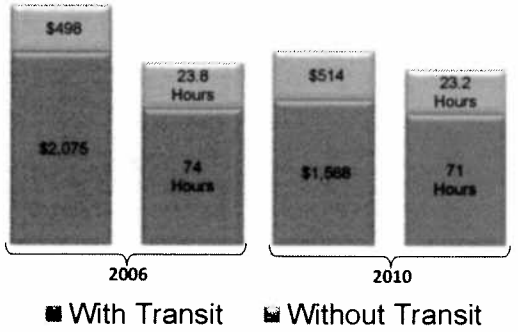
Regional Auto Travel Time Index

The ratio of the travel time during the peak period to the time required to make the same trip at free flow speeds.

Source: Texas Transportation Institute Urban Mobility Report*

Cost of Congestion per Commuter with and without Transit

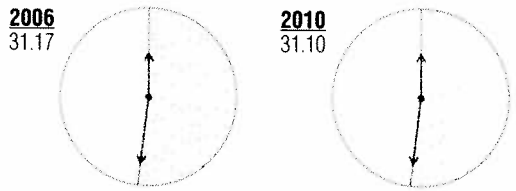
A yearly sum of all the per-trip delays for those persons who travel in the peak period, stated in terms of cost and hours per auto commuter.



Source: Texas Transportation Institute Urban Mobility Report*

Average One-Way Commute

The average one-way commute on all modes for workers in the six-county region, expressed in minutes.



Source: US Census American Community Survey*

*2011 data not available from the sources at time of reporting

Commuting

CMAP's *Go To 2040* plan notes "A strong transit system provides many benefits to our region; it provides alternatives to congested roads, reduces energy consumption and air pollution, supports reinvestment in nearby areas, and saves households the cost of owning a car."

RTA's Strategic Plan calls for providing employers with access to a broader workforce, protecting the environment, and providing a mobility. alternative to private automobiles.

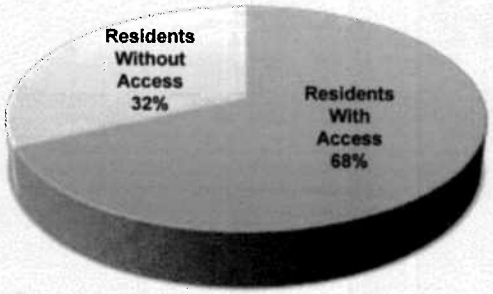
9 working days (71 hours) are lost by each commuter per year, due to congestion delay

Transit contributes to regional vitality by improving access between residential and employment locations. A strategic objective of RTA's Strategic Plan is to broaden employer access to the regional labor market.

Several strategic measures consider the nexus between homes and jobs. Currently, 68 % of residents of the six-county region have transit coverage at their home locations and 76 % of the region's jobs have transit coverage.

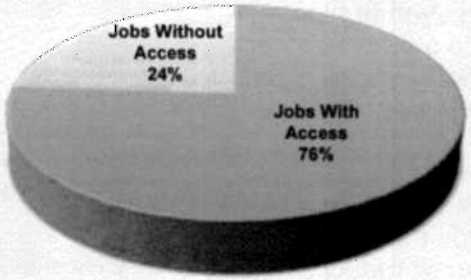
While transit coverage is a necessary condition of linking people to workplaces, it is not sufficient. The actual transit service must link those destinations within a reasonable amount of time. In 2010, the average share of regional jobs that could be accessed within a 90 minute commute on transit from anywhere in the region was 53%. This time envelope represents the outer bound of a reasonable commuting threshold while the average commuting travel time in the region is a much shorter 31 minutes.

Percentage of Residents with Access to Transit



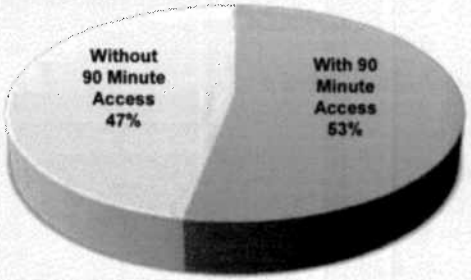
Source: CMAP, 2010*

Percentage of Jobs with Access to Transit



Source: CMAP, 2010*

Percentage of Jobs Accessible Within 90 Minutes to Regional Residents by Transit



Source: CMAP, 2010*

*2011 data not available from the sources at time of reporting

Access

68 % of residents have transit coverage at their home

76 % of jobs have transit coverage

53% of jobs can be accessed by transit within 90-minutes

Weekend travel provides a good proxy for understanding non-work travel. In the Chicago region in 2010, weekend travel accounts for almost half the transit trips of an equivalent two-day period during the week. This share is significant and also growing. Between 2006 and 2011, this ratio rose 4 percentage points. Currently, weekend travel is relatively robust and growing; however, there remains capacity that can be utilized.

After housing costs, transportation tends to be the next largest component of a household budget. Research has shown that transit service that can enable a household to forgo a car purchase results in substantial savings to consumers. The Center for Neighborhood Technology combines consideration of housing costs with local transportation costs in a Location Efficiency Factor. This measure identifies the share of the regional median income that is spent on housing and transportation.

In 2009, this Location Efficiency Factor was 52 percent, an almost 6 percent reduction from 2006. While the transit operators can not directly increase the amount of housing that is close to transit, they can partner with localities and other agencies to encourage such planning. The RTA actively promotes such transit-oriented development planning with municipalities in the region.

A major component to enhancing vitality and livability is preserving the natural environment. While transit consumes fuel and emits greenhouse gases, it does so at a much lower level per passenger mile than private automobiles. In 2012, RTA, CTA, Metra and Pace published the *Chicago Regional Green Transit Plan* which shows how the transit agencies plan to become more environmentally sustainable and help reduce regional greenhouse gas emissions.

Following a national methodology approved by the American Public Transit Association (APTA) for greenhouse gas emissions inventory and displacement analysis, RTA found that in 2008 transit displaced more than 6.7 million metric tons of carbon dioxide equivalent (CDE or CO^2Eq) emissions, while only emitting 1.2 million metric tons. This displacement ratio of 5.5 tons of CO^2Eq establishes a benchmark for future comparison. The RTA hopes to maintain or grow this emission displacement ratio through increased ridership, improved operational efficiencies, and higher density around improved stations and stops.

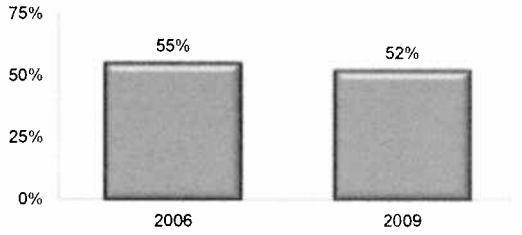
Average Weekend Transit Trips as a Percentage of Average Weekday Trips

Transit use on weekend days as a percentage of two days of weekday travel.

Source: National Transit Database

Location Efficiency Factor

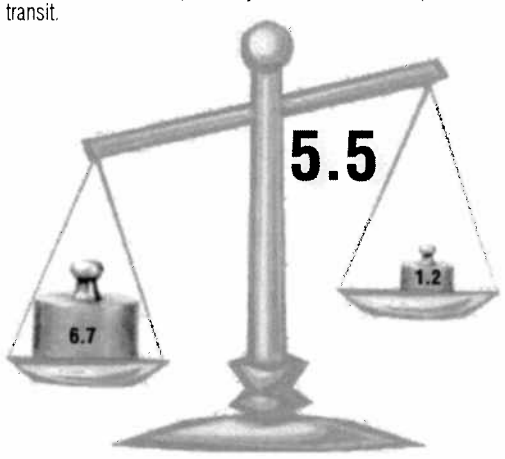
Combined cost of housing plus transportation as a percentage of average median income for region.



Source: Center for Neighborhood Technology (2009 latest reporting of this measure)

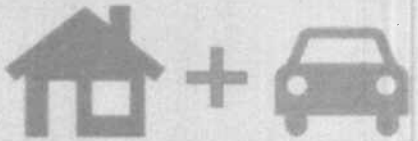
Emissions Avoidance Factor

Ratio of emissions displaced by transit to emissions produced by transit.



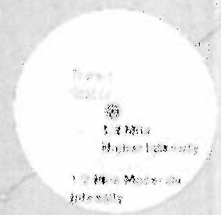
Source: RTA GHG Inventory and Displacement Report, 2010

Efficiency



52% of regional median income is spent on housing and transportation. An effective transit system can reduce a household's cost of transportation.

The RTA actively partners with local municipalities and agencies to promote transit-oriented development in the region.



The Emissions Avoidance Factor is a national benchmark established by APTA to measure the effectiveness of regional transit in reducing greenhouse gas emissions.

Goal 4: Demonstrate Value

The final goal of RTA's Strategic Plan and the strategic performance measures is to demonstrate the value that transit adds to the region. The RTA's Strategic Plan defines this to "create and sustain public understanding of the benefits of public transportation to individual health and well being, regional economic vitality and sustainability, and as a catalyst for new opportunities for users and nonusers alike." The associated strategic performance measures emphasize transit's reach in affecting our region.

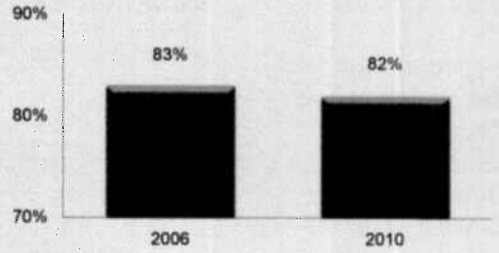
After identifying the regional share of the state's economic output, these measures track the percentage of workers that rely on transit to access their jobs, as well as auto trips and associated emissions that are not made due to the availability of transit. To establish a regional benchmark on how the RTA system is performing, a first region-wide customer satisfaction survey was conducted in 2011.

The Chicago region is the economic driver of the state and accounts for over four-fifths of Illinois' economic output. Transit is crucial to keeping that economic vitality alive. Several of the congestion benefits of transit were noted earlier.

Thirty-one percent of people that work in the City of Chicago, the core of the region, rely on transit to access their jobs and 12 percent of all residents of the six county region rely on transit to arrive at their workplaces. These high numbers demonstrate the indispensability of transit to getting workers to work and consequently powering the state's economy.

Ratio of Gross Regional Product to Gross State Product

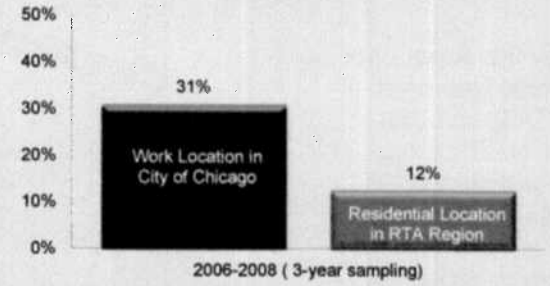
Gross regional product as calculated by the Bureau of Economic Analysis for the Chicago metropolitan statistical area divided by the gross state domestic product.



Source: State of Illinois Bureau of Economic Analysis (2011 data not available for reporting)

Transit Mode Share for Work Trips in the City and Region

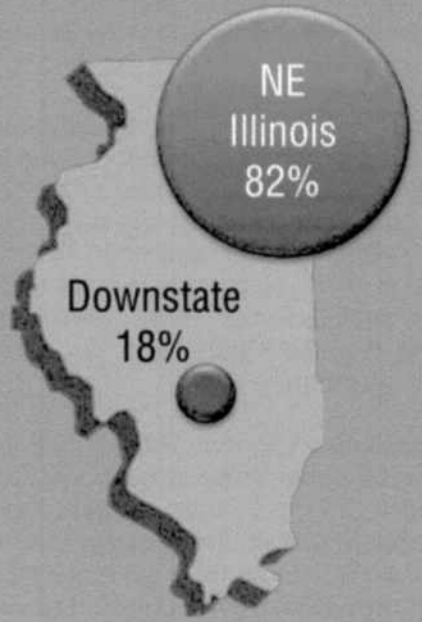
The percentage of total work trips to the City of Chicago made by transit and the percentage of total work trips in the region made by transit.



Source: Census Transportation Planning Package 2006-2008 (2011 data not available for reporting)

Impact

Gross State Product



12% of residents of the six county region and 31% of work trips to Chicago rely on transit to arrive at their jobs.

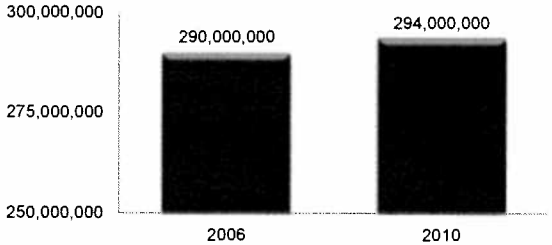
The use of transit helps to extend the value of the existing road infrastructure by reducing the daily demand on that infrastructure. By diverting trips, transit can help postpone or entirely avoid costly roadway expansions. Many such expansions within the core of the region are cost and environmentally prohibitive given the high density of development that surrounds urban arterials and highways. Using travel survey data, it is estimated that in 2010, transit replaced almost 300 million automobile trips, trips that would have severely taxed the space-constrained road system.

In order to facilitate the use of transit, the RTA works to help local companies take advantage of federal programs to pay for transit with pre-tax dollars. Several private firms offer such transit benefits programs for companies; however, their cost structure limits the reach of these programs to only the largest companies. The RTA created its own transit benefit program to help smaller companies realize tax advantaged transit purchases for their employees. Between 2006 and 2011, the number of companies participating in this program grew 10% to 1,430 companies.

In 2011 the RTA and CTA, Pace, and Metra completed the first region-wide customer satisfaction survey to help understand the strengths and weaknesses of the service provided. The results of the first survey showed 83% of riders were satisfied or very satisfied with public transportation in the six-county region and 91% would recommend the service to others. The availability of transit throughout the region – having transit when and where you need it – is a key driver of this satisfaction.

Car Trips Not Made as a Result of Transit

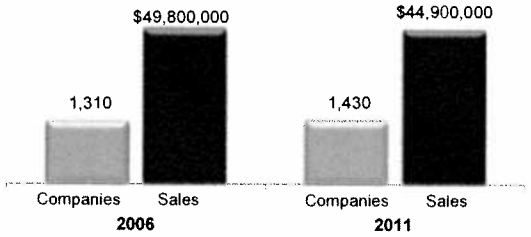
Annual regional transit passenger miles multiplied by the regional mode shift factor to produced auto-miles avoided, converted to car trips by average trip length and occupancy rates.



Source: GHG Inventory and Displacement Report 2011, National Household Travel Survey 2009, CMAP Travel Tracker Survey 2008, & National Transit Database (2011 data not available for reporting)

Participation in RTA Transit Benefit Pre-Tax Program

Number of companies participating in transit benefit pre-tax program and total annual sales.



Source: RTA Transit Benefit Program
Note: Due to changes in fare products administered by RTA from year to year, annual sales figures are not directly comparable.

According to a 2012 Customer Satisfaction Survey

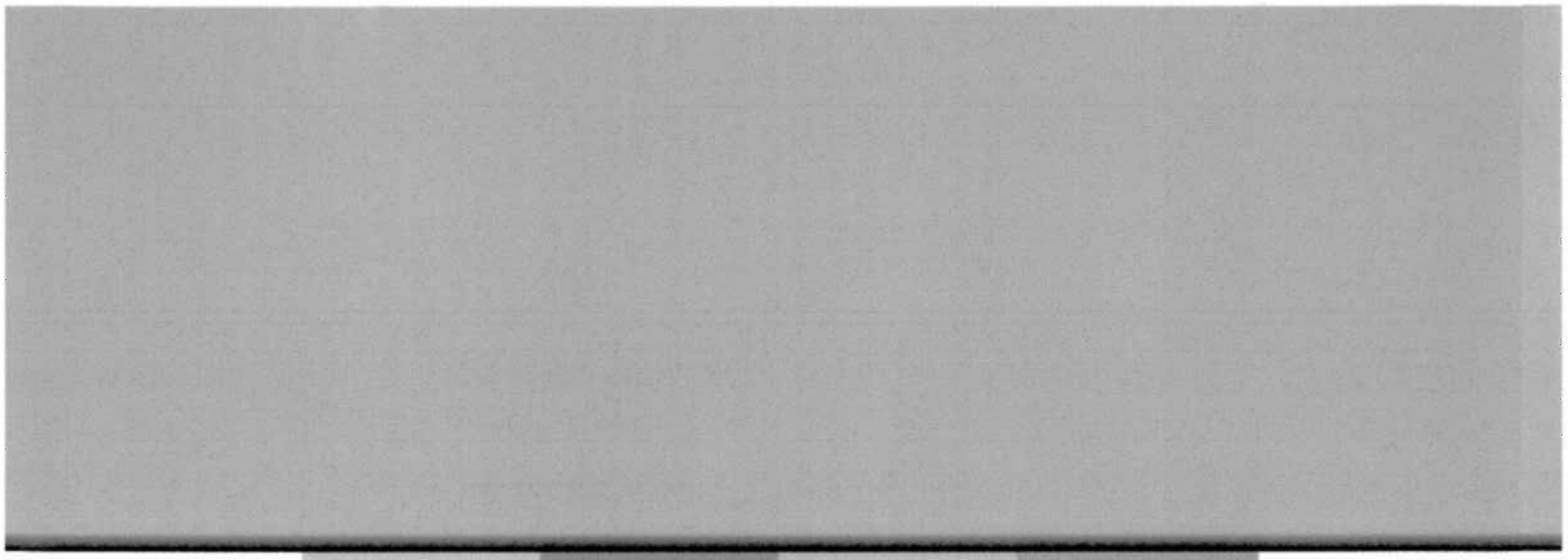
83%

of riders stated they were satisfied or very satisfied with public transportation in the six-county region

Transit Benefits

In 2010, transit replaced almost 300 million automobile trips, trips that would have severely taxed the space-constrained road system.

Over 1,400 companies receive RTA assistance to offer pre-tax transit benefits to their employees.



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Chicago Transit Partners

CTA Dan Ryan Track Renewal
Value Engineering

Prepared for cta

February 6, 2012
FINAL

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CTA Dan Ryan Track Renewal

Value Engineering

This report provides a summary of the Value Engineering study held December 8 to 14, 2011 for the CTA Dan Ryan Track Renewal project.

The Renewal project extends from the subway portal near 16th/Clark to the south side of the 95th Street Station. The project also includes a portion of the 18th Street Connector Structure. The main intent of the Renewal project is to restore the asset and eliminate slow zones. The Renewal project includes:

- New track drainage;
- New ballast
- New ties and track; and
- Maintenance of passenger service in the corridor during construction (by use of existing rail and bus infrastructure and shuttles).

While service is interrupted, some structural and station work will also be undertaken.

Sources

Information used during the Value Engineering (VE) study was based on the 30% design report and design plans, plus the 10% plans for the temporary Harvard Station. While some recommendations from the VE may duplicate plan review comments from CTA or CTP team members, the VE team had to base comments on the data available as of December 8, 2011. Data sources included:

- *Design Report – 30% Submittal (TY Lin, CCS, LTK – December 2, 2011)*
- *Bridge Condition Report (TY Lin – December 2, 2011)*
- *30% Submittal Design Report (TranSystems – December 2, 2011)*

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- *30% Submittal General Provisions and Specifications*
- *10% Plans for 63rd/Harvard Temporary Station (Ross Barney Architects – December 2, 2011)*
- *Preliminary Accessibility Drawings for 55th Street and 87th Street Stations*
- *Bus and Rail Map (July 2011)*
- *Red Line Shuttle Options (Internal PowerPoint Presentation)*
- *Slow Zone Map (CTA – December 6, 2011)*

Value Engineering Process

Value Engineering (VE) is a process by which a multi-disciplinary team is guided through specific steps, termed a work plan, to develop and evaluate options to increase the value of a project, product, process or even and organization. VE sometimes carries a reputation of "cost cutting," but this can give a skewed view of the actual intent of VE. Value is defined as:

$$\frac{\text{Function}}{\text{Cost}}$$

Value may be increased by cutting capital cost, operating cost or life-cycle cost as long as the cost reduction does not also create a reduction in function. Value may be increased by improving function such as operations, durability, or even less tangible functions such as public image. Without taking into account both function and cost, VE can be misapplied. Value is often improved by great increases in functionality with correspondingly low cost to implement. (Yes, VE can lead to a capital cost increase.)

For the Dan Ryan Track Renewal project, many of the VE recommendations did increase cost or expenditure of internal resources. For this particular VE study, the study team was directed to examine:

- Use of recommendations to act as risk mitigation measures
- Increasing the likelihood that work could be performed during extended line cuts (as opposed to weekend line cuts)

By increasing the likelihood of performing the work during extended line cuts, the overall construction cost would decrease, and because a higher quality end product would be delivered, the life-cycle cost would also decrease.

Value Engineering follows a process which includes the steps:

- Project Identification[1]
- Team Formation[1]
- Information Phase[2]
- Function Phase[2]
- Creativity Phase (or Brainstorming)[2]
- Evaluation Phase[2]
- Development Phase[2]
- Presentation of Recommendations[2]

[1] Pre-workshop activities

[2] Work Plan executed during the workshop

Value Engineering can be conducted during early planning, during design, or even after bidding during the construction phase. Earlier VE studies have less information to utilize, but greater opportunity to capture value. Later VE studies often have a great deal of detailed information for the team, but the opportunity to increase value is decreased (and the cost of capturing that value often increases).

Value Engineering Team

An experienced, multi-disciplinary team was assembled for the VE study. Team members were drawn from CTA, Chicago Transit Partners, Illinois Department of Transportation, and the Regional Transit Authority. Team members and area of expertise are listed below. The team had a combined experience of over 200 years.

- Bob Wittmann – CTA – General Manager, Construction
- Ron Ester – CTA – Rail Operations
- Jon Czerwinski – CTA – Planning
- Bill Mooney, Jr. – CTA – Power and Maintenance of Way
- Jeff Wilson – CTA – Government and Community Relations
- Matt Gibbs – CTA – Track Engineering
- John Goodworth – RTA
- George Haenisch – EJM Engineering (representing RTA)

- Carlos Campos – IDOT
- John Blum – CTP – Interface Manager
- Greg Dieter – CTP – Constructability
- Tom Williams – CTP – VE Facilitator

Value Engineering Schedule

The schedule was developed to start the VE study following receipt of 30% plans, allow sufficient time to conduct both the VE study and Risk Assessment in December, and allow sufficient time to provide the results of the VE study to the design consultants along with other plan review comments.

The schedule was flexible and allowed time to conduct additional investigation where required to further develop and evaluate options suggested during the VE creativity phase.

Wednesday, December 7, 2011

• 2:00 PM (1.5 hours)	Leadership Team review of Goals & Constraints

Thursday, December 8, 2011

• 9:00 – 10:00 AM	Introductions and VE Kick-off
• 10:00 – 10:30 AM	Project Overview, Goals and Constraints
• 10:45 AM	"Tailgate" Safety Review prior to field review
• 11:00 AM – 4:10 PM	Field Review on the Red Line, Orange Line, and Review of Temporary Station Site

Friday, December 9, 2011

• 9:00 AM – Noon	Review of 30% Plans, Construction Schedule, and Cost Estimates – Plus any follow-up presentations
• 1:00 – 4:30 PM	Discussion of Project Goals Discussion of Functional Phase of VE Study Identify high cost/worth functions / Functional Analysis Creative Phase (Brainstorming)

Monday, December 12, 2011

• 9:00 – 9:45 AM	Organization of Brainstorming ideas Discussion of additional Brainstorming ideas
• 9:45 AM – Noon	Initial Evaluation Phase
• 1:15 – 1:30 PM	Identification of any additional information needs
• 1:30 – 4:30 PM	Preliminary Development of Options

Tuesday, December 13, 2011

- 9:00 – 11:00 AM — Continue Preliminary Development
- 11:00 AM – Noon — Second Phase of Evaluation
- 1:15 – 4:30 PM — Continue Evaluation and Development

Wednesday, December 14, 2011

- 9:00 – 10:00 AM — Evaluation and Selection of Options
- 10:00 AM – Noon — Development of Recommended Options
- 1:00 – 3:00 PM — Development (Continued)
- 3:30 PM — Presentation of Recommended Options (*Moved to December 20, 2011 at 3:30 PM in order to combine presentation with Risk Assessment*)

Goals and Objectives of the Project

In meeting with the CTA Leadership Team for this project, the goals, objectives, and constraints were discussed. A summary goal put forth was:

Restore a fully functioning and safe asset with lowest life-cycle cost.

Specific goals and objectives included:

- Design and implement a safe and secure construction program
- Construct within budget and schedule
  - Substantial completion could deviate from November 2013 to November 2014 if a significant benefit would be realized during construction for customers
- Eliminate slow zones in the project corridor
- Minimize construction impacts on riders
- Renew track drainage
- Renew life of the track assets
- Reduce track system life-cycle costs
- Improve ride quality
- Reduce travel time (over and above removal of slow zones)

- Improve operational flexibility (such as additional power sectionalization to support turnbacks and single track)
- Improve wayside equipment reliability (negative bus bar reconfiguration, inverter isolation, lightning protection, etc.)
- Validate condition of bridges and tunnels (and make repairs as necessary during the closure)
- Improve engineering documents associated with the alignment (e.g., new 1600s, new stationing – important for asset management, etc.)
- Provide modest improvements to stations while stations are closed
- Plan for and supply needed maintenance training and equipment allowing for the preventive maintenance necessary for lowest life-cycle cost

High Cost and High Value Items

High cost, high schedule impact, and high value items were identified. In a VE study, greater opportunities for value increase can be realized when the "big ticket" items are examined.

High Cost Items

- Ballast
- Ties
- Rail
- Cable and Duct Bank
- Supplemental Service
- Lead Paint Abatement (if applicable)

High Schedule Impact Items

- Contractor Access (for equipment, removals, and delivery of materials)
- Drainage
- Road Bed
- Direct Fixation
- Ties, Rail, and Cable (with regard to lead time)
- Public Acceptance

High Worth Items

- Removal of Slow Zones to allow continued operation of the Red Line Dan Ryan Branch
- Cost Savings to the operating budget following completion of the renewal
- Lowering of the Life-Cycle Cost
- Gains in Vehicle Maintenance
- Passenger Travel Time Savings (estimated at approximately two million hours per year simply due to the removal of the slow zones)[3]
- Supplemental Service
- Passenger Experience
- Reliability
- Public Acceptance

[3] Estimate is intended to show the scale of slow zone impact:

Boardings (rounded)	55,000	Average Weekday - September 2011
Average Slow Zone Impact	8	minutes per day
Annualization Factor	313	days per year
Annual Time	2,295,000	hours

Function

Value Engineering is a function-oriented process. Function helps identify "what must be done" as opposed to how the project is proposed to be done. Looking at a simple bridge project may help clarify. The basic function of a bridge is to cross an obstacle. How is the obstacle crossed? There may be many options – steel beams, plate girders, concrete beams, and so forth. There may be many options for construction of the bridge – cranes, lifting in place from a barge, launching girders, prefabrication, and so forth. The basic function answers, why?

For this project, the basic function was determined to be:

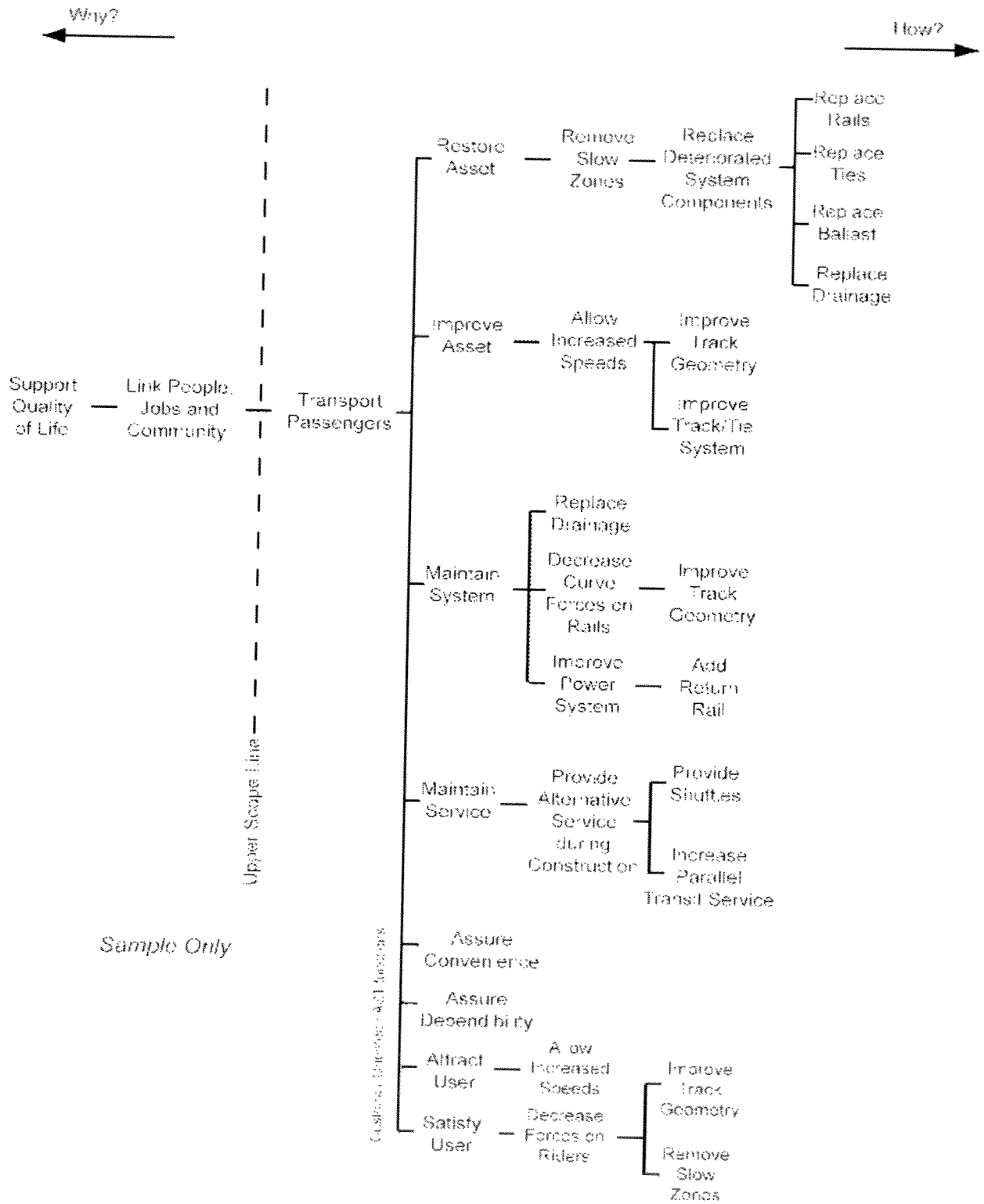
Transport Passengers

The question, why, could still be asked of this basic function, with answers such as connecting people to jobs, education, and services. "Why" could also include improving quality of life within the project corridor. However, the basic function should follow along the lines of the project scope, so the team determined "transport passengers" was the appropriate basic function for this project.

In discussion of function, "how" components included:

- Restore Asset
- Improve Asset
- Maintain System
- Maintain Service

For each of these, "how" could be asked again and again until the most basic components of rails, ties, and ballast are reached. If the entire series of "hows" and "whys" were diagramed, the result is a Functional Analysis System Technique (FAST) diagram. A partial sample for this project is shown on the following page.



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The sample FAST diagram shows one example of one "how" can address more than one "why." For instance, improving the track geometry not only allows faster travel times, but also decreases track maintenance by decreasing the magnitude of forces on the track system, and also improves user satisfaction by providing a smoother ride.

Typically, if proposed project work does not contribute toward the basic function, those project elements could be candidates for removal from the project. Functional analysis helps separate what must be accomplished from what would be nice to accomplish (but is not necessary).

Creativity Phase Alternatives

The power of value engineering is typically displayed in the creativity or brainstorming phase, especially following multi-disciplinary review of project information and function. Alternatives proposed during the creativity phase were (in no particular order):

- Order the long lead items by CTA ahead of time (rather than including in the contractor package)
- Examine if any other aspects of the project should be broken out as advanced work to be ready for start of main bid package
- Examine the option of turning back the Green Line around the Loop versus turn-back at Roosevelt
- Continue Green Line Cottage Grove service to Cottage Grove during construction (rather than closing that branch and running shuttles). Green Line to 63rd/Ashland would still turn back as above (Loop or Roosevelt)
- Ramp from the Red Line to Green Line during Phase 2
- Develop a Preventive Maintenance Plan to lower life-cycle costs of the new system
- Develop a Plan for the needed maintenance training and equipment associated with continuously welded rail (and any other new items)
- Eliminate the Red Line Dan Ryan from Cermak to 63rd, running the service on the existing Green Line (since the two lines are parallel and closely situated)
- Avoid redesign of the signal system
- Design with 70mph top speed where possible (so as not to preclude 70mph operation in the future)
- Improve the horizontal geometry for improved horizontal lateral forces, and allow 10-car platforms, and for any future accessibility changes
- Protect line from Dan Ryan highway snow and ice control activities (especially snow, slush and salt entering the rail system)
- Make sure the drainage works well and is easy to maintain

- Use "state of the art" (but tested) materials (ballast, ties, plates, etc.) which are appropriate for this climate
- Separate the cabling for ease of maintenance
- Improve general maintainability of the system – various features to allow reduced cost of maintenance and reduce train disruption during maintenance
- Examine other Phase 1 staging options to prevent the need for bus shuttles
- As early in 2012 as possible, engage the public reaction through discussion with elected officials
- Promote diversion of commute/travel routes to other routes or modes (away from the shuttles and temporary station)
- Don't run all the shuttles to Harvard – continue Halsted to Halsted station, continue Ashland to Ashland/63rd. Creates less peak loading at Harvard.
- Improve agency cooperation – use and ordering of ties, coordinate large orders of ties, ballast (between Metra and CTA), bus lending with Pace
- Coordinate with Metra regarding shift of some ridership to Metra during construction
- Make sure improvements are well perceived and promoted:
    - Make station improvements (painting, drainage, lighting) while the station is closed
    - Promote the travel time savings of the improved asset
- Improve Green Line service during Phase 1 of construction
- Barge the ballast (and/or other materials) or deliver bulk materials via NS
- Promote P&R use at Ashland and 55th. Also, create a P&R at 63rd.
- Creative Fare Structure to offset added travel time during construction.
- Make all the stations accessible – or make the foundational changes needed for the future accessibility projects. Examine relocating the Harvard elevators to other stations following the project.
- Improve customer experience of the transfers – improve lighting, covered walkways, etc.
- Widen the sidewalk at 63rd for the transfer
- Provide wider platforms for the inbound side at 63rd to handle the high passenger demand during Phase 2
- Eliminate the outbound escalator at Harvard temporary station
- Enlist business and/or community champions to promote the greater good of the proposed closure plan
- Local hiring of the temporary ambassadors and traffic aides

- Free advertising and coupons
- Improve access between the stations at 63rd
- Do not preclude allowing station enclosures
- Bus-on-shoulder or HOV on Dan Ryan Expressway for the shuttle buses
- Limit general traffic on Lafayette and State to improve shuttle bus flow
- Enhance safety and security for passengers
- Verify the single track option
- Do not preclude use of "track placement train" or other methods of expedited construction – bring in long sticks.

Initial Evaluation

Following the brainstorming in the Creativity Phase of the Value Engineering process, the first stage of evaluation was "by inspection." The multi-disciplinary team was able to sort out a few options based on past experience or based on previous evaluation. Following are brainstorming ideas removed from further consideration for this project by inspection. (Note that removal from this project does not necessarily mean the options may not be appropriate on other projects or for consideration in the future within this corridor.)

- ✖ Ramp from the Red Line to Green Line during Phase 2

  Eliminated for this project due to logistical complexity and added time required in the schedule.

  Additional Detail:

  - The grade from the Red Line to the elevated Green Line would be just at the allowable limit of 4% based on very preliminary evaluation. In detail evaluation, based on required clearances over the Dan Ryan expressway, based on the depth of structural elements, and based on other factors, the grade may not work.
  - The signal system on the Green Line is from the 1970s. Tying a new interlocking into the old signal system is extremely complicated.
  - Designing and building the ramp would add one year to the construction schedule.
  - Both the Red Line and Green Line would be disrupted as the ramp was built.

- Construction over the Dan Ryan Expressway carries risk, including delays associated with permitting through IDOT.
- The ramp option would carry the highest construction cost of all options considered.
- To mitigate risk during phase 2 of construction, would likely need to abandon Green Line service to 63rd/Ashland. The Englewood Branch (to 63rd/Ashland) has higher ridership compared to the Jackson Park Branch (to Cottage Grove).
- While eliminated from this project, it is possible that in the future, if interoperability between the Red Line and Green Line was desired (such as for incident management or future maintenance or construction), a ramp connection could be studied as a separate project.

✖ Use Single Track Construction rather than a Line Cut

Eliminated for two key reasons: (1) Use of single track construction would take longer than using weekend line cuts, disrupting service for multiple years. (2) The quality of the product at the end of construction would be lower.

Additional Detail:

- Single track construction has been used when replacing rail on other lines. However, that rail replacement did not involve complete track bed renewal with drainage and ballast. It is technically questionable whether drainage improvements could even be made using single track construction.
- Track realignments (both vertically and horizontally) to improve the ride quality and operating speeds would be very constrained.

✖ Use Weekend Line Cuts for Phase 1 (south of 63rd Station)

Eliminated due to the extended schedule and higher construction cost.

Additional Detail:

- Using weekend line cuts, Phase 1 was calculated to require two years to complete. Shuttles would be required over all these weekends.
- Mobilization cost increases substantially. Every Friday night, CTA staff would be required to shut down the power, followed by contractor mobilization of equipment and materials. Every Sunday night or early Monday morning, contractor would need to vacate the right-of-way, power restored, and testing conducted.

- High risk of reopening late on Monday if a signal cable was cut during the weekend closure. High risk of signal disruption since the construction involves track, tie, ballast, subballast and drainage work – i.e., the entire road bed.
- Once construction starts, maintenance becomes difficult if even possible. Weekend windows are used to maintain the system. If the contractor is using the weekend for construction, the option of performing urgent maintenance is lost.
- With weekend line cuts, the quality of the end product after construction is lower.
- Track realignments (both vertically and horizontally) to improve the ride quality and operating speeds would be very constrained.

✘ Eliminate the Red Line Dan Ryan from Cermak to 63rd, running the service on the existing Green Line (since the two lines are parallel and closely situated)

Eliminated as being outside the scope of this project.

Additional Detail:

- Many studies would be needed to determine if the Green Line could handle the frequency and capacity required in this corridor over the long term. There is not time for these studies and required environmental reports.
- The Green Line runs on some of the oldest elevated track in the U.S. Questionable whether this would be an appropriate long-term step.
- Eliminate future options to accommodate customers during construction, maintenance, or incident management.

✘ Coordinate the pre-order of ties and materials with other area agencies

Eliminated due to schedule impacts and lack of compatibility between agency requirements and specifications.

Additional Detail:

- Metra uses heavier rail (since the Metra lines also accommodate Class I freight railroads) than CTA, so cannot coordinate on rail order.
- There is lack of compatibility between cabling needs for the different communications and signal systems, so cannot coordinate.
- There may be opportunity with regard to ties, but this project is not the time to initiate coordination. It may be possible for RTA to initiate coordination apart from this project in order to gain economy of scale in the future.

- Protect line from Dan Ryan highway snow and ice control activities (especially snow, slush and salt entering the rail system)

  Eliminated due to adding significant scope to this project.

  Additional Detail:

  - Some problem related to snow and ice control is compounded by the current drainage problems. With drainage renewed, a portion of the impact of snow and ice control activities will decrease.
  - Proposed by VE team members to reinstate/continue the annual pre-winter coordination meetings with IDOT. In these meetings, the need to plow away from the Red Line is discussed, including how the throwing of salt-laden slush can knock out signals and electrical systems at track level and on vehicles.

- Use "state of the art" (but tested) materials (ballast, ties, plates, etc.) which are appropriate for this climate (and potentially changing climate)

  Eliminated since current specifications use materials which are felt to be the best for this system. For some elements (such as concrete ties), this project includes a test section. As long as other VE recommendations do not reduce the quality of materials, this brainstorming option can be eliminated from consideration.

- Bring the ballast in on barges

  Eliminated based on allowing contractors the flexibility to determine methods, including methods of material delivery. There is water access from Wisconsin and Michigan to locations nearby the project, if the contractor can reap cost savings by using water. There is also rail access which may allow ballast from Pennsylvania or other locations. As a general principle, let the contractor (or material supplier) determine the method of material delivery to material storage/staging areas.

- Do not preclude allowing station enclosures in the future

  Eliminated since the current plan already does not preclude this future work. Note that enclosing stations would not be part of the scope for the Renewal project.

- Do not preclude use of "track placement train" or other methods of expedited construction – bring in long sticks.

  Eliminated for similar reasons as above for the ballast. Allow the contractor to determine means and methods. A track placement train may be preferred by one contractor, while pre-assembled track-plate-tie units with field welding may be preferred by another, and a third may set up a welding facility in their yard/staging area. Let the contractor determine the preferred method.

Development and Additional Evaluation

In many VE studies, some options remaining are mutually exclusive; that is, if you select one option you cannot use another option. As an example, options for a new rail transit project could include elevated or tunnel. If elevated is selected, the tunnel option could not also be selected. With this VE study, except for examination of the Green Line routing during construction, the various VE options do not form mutually exclusive groups. Therefore, each remaining VE brainstorming option was developed to a point where the team could decide whether the option was worth recommending for implementation.

Note that VE is not the time to produce new detailed plans. VE is conducted within a fairly constrained time frame. Ideas were developed enough to understand viability as well as pros and cons. Redesign is not part of the VE scope.

Also, VE is not intended to be a criticism of the current plans – 30% design for the mainline and 10% design for the temporary station. VE provides the opportunity to capture value as the plans proceed past the current stage.

With additional development, several other VE ideas were eliminated from consideration. These are listed below along with options deferred and options, after review of the proposed project, appeared to already be included. Recommendations are outlined in the next section with details of the recommendations included in Appendix A.

VE Options Eliminated after Development

- Order the elevators for 63rd/Harvard temporary station such that the elevators can be relocated after Phase 2 to the Garfield/Dan Ryan and 87th/Dan Ryan stations.

  Discussion: The design complications and schedule, and the fabrication time necessary would likely cause both increase capital cost and schedule concerns. Renting elevators for the temporary station is uncomplicated. The lead time for the rented elevators easily fits within the available schedule.

- Develop bus-only lanes or bus-on-shoulder (BOS) operations on the Dan Ryan Expressway for shuttle operations during the line cuts.

  Discussion: The shuttles would need to weave across all lanes to enter the shoulder and depart the shoulder. In peak hours, congestion on the Dan Ryan Expressway could make travel times (and connections) unreliable. Significant coordination would be needed with IDOT. Due to the weave, only the longer distance shuttles may see any travel time benefit. Especially since some VE recommendations suggest dispersing some trips to stations other than 63rd Street (so that the load at this single station is reduced), very little benefit may actually be realized by use of BOS. On I-55, the BOS pilot required significant advanced coordination.

VE Options Deferred

- Order long lead time items by CTA in advance of contract

  Discussion: Some items such as rail, ties, and cabling may require long lead times to manufacture. Estimated times from order placement to delivery are near six months. From award (estimated in September 2012) to the Phase 1 Line Cut (March 2013) is only six to seven months, suggesting some risk of schedule delay could be mitigated with pre-order of materials. Additionally, some work (such as in the vicinity of the 63rd/Dan Ryan Station) would need to occur in 2012, allowing very minimal lead time for materials.

  Deferred as evaluation of this option is under discussion within CTA.

  Additional Detail:

  - CTA would need to store the materials.
  - The contractor may be able to secure favorable pricing or delivery schedules which CTA could not directly negotiate during the procurement process.

- Limit vehicular traffic on State and Lafayette to improve flow of shuttle buses

  Discussion: While reducing delay for the shuttle buses is important, the routing of shuttles is still under development. With some VE recommendations, the routing of shuttles (and temporary rerouting of regular bus routes) could be refined. State and Lafayette may not be the critical paths for smooth movement of customers during line cuts.

  Deferred until shuttle bus routes and destinations are refined.

- Coordinate bus lending with Pace for required shuttles

  Discussion: Estimates indicate 70 to 100 shuttle buses may be required during the Phase 1 line cut. Pace has a significant fleet of vehicles being retired which could be used during the Phase 1 line cut, if required.

  Deferred as need for vehicle lending has not yet been determined.

  Additional Detail:

  - CTA may be able to supply all needed shuttles from within the existing fleet.
  - Acceptance of some VE recommendations may decrease the number of shuttles required.

- Via incorporation of an Alternative Bid, separate the cabling within the right-of-way for future ease of maintenance

  Discussion: Position of some cabling within the right-of-way interferes with tie replacement, ballast replacement, ballast tamping, and other maintenance activities. Placing cables in new conduit along the walls would facilitate future maintenance, decreasing the life-cycle cost.

  Deferred as discussions regarding the signal system are continuing internal to CTA.

  Additional Detail:

  - By use of an alternative bid process, if the total bid price including the signal cabling was over budget, CTA would not proceed with the relocation of signal cables to a new conduit.
  - Contractors may evaluate the cost of conduit, pulling cables, and testing versus protecting and working around the existing cable locations. In other words, efficiencies may be gained in having a "clear right-of-way" in which to work, leading to a lower combined bid.

- Examine Fare Structure during construction disruption

  Discussion: Care will need to be taken so customers do not end up paying higher fares for their trip during construction (due to transfers). With CTA Cards, the fare is an additional 25 cents for the first transfer and no additional for the second transfer. For those connecting from CTA buses to rail now, their fare would have no change. If fare was collected on the shuttles, those walking to rail stations would see the additional cost of a transfer if no changes were made. However, discussions are already underway internal to CTA to potentially run the express shuttles without fare collection.

  Deferred as fare collection for shuttles is already under discussion within CTA.

  Additional Detail:

  - CTA Cards can be programmed so that a transfer from or to a shuttle does not cost 25 cents.
  - 16 percent of customers travel between the various stations impacted by the Phase 1 line cut. As these passengers do not transfer to rail at 63rd/Dan Ryan, it may be important that the selected approach does not allow free rides (and loss of farebox revenue) within this segment.

VE Options Already Incorporated in Proposed Project

The following items proposed during the VE brainstorming phase were found, upon further development, to essentially already be included in the current proposal:

- Enhance safety and security
- Improve maintainability
- Make sure drainage works well

If the plans were changed in the future impacting the above items, the recommendations may need to be revisited.

Summary Discussion Regarding Signal System

Internal to CTA, discussions are underway with regard to signal cables. At the two ends of the spectrum:

- Specify that the contractor locate and protect the existing signal system. At the start of the line cut, the system would be provided to the contractor in working order. The risk would entirely be transferred to the contractor. The contractor's bid would price the risk, and would include any testing (at system handover), protection, and reconnection necessary at the end of the line cut to return a working system. It would entirely be up to the contractor whether carefully removed ballast by hand near cables or cut every cable during the ballast removal process, replacing all cut cables prior to completion of the line cut.
- Specify new cable ducts and cables in the plans so that, while the line cut is in place, a new, easily maintainable system can be installed.

The decision has complicating factors including cost, lead time for cables, and age of the existing system. Numerous options are possible between the two ends of the spectrum above.

VE Recommendations

Recommendations from the VE Team are listed below. The list below provides a summary description only. Appendix A contains recommendation sheets which include a further description, advantages, disadvantages, and any discussion of cost or schedule impacts. Again, note that recommendations are based upon the team's understanding of the project on December 8, 2011. Discussions and decision making continued outside of the VE workshop, and some recommendations may have already been evaluated by CTA.

Number	Summary Description
01	Continue the Green Line Cottage Grove service during Phase 2 of construction
02	Turn the Green Line Lake Street trains normally bound for 63rd/Ashland around the Loop (as opposed to turning back at Roosevelt)
03	Advanced Green Line maintenance to be prepared for increase in frequency (such as the switch at 59th Street, and other work)
04	Phase 1 Green Line service improvements (to provide an alternate parallel route)
05	Run some shuttles (and revised bus routes) to locations other than 63rd/Dan Ryan (Phase 1) and 63rd/Harvard (Phase 2) in order to disperse boardings and decrease load at the 63rd Street stations
06	Promote alternative routes during construction (such as promoting existing Park-and-Ride facilities at 63rd/Ashland and Garfield/Dan Ryan)
07	Increase 63rd Street sidewalk width on the structure over the Dan Ryan
08	Improve customer experience with covered walkways and lighting
09	Specify a wider inbound platform at the 63rd/Harvard temporary station
10	Eliminate the outbound escalator at the 63rd/Harvard temporary station
11	Improve accessibility and mobility between the 63rd/Dan Ryan and 63rd/Harvard stations
12	Design horizontal curves to allow for future 70 mph design speed
13	Improve horizontal geometry for improved rideability (especially adjacent to stations)
14	Improve stations (painting, cleaning, roof leak repairs, lighting, etc.) at Dan Ryan stations during the line cuts
15	Prepare for future elevator installation at 55th/Dan Ryan and 87th/Dan Ryan during the line cuts
16	Promote the time savings to customers following completion of the project
17	Enlist community and business champions
18	Local hiring of "traffic aides" to assist in directing customers during line cuts to proper shuttles, etc.
19	Support impacted businesses with free advertising and allowing distribution of coupons
20	Coordinate with schools both at the start of Phase 1 when school is in session and during Phase 2 when school restarts for the fall semester
21	Advanced material procurement for 63rd/Dan Ryan vicinity

Summary

The bulk of value capture under this study came through improving service for customers during the proposed line cuts. Improving service during extended line cuts could be viewed as risk mitigation. Extended line cuts would provide lower overall construction cost. Higher quality delivered during extended line cuts would provide lower life-cycle cost.

Other recommendations will reduce operating costs associated with temporary service during line cuts.

In general, cutting of capital cost through reduced scope or material with lower durability would be accompanied with a corresponding increase in maintenance and/or operating cost – i.e., life cycle cost was not reduced simply by cutting up-front capital cost.

CTA Leadership Review of Recommendations

Four actions could be taken with any VE Team recommendation:

1) Accept for use on the project
2) Accept with modifications
3) Send for further study
4) Reject for this project

Appendix A – Value Engineering Recommendations

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority Red Line Dan Ryan Track Renewal*	V.E. PROPOSAL NO.: 01
DATE: 12/14/2011	SUMMARY DESCRIPTION: Maintain service to Cottage Grove

DESCRIPTION: Continue to run service to Cottage Grove during phase II

ORIGINAL DESIGN (Description, sketch attached or drawing referenced): Provide Green Line service to the Loop or terminate service at Roosevelt and turn from south to north at 14th middle.

ALTERNATE DESIGN (Description or sketch attached):
Service can be provided to the East Cottage Grove branch by alternating every other Green Line train around the loop. The interval for these E. Cottage trains would be approximately 15-20 minutes.

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

- E. Cottage riders would see no change in service.
- Green Line South – trunk route riders currently connecting to Green Lake would maintain one-seat ride although at 50% of current service level.
- This accounts for about 3,800 customers affected per weekday, about 10% of total customers affected in Phase II.
- Would help with buy-in from public officials.
- A turn-back at Roosevelt would require a high demand of manpower that at this time operations does not have: **Saves $34,030/week compared to turning at Roosevelt**
- A turn-back at Roosevelt could result in delays for Orange Line customers.
- Turning in the loop affects about 1,800 current Green Line customers per day and makes for a less convenient transfer for 900 Red Line customers transferring to Green-Lake who were already affected on Dan Ryan branch.
- Under original design, Green South riders would see service disruption without any long term benefit from the construction project
- Wouldn't need to run bus shuttle for E. Cottage branch – **Saves $24,553/week and 11 buses per WD compared to turning at Roosevelt or in Loop**

DISADVANTAGES:

- Cost implications:
  - 24 hr. towerman at 59th Junction: **$8,508/week**
  - Cost of running Green Line to 63rd/Cottage – **$29,375/week** (this is compared with turning these trains at Roosevelt)
- May need to improve interlocking at 59th junction

DISCUSSION: This change is recommended. Costs should be developed further, however a rough estimate shows it achieves an operational savings compared to turning Green Line trains at Roosevelt and maintains a connection for Green South to Green Lake customers and maintains service to the E. Cottage Branch.

Summary

Estimated Capital Cost Change (+/-): Net savings compared to turning trains at Roosevelt: $20,700/week

Estimated Schedule Impacts (+/-): None

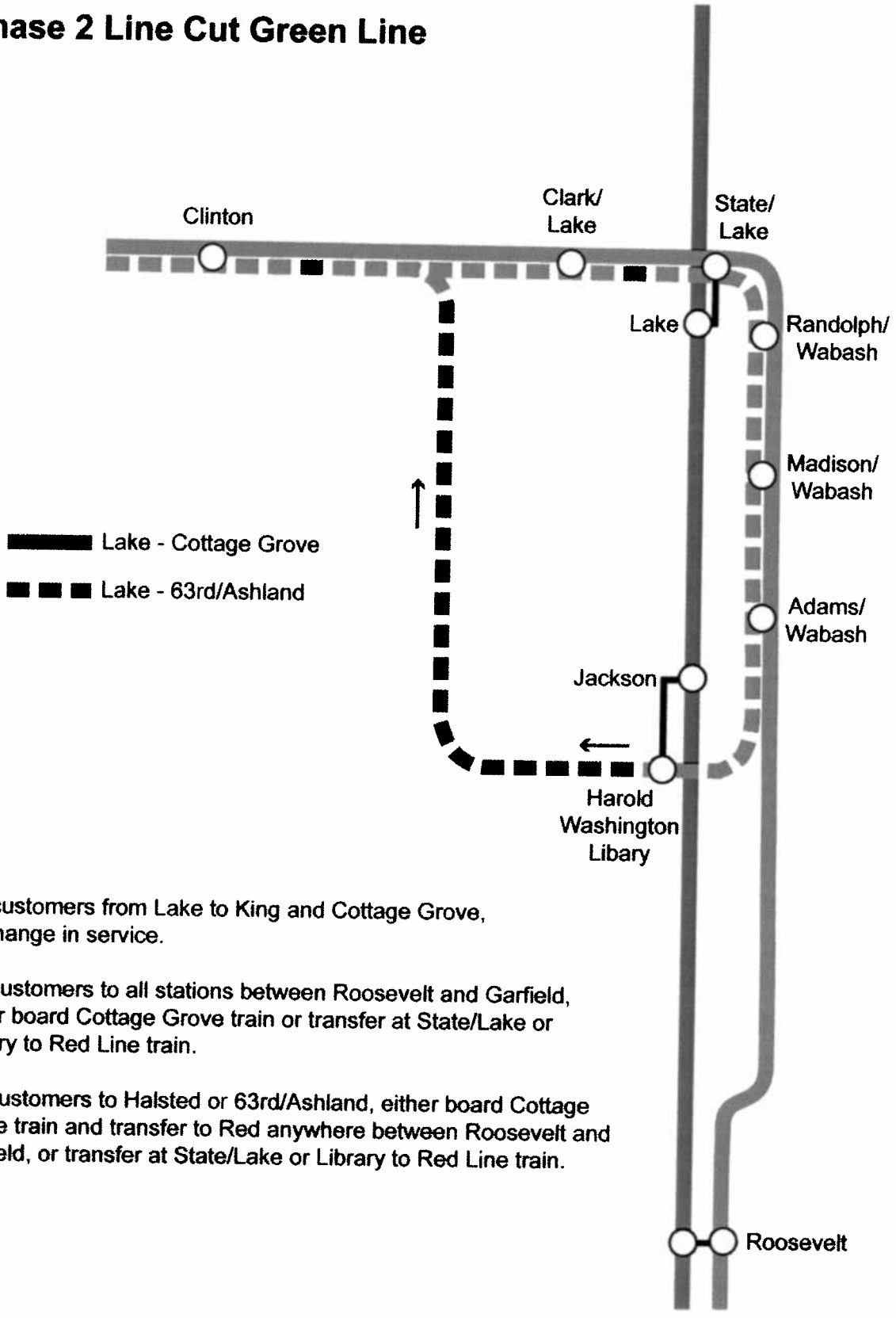
☒ **Accept for this project**

☐ **Accept with modifications**

☐ **For further study by project team**

☐ **Reject for this project**

Phase 2 Line Cut Green Line



For customers from Lake to King and Cottage Grove, no change in service.

For customers to all stations between Roosevelt and Garfield, either board Cottage Grove train or transfer at State/Lake or Library to Red Line train.

For customers to Halsted or 63rd/Ashland, either board Cottage Grove train and transfer to Red anywhere between Roosevelt and Garfield, or transfer at State/Lake or Library to Red Line train.

❒ Accept for this project

❒ For further study by project team

❒ Accept with modifications

❒ Reject for this project

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority* *Red Line Dan Ryan Track Renewal*	V.E. PROPOSAL NO.: 02
DATE: 12/14/2011	**SUMMARY DESCRIPTION: Turn the Green Line Lake Street trains normally bound for 63rd/Ashland around the Loop (as opposed to turning back at Roosevelt)**

DESCRIPTION: Decision needs to be made about whether to operate Green – Lake trains around the loop or serve Roosevelt station and turn at 14th

ORIGINAL DESIGN (Description, sketch attached or drawing referenced): No decision has been made about this option yet.

ALTERNATE DESIGN (Description or sketch attached):
No decision has been made about this option yet. Alternate option current service levels to Cottage Grove is explored separately.

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

- Serving Roosevelt will maintain connections for customers who are not benefitting from construction project
  - 6,100 passengers on Orange Line travel to east loop – many likely transfer to Green Line at Roosevelt
  - 2,200 travel from Green South to Green – Lake. Not serving Roosevelt would cause them to either make a ½ block walk from Jackson/Van Buren State to Library or to transfer at Lake/State and make a redundant trip around the loop for one leg of their journey
  - 930 passengers come from Red south of 63rd to Green – Lake. Not serving Roosevelt would cause them to either make a ½ block walk from Jackson/Van Buren State to Library or to transfer at Lake/State and make a redundant trip around the loop for one leg of their journey. This is in addition to the transfer/walk they would need to make at 63rd
- Slight cost increase of serving Roosevelt vs. operating around loop
- A turn-back at Roosevelt would require a high demand of manpower that at this time operations does not have.
- A turn-back at Roosevelt could result in delays for Orange Line customers

DISADVANTAGES:

- Both of these options are seen as disadvantages compared to maintaining the current service to Cottage Grove and turning the Ashland service in the loop. See separate item detailing this operation.

DISCUSSION: Operating current service to Cottage Grove and turning the Ashland service in the loop is preferred to either of these options.

Summary
Estimated Capital Cost Change (+/-): Requires additional cost analysis.

Estimated Schedule Impacts (+/-): None.

☒ **Accept for this project**
☐ **Accept with modifications**
☐ **For further study by project team**
☐ **Reject for this project**

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority* *Red Line Dan Ryan Track Renewal*	V.E. PROPOSAL NO.: 03
DATE: 12/14/2011	SUMMARY DESCRIPTION: Advanced Work/Green Line Improvements

DESCRIPTION: Improve South Main and Englewood branches of Green Line to better support increased train traffic. Improvements include tie renewal to remove slow zones, and special trackwork replacement.

ORIGINAL DESIGN (Description, sketch attached or drawing referenced):

No improvements.

ALTERNATE DESIGN (Description or sketch attached):

Remove all slow zones and replace Ashland terminal special trackwork by start of Phase II of Dan Ryan construction.

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

- Elimination of slow zones resulting in faster and more reliable operation when Red Line trains are running on the south branches of Green Line.
- CTA may not be able to get track time on Green Line during Dan Ryan construction so advanced work would help to avoid maintenance issues during project.

DISADVANTAGES:

Placing priority on work that may not be critical overall on CTA system which could lead to further slow zones on other parts of system.

DISCUSSION:

Summary

Estimated Capital Cost Change (+/-): Accelerated schedule may lead to higher cost for the work.

Estimated Schedule Impacts (+/-): None.

❒ **Accept for this project**

☒ **For further study by project team**

❒ **Accept with modifications**

❒ **Reject for this project**

VALUE ENGINEERING

PROJECT: ***Chicago Transit Authority Red Line Dan Ryan Track Renewal***	**V.E. PROPOSAL NO.: 04**
DATE: 12/14/2011	**SUMMARY DESCRIPTION: Green Line Service Improvement**

DESCRIPTION: Have the Green Line run more frequent service during Phase I for the possibility for increased ridership and train overcrowding.

ORIGINAL DESIGN (Description, sketch attached or drawing referenced): To run the current interval during phase I of the project.

ALTERNATE DESIGN (Description or sketch attached):

To run a closer interval in anticipation of increased ridership.

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

- Being proactive for potential ridership shifts due to construction – satisfied customers
- Would support additional service on alternate bus routes besides shuttles – eg. customers could take #4 Cottage Grove or #9 Ashland to Green Line rather than shuttle
- Reduce number of transfers for customers
- Current peak period/peak direction headway is 20 minutes on branches – doesn't make for easy transfers
- 10 minute peak service 12 minute off-peak would be more likely to attract riders to Green Line

DISADVANTAGES:

- Substantial increase in operating cost: *Est.* **$68,634/week** – assumes WD 4 am to 10 pm only (includes operator cost with fringe and power)
- Requires towerman at 59th junction/cost: **$6,077/week** assumes same hours as above
- Extra service is likely not needed on Green Line from 55th north or Lake branch
  - 10 minutes on branches means 5 minutes north of 55th
  - Turn extra service in loop to reduce cost
- Somewhat inefficient - only a small portion of the extra service will be allocated to areas where ridership will shift to due to construction

DISCUSSION:

This service would be needed if CTA is going to try and attract customers away from the main bus shuttle and provide an alternative with fewer transfers. Costs are fairly high, however this could significantly reduce the impact of the project on customers. Should be looked at together with increased bus shuttles to the Green Line. At a minimum, if current schedule is run on the Green Line and loads become an issue further north on the branch, 8 car trains should be operated out of Ashland.

Summary

Estimated Capital Cost Change (+/-): $74,711 per week

Estimated Schedule Impacts (+/-): None

❒ **Accept for this project**

❒ **For further study by project team**

☒ **Accept with modifications**

❒ **Reject for this project**

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority Red Line Dan Ryan Track Renewal*	V.E. PROPOSAL NO.: 05
DATE: 12/14/2011	SUMMARY DESCRIPTION: Alternate Shuttle Bus Service

DESCRIPTION: Provide alternate service to outlying service to prevent overcrowding with all customers coming to the 63rd Red Line

ORIGINAL DESIGN (Description, sketch attached or drawing referenced): Provide shuttle service between 95th and 63rd station during phase 1 of construction. Run train shuttle for phase II.

ALTERNATE DESIGN (Description or sketch attached):
Increase our current service on bus routes that run north and south to decrease the number of customers coming to ride the shuttles between 95th and 63rd. These routes would include but not be limited to the Jeffery, Stony Island, Cottage Grove, Halsted Wallace/Racine and Ashland routes.

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

- During both phases it would decrease the number of transfers customers need to make and reduce travel times
- During Phase I it would decrease the number of customers going to the main bus shuttle
  - Less crowding at 63rd Red Line
- Less crowding at 63rd Red/Green Lines during Phase II
- Attract riders to the new Jeffery BRT service – implementation scheduled for late 2012
- It is likely that some customers will migrate to bus anyways
  - 50% of destinations for customers south of 63rd are within the Dan Ryan branch
- Helpful for customers west of Red Line during phase II – send them directly to Green rather than via rail shuttle

DISADVANTAGES:

- Green Line operates only every 20 minutes peak period/peak direction on branches Improving travel times by funneling more passengers to Green Line would require better headways on the branches - **$74,711/week**
- Many of these bus routes have max load point on south side – not much excess capacity during peak periods
- Significant cost increase – especially if service was added all the way downtown as compared to shorter shuttles. **Need to develop cost further.**
- Increases bus requirement. **Need to determine buses.**
  - Operating on regular in-service routes would require fare equipment

DISCUSSION:

This option needs to be developed further, however improving the frequency on the Green Line and running additional service on north-south routes serving the Green Line branches would provide a connection to the rail network that requires fewer transfers for CTA's customers. Operating additional service to the Ashland branch of the Green Line is already part of the operating plan.

Summary

Estimated Capital Cost Change (+/-): Needs to be developed.

Estimated Schedule Impacts (+/-): None

☒ **Accept for this project**

☐ **Accept with modifications**

☐ **For further study by project team**

☐ **Reject for this project**

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority* *Red Line Dan Ryan Track Renewal*	V.E. PROPOSAL NO.: 06
DATE: 12/14/2011	SUMMARY DESCRIPTION: Promote Alternative Routes during Construction

DESCRIPTION: CTA will work with the CTA Real Estate department and sub-contractor CPS Parking Inc. to promote parking at the currently under utilized CTA owned parking lots at Ashland and 55th. Other routes could also be promoted during construction, such as the new (in 2012) Jeffery Corridor BRT. Some passengers will naturally find their way to other routes (whether car pooling, CTA bus routes, or parallel Metra routes) during construction.

ORIGINAL DESIGN (Description, sketch attached or drawing referenced):

The original concept in Phase 1 took all the riders on the 63rd-95th section and placed them on shuttles. This immediately would turn 63rd/Dan Ryan into one of the busiest stations on the CTA rail system.

ALTERNATE DESIGN (Description or sketch attached):

By dispersing riders to other modes and to other boarding stations, the load at 63rd would be decreased, as well as the need for shuttles (and shuttle boarding area).

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

At no cost to CTA, the CTA sub-contractor CPS parking, would be able to create promotional materials that would encourage people to "park and ride" from the CTA owned parking lots at Ashland/63rd and Garfield 55th Green line stations. This would disperse some riders to board at Ashland/63rd and Garfield/Dan Ryan. The lots are currently underutilized. CTA, in preparing the public for the construction, would also promote dispersing riders both spatially and temporally, such as was done for other recent construction with "leave early, leave late, alternate" promotions. Alternate routes could be customized for high boarding activity centers (including schools).

DISADVANTAGES:

None.

DISCUSSION:

Reduces dependence on 63rd as a critical transfer point, and may reduce the number of shuttles required.

Summary

Estimated Capital Cost Change (+/-): No significant change.

Estimated Schedule Impacts (+/-): None.

☒ **Accept for this project**

☐ **Accept with modifications**

☐ **For further study by project team**

☐ **Reject for this project**

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority Red Line Dan Ryan Track Renewal*	V.E. PROPOSAL NO.: 07
DATE: 12/14/2011	SUMMARY DESCRIPTION: **Increase 63rd Street sidewalk width on the structure over the Dan Ryan**

DESCRIPTION:
Widen the sidewalk on the north side of 63rd Street to accommodate the volume of pedestrian traffic expected during both Phase 1 and 2 of construction.

ORIGINAL DESIGN (Description, sketch attached or drawing referenced):

The existing sidewalk is approximately 8 feet wide, directly against the bridge barrier (with fencing) on the north and against westbound 63rd Street traffic on the south edge of the sidewalk.

ALTERNATE DESIGN (Description or sketch attached):

Widen the sidewalk to 12-14 feet across the structure. Place a barrier between the traffic and pedestrians. Cover the sidewalk (likely with scaffolding rising from the barrier). Provide lighting.

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

Customer safety and security
Customer time savings
Customer comfort

DISADVANTAGES:

Narrower westbound curb lane on 63rd Street (or reduction to a single westbound lane).
Slight increase in cost

DISCUSSION:

With pedestrian flow between shuttles and 63rd/Dan Ryan (Phase 1) and 63rd/Dan Ryan to 63rd/Harvard (Phase 2) increasing from 3,600 currently to approximately 25,000 during construction, all features of the connection need to safely accommodate the increase.

Summary
Estimated Capital Cost Change (+/-): Estimated less than $400,000

Estimated Schedule Impacts (+/-): None

❒ **Accept for this project**

❒ **Accept with modifications**

❒ **For further study by project team**

☒ **Reject for this project**

Due to change in One plan

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority* *Red Line Dan Ryan Track Renewal*	V.E. PROPOSAL NO.: 08
DATE: 12/14/2011	SUMMARY DESCRIPTION: Improve customer experience with covered walkways and lighting

DESCRIPTION: Since the transfer at 63rd is perceived as an obstacle to a smooth trip during construction, make sure the features provided for the transfer (from shuttles to 63rd/Dan Ryan in Phase 1 and between 63rd/Dan Ryan and 63rd/Harvard in Phase 2) provide a good experience. Features may include covered walkways (including where shuttles discharge and pick-up), lighting (including for security), wayfinding (to proper shuttles), crosswalk markings (to help in good capacity across Wells, and so forth.

ORIGINAL DESIGN (Description, sketch attached or drawing referenced):

Original design showed fixing passenger platforms to the existing structure with wing beams, assisted by vertical supports to the ground; 10-ft wide platforms; wood hand rails; exit stairway of 48" width. No detail of lighting or canopy provided with 10% station plans.

ALTERNATE DESIGN (Description or sketch attached):

Non-glare lighting at enhanced foot-candles provided to define the limits of travel points
Pole lighting and under-canopy (and under roof) lighting
Translucent portions of roof and canopy to utilize ambient light
Strip crosswalk pavement with directional arrows for ease of direction (minimize potential for reverse flow in the pedestrian stream)
Use scaffolding to support new temporary platforms (fixed to structure only for lateral support)
Use metal hand railings
Increase exit stairways to 60- or 66-inch width

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

Customer safety and security, and improved visibility of customers and for customers
Customer time savings (with quicker egress from station)
Informational as to the direction of travel
Easier construction and removal of platforms

DISADVANTAGES:

DISCUSSION:

Safety and security will be enhanced with design. Additional features (such as security personnel, cameras, and "blue box") will likely also be required.

Summary

Estimated Capital Cost Change (+/-): Estimated under $400,000

Estimated Schedule Impacts (+/-): None

❒ **Accept for this project**

❒ **Accept with modifications**

❒ **For further study by project team**

☒ **Reject for this project**

Due to change in Ops plan

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority* *Red Line Dan Ryan Track Renewal*	V.E. PROPOSAL NO.: 09
DATE: 12/14/2011	SUMMARY DESCRIPTION: Specify a wider inbound platform at the temporary station

DESCRIPTION: With Phase 2 of the project, the temporary station will likely become one of the busiest on the elevated system. Station elements should be designed for the expected passenger load.

ORIGINAL DESIGN (Description, sketch attached or drawing referenced):

Although no dimension was specified, scaling the drawings indicates the proposed platform is 8-foot wide.

ALTERNATE DESIGN (Description or sketch attached):

12- to 14-foot inbound platform would seem appropriate (based on stations such as Adams/Wabash).

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

Improved safety and comfort for customers.

DISADVANTAGES:

DISCUSSION:

Ideally, a pedestrian simulation could be run to examine the platform and stairs, including during emergency egress. The Transit Capacity Manual has design parameters including square feet per passenger and capacity of stairwells if simulation cannot be included in the design analysis.

Summary

Estimated Capital Cost Change (+/-): Estimated at under $40,000 additional to provide 14' width

Estimated Schedule Impacts (+/-): None

❒ **Accept for this project**

❒ **Accept with modifications**

❒ **For further study by project team**

☒ **Reject for this project**

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority* *Red Line Dan Ryan Track Renewal*	V.E. PROPOSAL NO.: 10
DATE: 12/14/2011	SUMMARY DESCRIPTION: Eliminate the outbound escalator

DESCRIPTION: During the temporary use of the station in Phase 2, the need for an escalator on the outbound side is questionable. The elevator would provide accessibility between the ground and platform.

ORIGINAL DESIGN (Description, sketch attached or drawing referenced):

The 10% drawings show an escalator on the outbound side.

ALTERNATE DESIGN (Description or sketch attached):

Eliminate the outbound escalator.

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

Reduction in cost
Reduction in chance of mechanical breakdown during phase 2 of construction

DISADVANTAGES:

May be less convenient for some customers

DISCUSSION:

Few other stations have a down escalator, and those stations tend to have a high percentage of people with luggage (such as Clark and Lake, and O'Hare where customers have luggage). For a temporary situation, a down escalator does not seem to be necessary.

Summary
Estimated Capital Cost Change (+/-): Saving of ~$400,000.

Estimated Schedule Impacts (+/-): None

Reason for rejection on this project: Escalator will help in moving people off the platform.

☐ **Accept for this project**
☐ **Accept with modifications**
☐ **For further study by project team**
☒ **Reject for this project**

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority* *Red Line Dan Ryan Track Renewal*	V.E. PROPOSAL NO.: 11
DATE: 12/14/2011	SUMMARY DESCRIPTION: Improve accessibility and mobility between the 63rd/Dan Ryan and 63rd/Harvard stations

DESCRIPTION: Transferring passengers are project in the order of 1,080 passengers in 15 minutes during the peak hour. Improve the passenger wayfinding, accessibility, and flow between the stations.

ORIGINAL DESIGN (Description, sketch attached or drawing referenced):

Narrow sidewalks
At-grade crossing using existing crosswalk
Lack of shelter

ALTERNATE DESIGN (Description or sketch attached):

Widen sidewalks
Improve crosswalk markings and lighting
Security cameras and blue light "push to call" buttons
Use design features to eliminate blind spots and hiding places

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

Improved safety and comfort for customers
Promote ridership
Enhance access to and egress from station
Enhance the neighborhood

DISADVANTAGES:

DISCUSSION:

Could also be considered a risk mitigation measure.

Summary

Estimated Capital Cost Change (+/-): Still to be determined (estimated under $200,000)

Estimated Schedule Impacts (+/-): None

☐ **Accept for this project**

☐ **Accept with modifications**

☐ **For further study by project team**

☒ **Reject for this project**

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority* *Red Line Dan Ryan Track Renewal*	V.E. PROPOSAL NO.: 12
DATE: 12/14/2011	SUMMARY DESCRIPTION: Design horizontal curves to allow for 70 mph in the future (where possible)

DESCRIPTION: Where possible, layout the curves for 70 mph. Ties can be placed for 60 mph, and SE also designed for 60 mph.

ORIGINAL DESIGN (Description, sketch attached or drawing referenced):

Design consultants instructed to design for 60 mph, although for segments B, C, and D, the curves appear to be designated 55 mph. Some curves in segment A are already designated 70 mph.

ALTERNATE DESIGN (Description or sketch attached):

Where possible, design the horizontal geometry (radius) for 70 mph.

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

- Smoother ride for customers / Improved customer experience due to time savings and ride quality
- Vehicle and signal capability would match track capability
- Less wear on track (leading to less track maintenance)
- Less wear on vehicles (due to fewer power/brake cycles)
- Ability in future to run at speeds higher than 58 mph (leading to travel time savings)
- Marketable as a future service improvement

DISADVANTAGES:

- Change of instructions given to design consultants (higher initial design cost)
- Currently unable to maintain track for 70 mph operation
- Faster wear cycle if operating at 70 mph

DISCUSSION:

Potential pressure to run at 70 mph if designed for 70 mph

Summary

Estimated Capital Cost Change (+/-): Potential minor change in design cost. If entire track system is designed for 70 mph, additional ties are estimated at $1.5M.

Estimated Schedule Impacts (+/-): None

☒ Accept for this project **☐ Accept with modifications**

☐ For further study by project team **☐ Reject for this project**

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority* *Red Line Dan Ryan Track Renewal*	V.E. PROPOSAL NO.: 13
DATE: 12/14/2011	SUMMARY DESCRIPTION: Improve horizontal geometry for improved rideability (especially adjacent to stations)

DESCRIPTION: Reduce reverse curves and tight curves, especially adjacent to stations (where possible, where not obstructed by bridge piers or walls)

ORIGINAL DESIGN (Description, sketch attached or drawing referenced):

Instruction to design engineers was to improve geometry where possible. However, plans were not available for review south of approximately Wentworth. Several stations with subject geometry are south of Wentworth.

ALTERNATE DESIGN (Description or sketch attached):

While corrections should not involve relocation of bridge piers or walls, relocation or slight modification of other track/signal/communications/station appurtenances may allow improved geometry.

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

- Improved customer experience due to ride quality and (slight) time savings
- Less wear on track (leading to less track maintenance)
- Less wear on vehicles
-

DISADVANTAGES:

- May add minor construction cost to relocate signals or other obstacles

DISCUSSION:

Cost and impacts of each curve improvement involving significant movement of track system or station appurtenances would need to be reviewed.

Summary

Estimated Capital Cost Change (+/-): May add negligible cost if relocated elements would be disturbed by construction anyway. At the high end, estimated at $0.5M.

Estimated Schedule Impacts (+/-): None

☒ **Accept for this project**

☐ **Accept with modifications**

☐ **For further study by project team**

☐ **Reject for this project**

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority* *Red Line Dan Ryan Track Renewal*	V.E. PROPOSAL NO.: 14
DATE: 12/14/2011	SUMMARY DESCRIPTION: Improve Stations during line cuts (including deep cleaning, painting, canopy repairs, lighting, etc.)

DESCRIPTION: Customer experience with the system begins and ends at a station. Improving stations during the line cuts will enhance that experience. While stations are closed, cleaning and repairs can be done economically.

ORIGINAL DESIGN (Description, sketch attached or drawing referenced):

30% plans did not reference station improvements (although this may have been planned)

ALTERNATE DESIGN (Description or sketch attached):

During line cuts, provide deep cleaning, painting, repairs (including to canopies where applicable), improved lighting, etc.

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

When customers return to the Dan Ryan Branch after construction, improvements will be immediately noticeable. (Many customers may not notice new track and ties, and improved travel time may not be perceived by customers.)

DISADVANTAGES:

DISCUSSION:

This item may have been planned, but was not included in VE documents.

Summary

Estimated Capital Cost Change (+/-): If already proposed in scope, no change in cost.

Estimated Schedule Impacts (+/-): None

☒ **Accept for this project**

☐ **Accept with modifications**

☐ **For further study by project team**

☐ **Reject for this project**

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority* *Red Line Dan Ryan Track Renewal*	V.E. PROPOSAL NO.: 15
DATE: 12/14/2011	SUMMARY DESCRIPTION: Install or Prepare for Installation of Elevators at 55th and 87th

DESCRIPTION: While stations are closed for track construction, complete necessary work to install elevators at 55th and 87th.

ORIGINAL DESIGN (Description, sketch attached or drawing referenced):

No elevator work at 55th or 87th

ALTERNATE DESIGN (Description or sketch attached):

At 55th, to install the elevator, customer access to the platform would be greatly disrupted likely necessitating station closure for elevator construction. As the line cut would have this station closed for approximately 4 months, perform necessary work in conjunction with this project.

At 87th, to install the elevator, track and/or communications hut relocation may be required which would also disrupt service. Perform this work during the proposed 3-month line cut.

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

Minimize future service disruption to install elevators

DISADVANTAGES:

Added design cost and added construction cost

DISCUSSION:

The previous proposed design at 87th should be revisited.

Summary
Estimated Capital Cost Change (+/-): Estimated to add $4-6 million.

Estimated Schedule Impacts (+/-): None likely

☒ **Accept for this project**
☐ **Accept with modifications**
☐ **For further study by project team**
☐ **Reject for this project**

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority* *Red Line Dan Ryan Track Renewal*	V.E. PROPOSAL NO.: 16
DATE: 12/14/2011	SUMMARY DESCRIPTION: **Promote time savings to customers**

DESCRIPTION: Travel time savings are difficult to perceive by customers. Promote the travel time savings both prior to and following construction.

ORIGINAL DESIGN (Description, sketch attached or drawing referenced):

Need for project is based on slow zones and travel time lost due to the slow zones. Without the project (or if the project construction staging required several years to remove the slow zones), this lost time will continue (and likely increase). Time savings is a major benefit of the track renewal.

ALTERNATE DESIGN (Description or sketch attached):

In addition to making the case for the project based on removal of slow zones, remind customers (during and after construction) of the time savings. Customers will need to be reminded why the "short term pain" of shuttles and transfers will result in a significant improvement in the near future.

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

Helps in the up-front campaign to seek acceptance of the proposed construction staging, and promotes CTA's image in ability to "deliver as promised."

DISADVANTAGES:

None seen.

DISCUSSION:

Would become part of Community and Government Affairs work scope in support of this project.

Summary
Estimated Capital Cost Change (+/-): None

Estimated Schedule Impacts (+/-): None

☒ **Accept for this project**
☐ **Accept with modifications**
☐ **For further study by project team**
☐ **Reject for this project**

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority* *Red Line Dan Ryan Reconstruction*	V.E. PROPOSAL NO.: 17
DATE: 12/14/2011	SUMMARY DESCRIPTION: Enlist business community champions.

DESCRIPTION:

CTA would work with local business leaders to promote the project. CTA, Government and Community Relations has an extensive list of business leaders and community groups within the project scope area.

ORIGINAL DESIGN (Description, sketch attached or drawing referenced):

ALTERNATE DESIGN (Description or sketch attached):

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

Engages the community; creates awareness.

DISADVANTAGES:

DISCUSSION:

Community groups have been involved in the past. Contacts are available. Enlisting business champions may be more difficult.

Summary

Estimated Capital Cost Change (+/-):

Estimated Schedule Impacts (+/-):

❒ Accept for this project

❒ Accept with modifications

☒ For further study by project team

❒ Reject for this project

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority* *Red Line Dan Ryan Reconstruction*	V.E. PROPOSAL NO.: 18
DATE: 12/14/2011	SUMMARY DESCRIPTION: Local hiring of community residents.

DESCRIPTION:
Work with the local elected officials to hire from within the community.

ORIGINAL DESIGN (Description, sketch attached or drawing referenced):

ALTERNATE DESIGN (Description or sketch attached):

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

CTA would be creating good will among the community by hiring from within.

DISADVANTAGES:

CTA does not do any of the hiring; this is done through the contractor. However, CTA could facilitate a "job fair" between the contractor and the elected official.

DISCUSSION:

Intent is to staff beyond just the construction needs (such as laborers, flaggers, etc.) Staff will be needed at shuttle boarding locations and the 63rd Street transfer area to direct customers to the proper shuttles and answer questions. Staffing will be required similar to the start-up of a new system – especially at the start of each line cut.

Summary
Estimated Capital Cost Change (+/-):

Estimated Schedule Impacts (+/-):

☒ **Accept for this project**
☐ **For further study by project team**
☐ **Accept with modifications**
☐ **Reject for this project**

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority* *Red Line Dan Ryan Reconstruction*	V.E. PROPOSAL NO.: 19
DATE: 12/14/2011	SUMMARY DESCRIPTION: Free Advertising/Coupons.

DESCRIPTION:
CTA to work with local business to provide coupons to commuters affected by the line cut. CTA would work with business development to offer free ad space on the bus and rail.

ORIGINAL DESIGN (Description, sketch attached or drawing referenced):

ALTERNATE DESIGN (Description or sketch attached):

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

Would provide commuters with discount coupons to local businesses that would "compensate" them for the inconvenience. CTA communications to lead this project.

DISADVANTAGES:

Staff time developing incentives and outreach.

DISCUSSION:

This is similar to what was done during Brown Line station construction. While the stations are in the center of the Dan Ryan Expressway (and not directly adjacent to businesses), business impacts will still likely occur.

Summary
Estimated Capital Cost Change (+/-):

Estimated Schedule Impacts (+/-):

❒ Accept for this project

❒ Accept with modifications

☒ For further study by project team

❒ Reject for this project

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority* *Red Line Dan Ryan Reconstruction*	V.E. PROPOSAL NO.: 20
DATE: 12/14/2011	SUMMARY DESCRIPTION: Coordination with Schools.

DESCRIPTION:
Especially between 95th and 63rd, high school students depend on CTA for transportation to and from school. Coordination with schools for the start of Phase 1 and at the beginning of the semester for Phase 2 will be needed.

ORIGINAL DESIGN (Description, sketch attached or drawing referenced):

ALTERNATE DESIGN (Description or sketch attached):

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

Improved coordination for the movement of students, especially during peak loading (typically occurring in September with the start of school).

DISADVANTAGES:

Staff time developing outreach.

DISCUSSION:

While "stepped up" communication would occur at the start-up of Phase 1 and 2, the fall semester would start after Phase 2 has started. A send round of increased passenger guidance and communication will likely be required.

Summary
Estimated Capital Cost Change (+/-):

Estimated Schedule Impacts (+/-):

❒ Accept for this project
❒ Accept with modifications
☒ For further study by project team
❒ Reject for this project

VALUE ENGINEERING

PROJECT: *Chicago Transit Authority* *Red Line Dan Ryan Reconstruction*	V.E. PROPOSAL NO.: 21
DATE: 12/14/2011	SUMMARY DESCRIPTION: Advanced Material Procurement for 63rd/Dan Ryan

DESCRIPTION: CTA would allow contractor to borrow materials to support start of work without potential for delays from not being able to procure materials.

ORIGINAL DESIGN (Description, sketch attached or drawing referenced):

- Since the track work at 63rd Street Station would need to start in 2012 in advance of the line cuts in 2013, there is substantial risk with regard to availability of track and ties between NTP and the start of this work. Delay of this advance work causes the end of project to slide into 2014.
- CTA would provide material for 5000 track feet of work at 63rd street station to support the line cuts.

ALTERNATE DESIGN (Description or sketch attached):

- CTA would provide material for 5000 track feet of work at 63rd street station to support the line cuts. This could be borrowed from existing inventory if available, or provided through an advance procurement contract.

ADVANTAGES (Capital Cost, Schedule, Risk, Operations, Maintenance, life-cycle cost, etc.):

Contractor would be able to start immediately without having to wait for material.

DISADVANTAGES:

- CTA stock may not be able to support buying extra material to support contractor starting early.
- CTA maintenance might not have sufficient material for normal maintenance activities.

DISCUSSION:

Summary

Estimated Capital Cost Change (+/-): Cost of advanced material order would be offset by decreased quantity in bid documents.

Estimated Schedule Impacts (+/-): Decreases the risk of schedule extension since work could begin in 2012 without material delivery delay.

❒ Accept for this project

❒ Accept with modifications

❒ For further study by project team

☒ Reject for this project

Appendix B – Safety Briefing Documentation

S3NA-210-FM Tailgate Safety Meeting Log

This sign-in log documents the topics of the tailgate safety briefing and individual attendance at the briefing. Personnel who perform work operations onsite are required to attend each safety briefing and acknowledge their ability to ask questions and receipt of such briefings daily. Please provide a brief narrative of the following topics as applicable to the Project.

Tom Williams (VE Facilitator)
Name of Meeting Leader

Signature

PROJECT NAME & LOCATION

CTA Red Line Dan Ryan Value Engineering, Red-Orange-Green Lines, Chicago, IL

PROJECT NO.	DATE/TIME	WEATHER CONDITIONS
60215563.2	December 8, 2011 - 10:45AM	Partly Cloudy, Dry, 33F, some windchill

TOPIC
Discussion – check one

Today's Scope of Work (All tasks)	☒ yes	☐ n/a	Access / Egress / Slips, Trips, & Falls	☒ yes	☐ n/a
Schedule / New Work / Scope Changes	☐ yes	☒ n/a	Smoking, Eating, & Drinking	☐ yes	☒ n/a
Reviewed Procedures, THA, etc.	☒ yes	☐ n/a	Washroom / Facilities Location	☐ yes	☒ n/a
Emergency Action Plan & Procedures	☒ yes	☐ n/a	Heat/Cold Stress	☒ yes	☐ n/a
Communications Protocol	☐ yes	☒ n/a	Exclusion Areas Barricades / Cones	☒ yes	☐ n/a
Required PPE	☒ yes	☐ n/a	Required Permits, Passes, Keys, etc.	☐ yes	☒ n/a
Required Monitoring / Instruments	☐ yes	☒ n/a	Decon Procedures / IDW Mgmt.	☐ yes	☒ n/a
Site Control / Work Zones / Security	☐ yes	☒ n/a	Eqpmt. Inspections/Safety Checklists	☐ yes	☒ n/a

COMMENTS/OTHER

Tailgate Meeting Attendees

Print Name	Signature
Additional Names/Signatures on Page 2	
JOHN BLUM	
Matthew Gibbs	
GREG DIETER	
Bill Witham	
Jeffrey Wilson	
Jon Czerwinski	
John Goodworth	
William Mooney	

SIX QUESTIONS FOR SUCCESS – As your final preparedness take two minutes to think through and answer these questions:

1. What are we about to do?	Review project area
2. What equipment are we going to use?	None, other than PPE (safety vests)
3. Have I/we been trained to use this equipment?	n/a
4. Have I/we been trained to do this job?	n/a
5. How can I/we be hurt?	Main danger is nearby traffic, potential for slip/trip, and cold exposure
6. How can I/we prevent this incident?	Use only station platforms and stairs normally available to the public, cross only at public crosswalks with signal

If you and your team aren't prepared to do the assigned work, STOP WORK, and take time to properly prepare.

END OF DAY SIGN-OFF:

Thomas V. Williams

Site Safety Officer Signature

☒ No Incidents Occurred Returned at 2:20pm

☐ Number of Near Misses/Observations Reported

☐ All Incidents Reported the Incident Reporting Line

LESSONS LEARNED/COMMENTS/OTHER

Comments: Do not enter rail ROW. Do not climb or enter any confined space. Stay with the group and remain only in publicly accessible areas such as station platforms, station stairs, and sidewalks.

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End of Value Engineering Report

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REVIEW OF PROJECT SCOPE
and
VALUE ADDED RECOMMENDATIONS

WILSON AVENUE TRANSFER STATION
CHICAGO TRANSIT AUTHORITY (CTA)

Northern Illinois Regional Transportation Authority (RTA)
Chicago, IL

FINAL REPORT

February 22, 2013
Revised: April 29, 2013

Prepared by:

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Executive Summary

Introduction

The Regional Transportation Authority (RTA) has asked its Project Management Oversight (PMO) contractor to review the proposed design of the Chicago Transit Authority (CTA) Wilson Avenue Transfer Station for issues related to its scope, construction, and cost with particular emphasis on observations that may add value to the project in the form of cost savings or improved design or functionality.

The project is to replace the existing Wilson Avenue Station with a modern station having two platforms, one for each direction, which can be used as a transfer point between the Purple Line express service and the Red Line local service. The terra cotta facades of two buildings under the structure will be preserved. The track alignment will be improved and bridges over existing streets will be replaced. Construction of the new station will progress in phases allowing Wilson Avenue Station to be active throughout the construction period.

Goals and Objectives

The goal of this review was to identify major scope elements that may be missing, scope elements that may not be properly coordinated, or elements that may cause issues for bidding or construction, including ideas for value added changes in scope. In this regard, the review is similar to a value engineering review in that the technical experts conducting the review have commented based on their experience with similar transit and heavy construction projects.

This review effort started with a site visit and workshop to identify topics for further review. The review team met with CTA twice more to discuss the work that was being done on the assigned tasks. Over the course of the review, the CTA design consultant delivered the 90% and 100% design submittals, which were considered in this report.

Results of the Study

The topics reviewed include issues related to:

- Constructability
- Safety
- Historical Preservation
- Maintainability

The scope items identified for further review were grouped into a review task; there are fourteen task items included in this report. These are summarized in Table 1 and described in more detail in Appendix A of the report.

Conclusions and Recommendations

Of the fourteen items reviewed, seven have been closed and seven remain open. Of the items that have been closed, two have been resolved, two were found not feasible by the review team, and three were found not feasible by CTA. The seven open items are being either investigated by CTA or are being incorporated into the design documents.

It is recommended that CTA incorporate their resolution of the seven open items into the final bid package prior to its advertisement in order to maximize the anticipated benefit from the recommendation.

The comments provided in this review are recommendations for project elements that should be investigated or addressed further by CTA and the Designer of Record (DoR). The recommendations are advisory in nature and are intended to point out areas where improvements may be possible or where problems might be avoided. However, ultimately CTA and the DoR remain responsible for all aspects of the construction documents. CTA expressed that ideas provided by the review team were beneficial to the project and that the contributions made by the team are appreciated by CTA.

Closure at Revision 1: All of the items proposed by the review team have been dispositioned and closed: two have been resolved, two were found not feasible by the review team, five were found not feasible by CTA and five of the ideas were incorporated into the bid documents in full or in part.

In particular, the recommendations resulted in revisiting and revising many structural steel connections and adding additional anti-graffiti and bird nuisance measures. As a result of the recommended detailed lead paint investigation, the lead abatement has been quantified so that both CTA and the bidders known the scope of abatement, which will lessen protective bidding or claims for lead abatement work during construction. Finally, the concern over constructing the station to meet accessibility requirements and accessibility related construction tolerances has been written into the bid documents to avoid mistakes in construction and rework after final acceptance.

Project Background

The Regional Transportation Authority (RTA) has asked its Project Management Oversight contractor (PMO) to review the proposed design of the Chicago Transit Authority (CTA) Wilson Avenue Transfer Station for issues related to its scope, construction, and cost with particular emphasis on observations that may add value to the project in the form of cost savings or improved design or functionality.

Project Description

The existing Wilson Avenue station is a local station on the CTA Red Line. When originally built, it was the terminal station for the elevated and is at the transition from the elevated structure to the embankment that begins north of Leland Avenue and continues to Howard Street. It has evolved from a three-track station to a four-track station with small platforms for the outside tracks that are no longer used. The current configuration is a local island platform on the elevated structure with the northbound express track on the outside of an unused elevated platform and the southbound express track on the concrete viaduct on the west side of the site connecting to a newer structure that brings the track up and onto the elevated structure. In addition, two buildings at the site have terra cotta facades that are to be preserved. One, the Gerber Building, had at one time been the entrance to the elevated station.

The project is to develop a new station with two island platforms, one for each direction, to serve as a transfer station between the express and local train services. The express service is the Purple Line that continues on the elevated to the Loop. The local service is the Red Line, which passes through the Loop area in the State Street Subway.

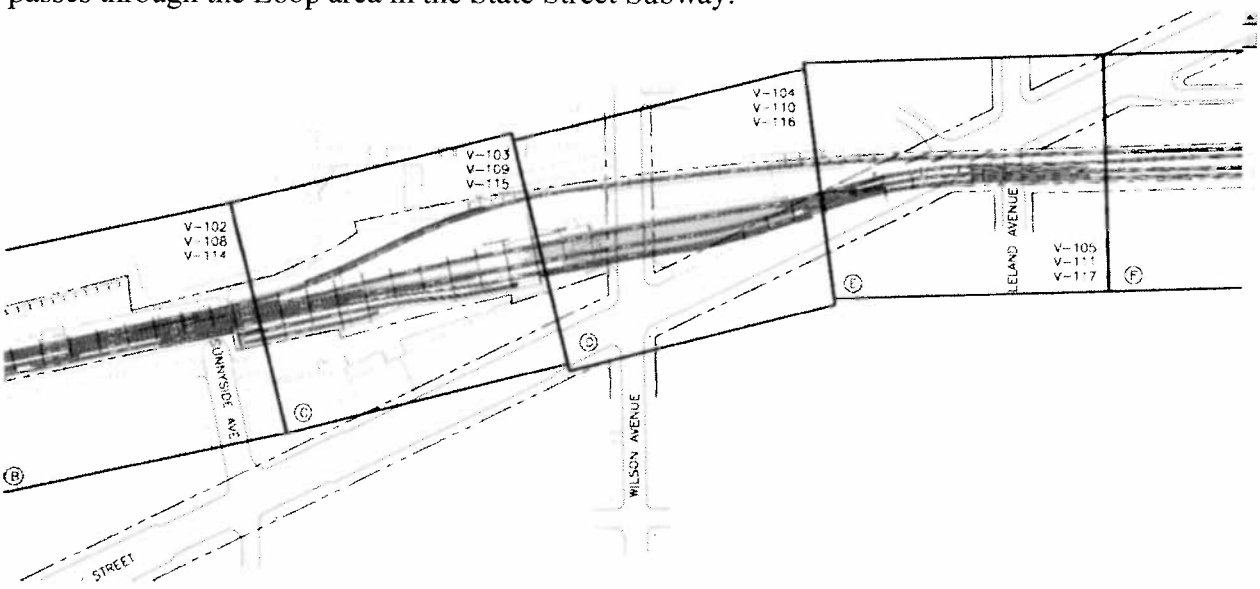

Figure 1 – Existing Project Map

The area around this station serves a developing retail commercial and entertainment district. It is bordered by Truman College on the west boundary of the site. The historic structures will be rebuilt or reconfigured. An entrance to the station will be developed at Sunnyside Avenue. The bridges crossing Broadway and Wilson Avenues will be replaced.

Project Development

Prior uses of the site have provided a wide right-of-way at Wilson Avenue. For this reason, CTA considers it feasible to proceed with phased construction that will demolish the existing viaduct south of Leland Avenue and to build the new station starting from that location. Construction will proceed in five phases, each separated by a reconfiguration of tracks and platforms.

Initial engineering work began in February 2012. The Designer of Record (DoR) submitted their initial design at the 30% level of completion was submitted on May 25, 2012. The 60% design submittal was delivered to CTA on August 17, 2012 and the 90% Progress design submittal was delivered on September 14, 2012. The 100% review set was delivered on December 12, 2012. CTA is anticipating completion and advertising of the final bid package in April 2013.

CTA has been working with the Illinois Historic Preservation Agency (IHPA), the State Historic Preservation Office (SHPO) for Chicago, and the local community. The Federal Transit Administration (FTA) working in conjunction with IHPA is reviewing this project for a determination under the National Environmental Protection Act (NEPA) requirements. CTA is expecting a Finding of No Significant Impact, called a FONSI, within the next few months (September or October 2013) which would allow construction of the project. Any project requirements resulting from the environmental review are not yet known; they would have to be incorporated into the completed design.

Methodology

The goal of this review is to identify major scope elements that may be missing, elements that may not be coordinated, or elements that may cause issues for bidding or construction. In this regard, it is similar to a value engineering review in that the technical experts conducting the review will comment based on their experience with similar transit and heavy construction projects.

The PMO assembled a team to perform this review; Appendix B provides information on the team members, their assignment, and their corporate affiliation. In addition, John Goodworth, Division Manager – Capital Oversight & Quality Assurance, and Jim Hickey, Program Manager – PMO, both of RTA, also actively contributed ideas and participated in the workshop and meeting discussions.

An initial review was done of design submittals to identify scope elements for CTA consideration. This was also done to familiarize the team with the project. The topics reviewed include issues related to:

- Constructability
- Safety
- Historical Preservation
- Maintainability

Following those reviews, a one-day workshop and site tour was scheduled to identify the tasks for review. Two discussion meetings were scheduled to follow the workshop meeting to discuss the team findings relative to each of the assigned tasks.

The comments provided in this review are recommendations for project elements that should be investigated or addressed further by CTA and the DoR. The recommendations are intended to point out areas where improvements may be possible or where problems might be avoided. As such, the comments and recommendations provided to RTA are advisory and the CTA and the Designer of Record are responsible for all aspects of the construction documents.

Value Added Enhancements

This report is based on a review of the design submittals by the DoR consisting of drawings, draft specifications, and a cost estimate. A preliminary review was conducted using the 30% design submittal as well as various studies and minutes of meetings during the preliminary development of the engineering design. A more detailed set of recommendations was provided based on the 60% design submittals; no site visits or observations of existing conditions were performed as part of these reviews.

On November 30, 2012, the RTA PMO met with CTA to develop a limited set of topics that would be further developed as value added enhancements to the Wilson Avenue Project. The review team made a site visit to the Wilson Avenue Station area to observe firsthand the conditions affecting constructability and architectural issues. At a workshop that followed, the team identified and discussed a list of eight items (Table 1, items 1 through 8). The workshop used the 90% Progress design submittal set (September 14, 2012) and additional structural, phasing, and architectural plans. Following the workshop two additional items (Table, 1 items 9 and 10) were added.

A presentation of the results of team's investigations was made on January 10, 2013. Two new items were introduced at this meeting that were complimentary to existing items (Table 1, items 3b and 4b); the existing items received a suffix of "a" (Table 1, items 3a and 4a). Following discussion at the meeting, items 2, 3a, 5, 6, 9, and 10 were closed.

A final meeting was held on February 6, 2013 to discuss all open items. Two additional items were added at the meeting as information (Table 1, items 9b and 11). As of February 22, 2013, seven task items remained open for CTA evaluation or handling. Even though the 100% design submittal had been received from the DoR, there was some time available for CTA to implement the recommended enhancements before preparation of the final bid documents.

Following the first publication of this report the seven remaining open items were closed. This report (April 29, 2013) summarizes all of the value added items that were reviewed and discussed at the workshop, in subsequent meetings, and in communication with CTA. Table 1 shows a summary of the task items and their resolution and status. Each task is described in further detail in Appendix A including listings of the advantages and disadvantages, cost estimate, where done, and a discussion of the outcome. Supporting documentation and tables are also provided.

Table 1 – Review of CTA Wilson Avenue Station Design for Value Added Enhancements

Task Number	Description	Status	Comments	Potential Cost / Cost Savings
1	Stringers: Look at the cost and other factors related to Fracture Critical Members (FCM). Compare 2 FCM stingers per track versus 3 non-critical members.	DoR has improved steel connections. Closed.	CTA has worked with the DoR to improve the column to bent connections.	---
2	Gerber Facade: Find out if there are any pieces of the Gerber Clock façade in the Signal Department Storeroom (Old Clifton Substation)	Visit completed. Closed.	No remaining terra cotta pieces found in Old Clifton Substation.	---
3a	Fill Material: Look at the cost and speed of construction using Foam Concrete or Expanded Polystyrene (EPS) Blocks for the Majestic Building fill.	Rejected by CTA. Closed.	EPS has not been tested on CTA. CTA Engineering is not comfortable using this material without a service test.	---
3b	Look at the cost of extending the structure to the existing abutment and constructing a shell building on the site of the Majestic Building.	CTA decision not to pursue. Closed.	Concept and estimate provided. CTA will evaluate proposed change.	($800,000)
4a	Bird Nuisance: Provide alternate ideas for bird posting control – knife edge, trip wire mesh, wash plate	CTA is actively following this issue. Closed.	CTA has directed DoR to review. DoR is adding additional measures.	---
4b	Look into using polycarbonate sheeting to fill canopy openings as a bird control measure.	New Task as of 1/10/2013. Reviewed. Closed.	Presented at 2/6/2013 meeting. Decision not to pursue.	$150,000
5	Stainless Steel: Look into the relative cost including fabrication and installation of stainless steel miscellaneous metals versus galvanized steel.	Closed.	PMO determined that this does not have a significant capital or operating cost differential.	---
6	Track 4 Structure: Look at the phasing plans to see if there is an alternative to erecting new structure to temporarily reroute Track 4.	Phasing plan adjusted to eliminate the need to realign Track 4. Closed.	Issue resolved between 90% and 100% drawing submittals.	---

Table 1 – Review of CTA Wilson Avenue Station Design for Value Added Enhancements (continued)

Task Number	Description	Status	Comments	Potential Cost / Cost Savings
7	Sacrificial Coatings: Investigate the use of sacrificial anti-graffiti coatings for glass, terra cotta, and metals	CTA has incorporated into bid documents. Closed.	There was initial concern over the effect of anti-graffiti coatings sealing the surface and causing freeze damage. CTA continuing to review breathable coatings and sacrificial film at elevators.	---
8	Lead Contamination: Work with CTA to check if the peeling paint on some columns is lead based.	Lead paint was identified on the structure; incorporated into specifications. Closed.	CTA is conducting additional lead screening at Wilson Avenue to better quantify lead mitigation for bid documents.	---
9	Police Booth: Investigate installing a police booth on one of the passenger platforms.	Rejected by CTA. Closed.	CTA Security and Chicago Police Department are working coordinating security efforts and the additional cost is not being considered at this time.	$21,000
9b	Passenger emergency "super stations"	CTA reports that the technology is very expensive and CTA is not set up for this technology. Closed.	New Task as of 2/6/2013. Recommendation for further CTA consideration; CTA will investigate options.	---
10	Ramp Screening: Investigate the use of less screening and better fencing at ramps.	Rejected by CTA. Closed.	CTA has concerns about changing a concept that has been accepted by the ADA community. Full screening also provides additional weather protection.	($118,000)

Table 1 – Review of CTA Wilson Avenue Station Design for Value Added Enhancements (continued)

Task Number	Description	Status	Comments	Potential Cost / Cost Savings
11	ADA Compliance: access routes and construction tolerances.	CTA has incorporated into bid documents. Closed.	New Task as of 2/6/2013. RTA discussed the experiences of other transit authorities when subjected to a detail compliance inspection for ADA compliance. Specification of allowable tolerances followed by construction inspection may avoid these issues. CTA will progress this issue.	---

Conclusion and Recommendations

February 22, 2013

Of the fourteen items reviewed, seven have been closed and seven remain open. Of the items that have been closed, two have been resolved, two were found not feasible by the review team, and three were found not feasible by CTA. The seven open items are being either investigated by CTA or are being incorporated into the design documents.

It is recommended that CTA incorporate their resolution of the seven open items into the final bid package prior to its advertisement in order to maximize the anticipated benefit from the recommendation.

CTA expressed that the effort and ideas provided by the review team were beneficial to the project and were appreciated by CTA. They thanked the team for its professionalism and RTA for bringing architects and engineers with extensive transit experience to review and contribute to the project.

April 29, 2013 at Revision 1

All of the items proposed by the review team have been dispositioned and closed:

- two have been resolved,
- two were found not feasible by the review team,
- five were found not feasible by CTA
- five were incorporated into the bid documents in full or in part.

Comments provided during the workshop and in the reviews, pointed to areas of concern, which if not rigorously vetted, may have resulted in design changes and extra payments to both the Designer of Record and the Contractor. The discussion of Fracture Critical Members and steel erection issues supported CTA's concerns with aspects of the steel design and phasing.

Discussion of phasing issues initiated revisions in the phasing plans including recognition of conflicts between the construction zone and the active tracks and the need to provide temporary structure and relocate track. At the urging of the review team, CTA completed a survey of the structure to positively identify areas for lead paint remediation paving the way for a more accurate contractor bid and fewer issues to resolve in the field or impact the project schedule.

Comments concerning architectural elements resulted in adding additional anti-graffiti and bird nuisance measures that will be able to reduce cleaning and maintenance costs over the life of the structure.

Based on their experience at other agencies, the review team expressed their concern for care in specifying and constructing the accessible areas of the station. In particular, dimensions and tolerances needed to address the Federal accessibility standards and to be expressed in such a way that the contractor and the resident inspectors could construct the accessible features with the specified requirements. It was also recommended that drawing show the accessible paths and document that the design meets the accessibility standards. Both of these recommendations are to avoid conditions that on inspection do not meet the accessibility standards and need to be

reconstructed to conform causing both additional cost and schedule delay to the project. CTA reports that these concerns have been addressed in the bid documents.

Appendices

Appendix A

TASK No. 1: Stringers: Look at the cost and other factors related to Fracture Critical Members (FCM).

Current Design Proposal: Three piece columns, some with ornamental plates on the exterior.

Recommendation: Further review of the developing design indicates that the FCM welding issue may not be a significant concern given that the plans appear to show minimum fillet welds (not full-penetration welds) for the girders and built-up columns. The 5/16" fillet welds shown on the drawings would be single-pass welds. However, it is not sure if there is a fatigue issue with the minimum welds for the built-up columns. The plans show 2-3/4" flanges welded to 1-3/4" webs with 5/16" fillet welds, which may be acceptable if the size of the plates is being driven by axial loads. However, if the columns are intended to be part of a rigid frame, it is possible that there would be significant flexure present in the columns. In this case it is possible that there is the potential for high stresses (and stress ranges) at the welds. (Based on review of 90% drawings.)

Advantages:

- Fracture Critical Members not used for a significant portion of the structure.

Disadvantages:

- Need to check for fatigue issues from column flexure.

Potential Cost or Cost Savings: not estimated.

Outcome: CTA has asked their design consultant to compare the use of two FCM stringers compared to three non-critical stringers. The structure is currently being reviewed for cost and constructability.

At each of the meetings discussion was not only on the topic of the FCM but also of the structural specification in general. CTA pursued the issues discussed at the meetings as well as their own observations with the DoR. As of this report CTA continues this work. Among the items brought forward by CTA was an improvement in the column to bent connections and a better specification for welding and inspection of FCM.

TASK No. 2: Gerber Facade: Find out if there are any pieces of the Gerber Clock façade in the Signal Department Storeroom (Old Clifton Substation).

Current Design Proposal: The arch over the original entrance is to be reconstructed in RFP (fiberglass) from available data and photographs.

Recommendation: The terra cotta blocks that were removed were reported to have been stored in the Old Clifton Substation. Visit the Old Clifton Substation to look for any remaining pieces of the Gerber Building facade.

Advantages:

- If terra cotta was found, the molds for the RFP elements could be made from the actual terra cotta elements without the research and mold making effort for new molds.

Disadvantages:

- Need to check for fatigue issues from column flexure.

Potential Cost or Cost Savings: not estimated.

Outcome: The site visit was made but it appears that the basement of the Old Clifton Substation was cleaned out several years ago to make room for additional signal equipment for on-going projects. No terra cotta elements were found.

TASK No. 3a: Fill Material: Look at the cost and speed of construction using Foam Concrete or Styrofoam Blocks for the Majestic Building fill.

Current Design Proposal: Standard compacted granular fill.

Recommendation: Investigate alternate fill techniques, such as polystyrene blocks or foam concrete, to speed construction and avoid settlement of new fill which will be approximately 20 feet in height.

The table below contains a brief comparison of some of the properties of EPS fill and foam concrete fill. The properties shown are the ranges seen in local projects and do not capture the full range of the material. EPS has been used to speed construction and control settlement on rail transit projects.

Advantages: see table below.

Disadvantages: see table below.

Potential Cost or Cost Savings: see table below.

	Expanded Polystyrene Fill (EPS)	Foam Concrete Fill	Compacted Granular Fill
Placement	Blocks	Poured in lifts	Placed in lifts
Density (pcf)	0.9 - 1.8	25 - 31	
Compressive Strength (psf)	520 - 1570 (1% deformation)	11,520 - 17,280 (28 days)	
Advantages:	• Fast placement • Lightweight • Lower water absorption	• Conforms to void • Higher Strength • Easily excavated	• Conforms to void • Easily excavated
Disadvantages:	• Gaps in odd-shaped voids • Vulnerable to solvents & insects • Complicates future excavation, if needed	• Slower placement • Can leak through gaps • Can foul subdrains • Potential freeze-thaw vulnerability	• Continues to compact over time • May require frequent track surfacing when new
Cost Range	$50 - $100 /cubic yard	$60 - $70 /cubic yard	

Outcome: CTA Engineering has no experience with these construction techniques and there has been no test of these materials on CTA. CTA Engineering is very reluctant to accept an unknown construction method at this location. CTA will not pursue.

TASK No. 3b: Leland Avenue Abutment: Look at the cost of extending the elevated structure to the existing abutment and constructing a shell building on the site of the Majestic Building.

Current Design Proposal: Construct an abutment to extend the existing walled fill structure to Leland Avenue and provide backing to support the reapplication of the terra cotta from the Majestic Menswear building.

Recommendation: Extend the elevated track structure by two additional bents to the existing abutment. Construct a shell building on the site of the Majestic Menswear building to support reapplication of the terra cotta facade reclaimed from the Majestic Menswear building.

On further investigation the PMO is recommending that the most cost effective method of building the shell building is to construct a walled enclosure to protect this area. The caissons for the new track construction would be installed at a better distance from the foundations of the existing adjacent building on Broadway. Only 4 caissons will be required as opposed to the proposed 45 caissons to support the proposed new abutment during its phased construction.

See the memo following this section for a full explanation.

Advantages:

- Construction cost reduction.
- Improved constructability
- Maintains plans to reapply the terra cotta from the Majestic Menswear facade.

Disadvantages:

- Design change from current 100% drawings.

Potential Cost or Cost Savings: ($800,000) including some contingencies but not including additional savings in general conditions, contractor overhead and profit, etc. and not including additional cost for design.

Outcome: CTA will pursue this concept with the DoR; CTA was particularly concerned about the possible constructability issue with the caissons adjacent to the existing building. CTA understands the concept of the open enclosure but is concerned with trash and other security issues. As they work on this issue they will investigate ways to enclose the structure and possibly put it to use for CTA support such as maintenance storage. This will decrease some of the savings but increase the overall benefit to CTA.

The final decision is that CTA will not pursue.

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MEMORANDUM

Date: January 28, 2013

To: John Lehman

From: Joseph M. Hoerner, AIA

Subject: Wilson Transfer Station Value Engineering Analysis

Elimination of new Embankment at Majestic Building

John,

Please find the enclosed draft rough order of magnitude analysis for the elimination of the new embankment and fill at the Majestic Building location replacing it with an elevated track structure. This value engineering item was discussed during the January 10, 2013 value engineering review meeting for the Wilson Transfer Station. Cotter was requested to develop a rough order of magnitude cost estimate for this value engineering item on January 23, 2013. Our analysis determined that a savings of approximately $800,000 could be realized if this value engineering item is implemented. We look forward to discussing this item with you in further detail.

(w) 312 696 1200 (f) 312 696 1222 COTTER CONSULTING, INC. 100 South Wacker Drive, Suite 920 Chicago, Illinois 60606 cotterconsulting.com

Elimination of New Embankment and Fill at the Majestic Building

Value Engineering Item: The 100% Submittal drawings include a new embankment located immediately north of Leland Avenue at the location of the existing Majestic Building. Currently there is an existing embankment north of the Majestic Building and the elevated track structure spans over the Majestic building. The plans currently include the demolition of the Majestic Building, demolition of the elevated track structure, replacing it with a new embankment and filling the area between the new embankment and the existing embankment and an at-grade track alignment. During our November 30, 2013 value engineering workshop and subsequent discussions, a concern was raised that there would be settlement of the fill and ballast in the area between the existing and new embankments. Some alternative fill materials were suggested to help prevent settlement of the fill and thus reducing the chance of changes to the vertical track alignment in this area. The CTA rejected the alternative fill materials but indicated that a new elevated track structure in lieu of the new embankment and fill could be considered.

If the elevated track structure value engineering alternative were implemented, an undesirable open space would be generated under the track structure surrounded by the backs of buildings and an alley. This undesirable open space could attract vagrants and suspicious activities. In order to prevent this undesirable open space, a building could be constructed in the area under the elevated track structure. However, the cost of a new building to comply with current zoning ordinances and codes would be costly. As an economical solution to closing off this undesirable area under the elevated track structure we suggest that it be fenced off or walled off. This will prevent people from getting in the area and will eliminate the need to construct a full building that would need to fully comply with all building codes and ordinances. Since fences can easily be compromised in areas that are hidden from view a CMU wall would be more durable than a fence.

The following list of elements identify the credits and adds to the 100% design drawings that would have to take place for the suggested value engineering change.

List of Elements to Credit from the 100% Design

- 45 Caissons
- Fill Material
- New Abutment and Wing Walls
- Approach Slabs
- Ballasted Track Construction

List of Elements to Add to the 100% Design

- 4 Caissons for Elevated Track Structure
- 4 Column Pedestals and 4 Track Structure Columns
- Steel Guideway Framing
- Existing Embankment Modifications
- Open Deck Track Construction
- Steel Inside Guard Rail
- Timber Walkway
- CMU Walls, Foundation Walls and Footings to enclose the area around the elevated structure and the gangway immediately south of the existing embankment.
- Metal Door to access the enclosed area and a pair of metal doors for the fire exit through the gangway from the building to the west.
- Storm Sewer System including two catch basins and sewer connected to existing combined sanitary storm sewer system in the street.

Rough Order of Magnitude Estimate

The following Rough Order of Magnitude Estimate identifies a range of cost savings that could be realized if this value engineering item is implemented. These costs only identify elements that change from the current 100% Submittal design. Elements that do not change from the current design such as the demolition of the Majestic Building, salvage and reinstallation of terra cotta and other work that will remain in either approach are not included in this Rough Order of Magnitude. Note that the costs identified below do not include any design fee and any changes to the general conditions, overhead, profit, etc.

Item	Low Range	High Range
Deleted Scope		
45 Caissons	$ (170,000.00)	$ (187,000.00)
Fill Material	$ (122,000.00)	$ (134,200.00)
New Abutment & Wingwalls - Concrete	$ (780,000.00)	$ (858,000.00)
New Abutment & Wingwalls - Reinforcement	$ (380,000.00)	$ (418,000.00)
Approach Slab (4)	$ (28,000.00)	$ (30,800.00)
Track Construction, Ballasted	$ (65,000.00)	$ (71,500.00)
Total Deletions	**$ (1,545,000.00)**	**$ (1,699,500.00)**
Added Scope		
Elevated Track		
4 Caissons	$ 95,000.00	$ 104,500.00
4 Column Pedestals	$ 9,000.00	$ 9,900.00
4 Steel Column	$ 117,000.00	$ 128,700.00
Steel Guideway Framing	$ 400,000.00	$ 440,000.00
Track Construction, Guard Rails & Walkways	$ 79,500.00	$ 87,500.00
Existing Embankment Modifications	$ 26,800.00	$ 29,500.00
Majestic Building		
CMU Walls and foundations	$ 51,600.00	$ 56,800.00
Architectural Element to supplement Terra Cotta	$ 4,800.00	$ 9,600.00
Exterior Metal Door & Double Door	$ 6,100.00	$ 6,700.00
Storm Sewer	$ 12,000.00	$ 13,200.00
Total Additions	**$ 801,800.00**	**$ 886,400.00**
Net Difference	**$ (743,200.00)**	**$ (813,100.00)**

TASK No. 4a: Bird Nuisance: Provide alternate ideas for bird posting control – knife edge, trip wire mesh, wash plate.

Current Design Proposal: Some bird control shown

Recommendation: Investigate alternative ideas for bird nuisance control. Investigate alternate methods to affix bird control without welding.

Comments on current drawings:

- Drawing A-510 shows the bird control wire installations to be located on top of the bottom flanges of the track deck steel girders/beams and on the canopy bent beams ("canopy branch").
- The width of the "canopy branch" shown on Detail 3/A-502 may require the use of two wires instead of one.
- An additional wire is also shown on Detail 10/A-502 on the top of the splice beam between the two platform canopies.
- Additional locations of bird control are likely to be required and should be detailed for inclusion in the bid documents. Several other types of bird control apparatus or methods may be required at various locations. These various additional locations may include: tops of elevator shafts, top of polycarbonate platform canopy roofs, edges of stair and ramp canopies, wind breaks, sound barriers, signs, Gerber Building façade elements and parapets, CCTV cameras, variable message signs, PA system speakers, telephone boxes, conduit runs, conduit and piping trapeze, fences, etc.

Alternative/supplemental bird control products and methods:

- Many options available, all without requiring welding. See attached matrix for details.
- Bird Barrier, Bird Master, and Bird Busters offer most products.
- Some methods have been known to only work for a short period, as birds become accustomed to them. These include visual deterrents and audible sounds.
- Most experts recommend a multi-pronged approach consisting of physical barriers, ultrasonic, and/or population control.

Advantages: see matrix table next page.

Disadvantages: see matrix table next page.

Potential Cost or Cost Savings: see matrix table next page.

Outcome: The design consultant is reviewing the documents and adding control-knife edges and additional bird control measures.

Wire type preventers are being included on some members. Knife edges are also being considered.

Additional bird control is incorporated into bid documents.

CTA Wilson Station Value Engineering

Bird Control Alternatives Analysis

Goal: Provide alternative ideas for bird posting control – knife edge, trip wire mesh wire plate, etc. Comment on methods to affix without welding.

The information below is not meant to be an exhaustive list or an endorsement of any particular coating or manufacturer.

Method	Description	Vendor(s)	Installation Method	Approximate cost	Pros	Cons	Additional Comments
Passive Systems - only minor upkeep anticipated after initial installation							
Spikes	Durable stainless steel spikes in Lexan base.	Bird Barrier, Bird Busters, Bird Master, & others	Base is glued or screwed to any surface	$4/LF plus labor			Most common application
Wire	A spring-tensioned wire system designed to create an unstable landing area.	Bird Barrier, Bird Busters, Bird Master, & others	Wire is attached to stainless steel posts and tensioned using springs	$2-3/LF when all accessories are considered, plus labor.	Relatively inexpensive	May need multiple wires based on width of beams	This is the proposed method shown in the plans.
Coil	Coil-shaped anti-perching system. Made of high-grade stainless steel.	Bird Barrier, Bird Busters, & others	Clips can be glued or screwed to mounting surface. Bird-Coil can be stapled to wood.	$3/LF plus labor	Relatively inexpensive		A middle ground between spikes and bird wire.
Netting	Install netting to prevent access	Bird Barrier, Bird Busters, Bird Master, & others	Netting attached to pre-installed cable system	$4/SF plus labor	Some types of netting are "virtually invisible" from the ground level	Large amout needed to ensure full coverage.	Used at some existing CTA stations.
Daddi Long Legs	Like spikes but curved and multi-pronged. For use in larger surface areas	Bird Barrier, Bird Busters, & others	Delrin base is screwed to surface, glue-on bases available	$50 each for a 3' radius	Large coverage area		Could be a good complementary system in certain areas.
BirdSlide	Angled material that birds cannot grip on to.	Bird Barrier, Bird Busters, & others	Base is glued or screwed to any surface	$6/LF plus labor	Possibly more visually appealing than other methods	Expensive	
Active Systems - require utility connections or regular labor assistance							
Electric Strips	Strips of material that produce a small shock	Bird Barrier, Bird Busters, Bird Master, & others	Glue to surface, connect to charger unit w/lead-out wire	$6/LF when all accessories are considered, plus labor.		Possible public safety issue. Investigate effect of stray current on electronic systems. Good for long runs but not shorter beams.	
Ultrasonic	Emits high-frequency noise to deter birds	Bird-X	Units installed manually (likely bolted to structure)	$800 for unit plus labor and all electrical costs.		Variable success rate.	
Chemical repellents	Gels or aerosol sprays to deter birds through scent/taste	Bird Barrier	Apply manually.	Gel: Approx $1/LF plus labor, plus reapplication costs		Potential environmental and health hazards. Should not be used on historic structures because of the potential of the oil based material leaching into masonry and visually disfiguring the structure. Labor intensive to clean and reapply. Low success rate.	
Population Control	Provide feed with birth control to reduce populations	Ovacontrol by Innolytics or Bird Barrier	Set up feeders by hand.	$200 per feeder + $8/day in feed (could lower as populations decline). Assume $2,500-$3,000/year in material plus labor costs to refill feeders.	Product won an award from the Humane Society and is a recommended practice	Potential public perception issue. Also, would still attract birds to area to feed, and is labor intensive.	Case study link

TASK No. 4b: Bird Nuisance: Look into using polycarbonate sheeting to fill canopy openings as a bird control measure.

Current Design Proposal: Triangular structure supporting the canopies is open and could be used as a perch by birds.

Recommendation: Look into using polycarbonate sheeting to fill canopy openings as a bird control measure.

Advantages:

- Effective at preventing bird perching.
- Could be developed as an architectural accent.

Disadvantages:

- Additional construction cost.
- May require anti-graffiti treatment.
- May require periodic cleaning or replacement.
- Design needs to consider condensation formation and insect infestation.
- Graffiti and maintenance issues with polycarbonate sheeting.

Potential Cost or Cost Savings: $150,000 installed base cost, without general conditions, escalation, or contingency.

Description	Qty.	Unit	Unit Price	Extended Amount	Comments
Lexan Panels - 48" x 96"	195	sheet	$532	$103,740	5 sheets at 38 locations and 5 sheets spare
Motor Freight Delivery	1	LS	$20	$2,500	
Stud Block	1558	LF	$2.00	$3116	Structural C-Stud 8" web x 10'
Snap Angle	1558	LF	$1.00	$1558	Continuous steel angle
Rubber Seal	1558	LF	$0.50	$779	Sheet stock
Fasteners	1	LS	$100	$100	Stud to beam anchors
Sealant	1	LS	$200	$200	Lexan butt joints and perimeter seal
Material Markup	5%		$3,590	$5,600	
Material Subtotal				**$117,593**	
Shop Labor	40	HR	$50.00	$,2000	Assume 5 days
Field Labor	200	HR	$136.00	$27,200	Glaziers - 2 man crew at $68/hr, 2013 Cook Cty Prevailing Wage. 1.5 col.-loc./day
Labor Markup	10%		$3,590	$2,920	
Labor Subtotal				**$32,120**	
Total				**$149,713**	

Outcome: A major concern, in addition to cost, is that the architectural concept of the space will be compromised. CTA and the architect working with the DoR are looking at options for bird roosting prevention in the canopy support members. The review team has withdrawn this concept from further consideration; closed.

TASK No. 5: Stainless Steel: Look into the relative cost including fabrication and installation of stainless steel miscellaneous metals versus galvanized steel.

Current Design Proposal: Galvanized steel; painted galvanized steel

Recommendation: Investigate stainless steel in lieu of galvanized steel for various walkways and miscellaneous metal items.

Advantages:

- No readily available cost information for painted/colorized galvanized steel, though manufacturers stress better life cycle costs.
- No clear information found on relative service life – stainless can last longer in some applications, galvanized in others.
    - Stainless seems to be more susceptible to wet and salty environments (so winter ice and salting could have an impact).
    - Coating galvanized steel is known as a "duplex system" and combines protection of painting with that of galvanizing. Proponents claim that this system provides corrosion protection for 1.5-2 times longer than painting or galvanizing alone.

Disadvantages:

- Stainless can be anywhere from 10% to 50% more expensive than galvanized. Price differences between stainless and galvanized steel can vary depending on application.

Potential Cost or Cost Savings: not estimated.

Product References:

- Colorgalv by Duncan Galvanizing
    - Over 80 colors available
    - 20-year warranty against rust
- Colorzinq by Voigt & Schweitzer
    - Applied via powder coat or two-part epoxy paint system
    - Used by Central Ohio Transit Authority for transit stations

Outcome: The PMO has determined that this suggestion does not have a significant capital or operating cost differential. Closed.

TASK No. 6: Track 4 Structure: Look at the phasing plans to see if there is an alternative to erecting new structure to temporarily reroute Track 4.

Current Design Proposal: At the 90% drawing submittal the staging drawings did not show the structure required to support temporary trackage during phase 3.

Recommendation: Investigate the use of additional existing structure that is not currently shown on the drawings.

Advantages:

- Less cost for temporary trackage
- Lower Phasing costs
- Quicker construction

Disadvantages:

- May involve closer clearances to operating tracks.

Potential Cost or Cost Savings: not estimated. Phasing has changed and the phasing plans shown in the 100% Progress drawing submittal do not require track relocation for phase 3.

Outcome: No further action required.

TASK No. 7: Sacrificial Coatings: Investigate the use of sacrificial anti-graffiti coatings for glass, terra cotta, and metals.

Current Design Proposal: Some features included in the current design.

Recommendation: Consider the use of anti-graffiti coatings to protect station surfaces especially for reclaimed terra cotta surfaces. Develop an anti-graffiti plan for application and maintenance of surface coatings.

There are three categories of anti-graffiti coatings. The matrix table provides details for several products of each category of coating

- Sacrificial – graffiti bonds to these materials. They are removed when the graffiti is removed and must be reapplied. Some water-base polysaccharide coatings and silicone-base coatings are water-vapor permeable and may be reapplied to the masonry surface immediately after removing graffiti, while the surface is still damp.
- Semi-Permanent – These coatings can withstand a small number of cleanings before reapplication.
- Permanent (non-sacrificial) – These coatings can survive many cleanings. Most prevent the adherence of paint to the surface and can be cleaned with simple methods.
- A combination of the sacrificial and non-sacrificial products can be installed for a more robust type of protection. First a water based acrylic sealer is applied to the masonry after which a sacrificial polyethylene wax emulsion is applied over the sealer. When graffiti is removed the wax emulsion is removed and reapplied.

The coatings listed in the matrix will apply to most materials. Other materials on the project that may require special attention are:

- Glass
    - In addition to paint, etching is another form of graffiti common for glass.
    - Paint and etching removable are possible without negative impact to the glass, as long as the etching is not deep.
    - Several coatings are available for glass (by 3M or others), but the CTA's use of perforated metal panels should act as a significant deterrent.
- Polycarbonate panels
    - Most panels can be manufactured with anti-graffiti coatings with similar performance to the permanent coatings noted above.

A long-term graffiti removal plan should be created by the designer so that the proper materials can be installed by the contractor and maintained by the CTA.

- The graffiti removal plan should identify each building material as acid-sensitive, non-acid sensitive or alkali-sensitive.
- Architectural glazed terra cotta and limestone are examples of acid-sensitive stones and unglazed architectural terra cotta is an example of non-acid sensitive stone. Indiana limestone is an example of alkali-sensitive stone.
- The use of wrong anti-graffiti coating or graffiti removal products that react with the acid-sensitive, non-acid sensitive or alkali-sensitive building products will create adverse effects on the building.

The graffiti removal plan should address the negative effects that a barrier system may have on the historic building.

- These negative effects may include discoloration of the masonry and a tendency to add a gloss.
- Another negative effect may include the reduction of water-vapor permeability of masonry depending on the product used.
- Another item to be considered is the fact that the invisible coating may discolor over time, so the extent of the coating should include the entire building or it should be terminated at changes in elevation or projection.

Most coatings will work on a wide range of materials, but careful attention must be given to historic structures (such as the Gerber Building) as yellowing/staining can occur to some degree with permanent coatings.

- The materials on the building should be identified for compatibility with anti-graffiti coatings.
- The glazed terra cotta, mortar joints, and the resin replication material all have different properties that may generate different reactions from the anti-graffiti coating.

Regardless of what anti-graffiti coating is used, an experimental test application should be tried first on a discreet area and evaluated over time. A variety of coatings should be tried in these test applications before determining which one should be used on the entire building.

Advantages: see table next page.

Disadvantages: see table next page.

Potential Cost or Cost Savings: see table next page.

Outcome: After the January 10 meeting, CTA had their design consultant review the documents for locations where using a sacrificial coating will have a useful life cycle cost. The consultants researched some of the recommendations and indicated that some testing needed to be done. Among their concerns were discoloration of the terra cotta and the sealing effect of the coating combining with water and freezing to spall the surface. Some of the terra cotta has been sent to a testing laboratory for investigation.

While these concerns are noted by the review team as well, there are some breathable coatings; however, the testing and detailed instructions are essential.

CTA will implement these coatings into the final design and believes there is a long term life cycle cost savings related to maintenance of the station with the use of these coatings.

The final outcome is that sacrificial films were added at elevators and Customer Agent booths. The Design Consultant does not recommend coating on terra cotta.

CTA Wilson Station Value Engineering
Graffiti Control alternatives analysis

Goal: Investigate the use of sacrificial anti-graffiti coatings for glass, terra cotta, and metals
ASTM D6578 can be used to evaluate performance of anti-graffiti coatings. Cleanability rated from Level 1 (dry cloth) to level 5 (methyl ethyl ketone) or "Not Cleanable"
The information below is not meant to be an exhaustive list or an endorsement of any particular coating or manufacturer.

Product	Vendor(s)	Substrate	Cleaning	Installation Method	Staining Potential	Approximate cost	Case Studies	Comments
Sacrificial Coatings - graffiti bonds to these and both are removed with a high pressure washer. Coating then needs to be re-applied.								
Vandtop	Rainguard	Most surfaces, including metal	Low pressure hot water	Brush, roll or spray applied	Low			North America's leading anti-graffiti coating manufacturer
GPC-108	SEI Chemical	Most surfaces, including metal	Hot water washing	Spray with conventional spray equipment	Low	$85/gallon		VOC and AQMD compliant and is environmentally friendly and non-toxic
Semi-Sacrificial (semi-permanent) Coatings - use graffiti removal solvent and high-pressure washer. Can survive multiple cleanings but not considered permanent.								
Protectosil Antigraffiti	Evonik Industries	Concrete, brick, terracotta, concrete masonry units and natural stone	Standard non hazardous cleaners and low-pressure water blasting	Brush or roll	Low	$125/gallon	Link	Ranked 1st in Harvard study; up to 10 cleanings before reapplication
Permanent Coatings - prevents paint adherence. Clean as indicated and do not reapply coating.								
GPA-300	SEI Chemical	Most surfaces, including metal	Dry paper towels, TWL-200 Graffiti Remover Towels, pressure washing under 1000psi, or any light alkaline or citrus cleaner.	Aerosol	Low	Approx $3/SF	Link	Highly recommended within industry; exceeded the requirements of ASTM D6578 Graffiti Resistance Test
Graffiti Guard	Syndyx	Most surfaces, including metal	Dry paper towels, TWL-200 Graffiti Remover Towels, pressure washing under 1000psi, or any light alkaline or citrus cleaner.	Aerosol	Low		ASTM results	Exceeds ASTM D6578 (level 1 or 2 performance for all tests)
Pro Industrial Anti-Graffiti Coating	Sherwin Williams	Most surfaces, including metal	Pressure washing or hand-wiping with water - no solvents needed	Brush, roll or spray applied	Low	Approx $1.5Q/SF		Product details specifically mention transit stations; moderate results in ASTM D6578 test
Blok-Guard	Prosoco	Porous surfaces (concrete and masonry).	Treat graffiti with Defacer Eraser® Graffiti Wipe	Brush, roll or spray applied		$50/gallon	Link	Available from most commercial construction suppliers
AntiGraffiti Guard Special Concrete	Guard Industry	Concrete & Terra Cotta	Use Graffiti cleaner (recommend GraffiGuard)	HVLP type spray gun recommended. Brush or roller also possible.	Possible			UK made; Can resist 30+ cleanings
Graffiti Removal/Cleaning Products								
Defacer Eraser Graffiti Wipe	Prosoco						Link	Ranked 1st in Harvard study
GraffiGuard 2060 Ecological	Guard Industry							UK made

Note that there are no active hyperlinks on this page.

TASK No. 8: Lead Contamination: Work with CTA to check if the peeling paint on some columns is lead based.

Current Design Proposal: The Technical Specification includes a notice that there may be lead in painted steel structure to be removed.

Recommendation: Conduct a more extensive investigation of the structure, especially of at the column with flaking paint, to determine the extent of possible lead contamination.

Advantages:

- May decrease bids if contractor have a better understanding of the extent of lead based painted structure.
- Moves lead based paint issues to pre-bid from construction period.
- Allows for better planning and scheduling of lead abatement activities and handling of waste materials and scrap steel.

Disadvantages:

- None known.

Potential Cost or Cost Savings: Not estimated.

Outcome: The existing painted steel structure was checked for lead contamination. Some lead contamination was found and marked. Lead abatement for painted structural steel has been added to the bid documents.

TASK No. 9: Police Booth: Investigate installing a police booth on one of the passenger platforms.

Current Design Proposal: Not included in current design.

Recommendation: Investigate the addition of a police kiosk to the platform level, to be used on an as-needed basis by Chicago Police Department, CTA, or other local security personnel. The design elements could include mirror glass to obscure presence/absence of police, monitors to view station security camera feeds, desk, phone, lighting, and space heater.

The Chicago Police Department should be consulted for any design recommendations/needs in order to make the kiosk more useful and appealing to officers. One or more parking spots could designated for police use only to further enhance impression of police presence.

Advantages:

- Introduces the possibility of continuous observation of behavior of persons on the platform and thereby acts as a crime deterrent.
- Provides for a convenient workspace for police officers assigned to CTA duties.

Disadvantages:

- Additional construction and maintenance cost.

Potential Cost or Cost Savings: $21,500 each installed base cost, without general conditions, escalation, or contingency.

Description	Qty.	Unit	Unit Price	Extended Amount	Comments
Pre-fabricated guard booth with included heat and air-conditioning	1	LS	$13,000	$13,000	Pricing is approximate. Available through many venDORs.
Mirror Glass storefront upgrade	60	SF	$20	$1,200	Assumed 3 windows plus door.
Furniture	1	LS	$750	$750	Allowance for Desk, cabinet, chairs, lamp, etc.
CCTV monitors and controls	1	LS	$3,000	$3,000	General allowance. Will depend on exact setup.
Installation, tax, etc.	20%		$3,590	$3,590	
Total				**$21,540**	

Outcome: CTA Security has reviewed the plans and is actively coordinating an effort with the local police district to reduce crime and negative activity in the area. The Chicago Police Department has requested additional cameras to monitor specific locations are prone to crime. CTA is also concerned about increased construction and maintenance costs. Rejected by CTA.

TASK No. 9b: Passenger emergency "super stations"

Current Design Proposal: CTA is providing emergency intercom stations at several locations on the platforms and in the station. These intercom stations report to the Customer Assistant (CA) at the station booth.

Recommendation: Enhanced passenger emergency intercom (PEI) stations should be installed at selected locations on the platform and in the station. These PEI stations could include not only audio communications but also video cameras and monitors to both see the conditions at the station but also to provide those at the station with the knowledge that they are being engaged by the emergency response center.

The cost and maintainability of these stations was discussed.

It was also discussed that the PEI stations should report to additional locations besides the CA booth in case the CA is assisting other customers. The additional locations could be CTA, Chicago Police, or Truman College Security.

Outcome: CTA will discuss these suggestions with their designers and the user departments.

CTA found that they are not set-up to utilized this technology and do not have the infrastructure to respond. Not accepted; closed.

TASK No. 10: Ramp Screening: Investigate the use of less screening and better fencing at ramps.

Current Design Proposal: CTA is providing ramps in partial compliance with Americans with Disabilities Act (ADA) access requirements. Full height screening on platform access ramps from the Sunnyside entrance.

Recommendation: Investigate cost savings potential by eliminating full-height security mesh at ramps and middle ramp roof canopy. Replace security mesh with guardrail along ramps (except for uppermost portion at grade with trains). Replace ornamental fence at grade with perimeter anti-climb fence. The middle ramp already is covered by the track deck so an additional canopy at this section is not needed. Light fixtures, CCTV cameras, PA system, and signage can be suspended from track deck. Note that this analysis considered only cost effects and not any security implications of either design.

Advantages:

- Lower construction cost.
- Less visually confining than full height barriers.

Disadvantages:

- Need to check security implications.

Potential Cost or Cost Savings: ($118,000)

Description	Qty.	Unit	Unit Price	Extended Amount	Comments
Remove ramp screening - 8 foot height	-5775	SF	$35	($202,125)	Did not eliminate quantity from uppermost section - may be needed for train protection. Pricing from 30% cost estimate.
Ramp screening - 42" height.	2500	SF	$35	$87,500	Net Deduction of $114,000 for screening material reduction.
Ramp canopy roof	-1200	SF	$7.34	($8,808)	Pricing from 30% cost estimate.
Proposed fence - 6 foot ornamental	-226	LF	$60	($13,560)	Fence detail on A-201. Pricing is approximate.
Anti-climb fencing 8 foot height	250	LF	$75	$18,750	Follows same layout as ornamental fence except to accommodate south ramp. Pricing is approximate.
Total				**($118,243)**	

Outcome: CTA has concerns about changing a concept that has been accepted by the ADA community. CTA notes that in their experience full screening also provides additional weather protection.

The final decision is that elimination of screens will require additional snow removal and increase the potential for passenger claims from falls in bad weather.

TASK No. 11: ADA Compliance: access routes and construction tolerances.

Current Design Proposal: The design for the Wilson Avenue Station is being prepared to comply with ADA access requirements. Various construction tolerances are provided on the drawings and in the technical specifications.

Recommendation: Members of the team have observed that recently several transit agencies have had constructed facilities inspected by FTA or others and were found not in compliance with ADA standards. The ADA standards are very specific as to maximum grades in ramps and curb cuts and to crosslevel on sidewalks and platforms. In some cases it was found that the ramps or sidewalks were not constructed to the dimensions on the drawings or that the tolerances of the specifications allowed conditions that were in excess of those allowed under ADA regulations. In the cases where the construction did not meet the ADA regulations, the non-compliant areas needed to be removed and reconstructed in compliance with ADA regulations at a high cost to either the contractor or more often to the transit agency.

The recommendation is in two parts: design and dimensioning station features to specifically comply with ADA requirements, and manage construction inspection to check on the critical dimensions shown on the drawings.

The first item includes enhancing the design drawing to include, for example, coordinates and elevations of inflection points in a ramp to ensure that the ramp does not exceed the allowable grade. What is to be avoided is reliance on drawing notes or general statements in the specification regarding adherence to ADA requirements. It was also recommended that the ADA access routes be specifically shown on the drawings so that the designer's intent is specifically presented in the case of a compliance inspection.

During the construction phase, the additional drawing detail will be available to the construction crew and will also be available for the construction inspector to verify before acceptance of the completed work. The goal is to prevent the construction of non-compliant elements of the station construction.

Outcome: This issue was raised and discussed at the last meeting. CTA understands the team's concerns and will work with the DoR and later with the Construction Manager to ensure that both the design and the installation conform in detail to ADA requirements.

The DoR has double checked all accessible paths contained in the design. CTA reports that this information is incorporated into the bid documents.

Appendix B – Review Team

PMO Team Member	Organization / Contact Info	Technical Assignment
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Value Engineering For Transportation Improvements

Healy Station and Bridge Improvements

30% Value Engineering Study Report

Study Dates: February 15 – 29, 2012

Richard L. Johnson, CVS No. 20030201, PE No. 38681

Date: March 23, 2012

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EXECUTIVE SUMMARY 1

1.1 INTRODUCTION

A Value Engineering (VE) Study was conducted February 15 – 29, 2012 using the VE methodology to improve the 30% Design for the Healy Station and Bridge Improvements project that consists of reconstruction of the inbound and outbound stations, repainting of the bridge over Fullerton Avenue, removing the platform to platform crossover and reconstruction of the platform at the crossover. The location of Healy Station is shown in **Figure 1.1 – 1 Project Location Map**.

Table 1.1-1 30% Opinion of Construction Cost shows the 30% opinion of cost that included preliminary construction costs for the Station buildings, ramps, platform and bridge work. The estimate is $2.67 million for this work that includes a new architectural theme to provide glazed curtain wall to enhance aesthetics and provide better visibility into and from the stations. This estimate did not include costs for utility relocations, potential contamination cleanup, Construction Engineering and Inspection (CEI), or any other potential costs. Construction is programmed to begin as early as 2012. There is no additional right of way required for the project unless an alternate bid item for a vendor building is accepted on the inbound side of the project. On the outbound side an adjacent property owner has encroached into the right of way with a fence and concrete pavement for his business operations. Metra will have to reclaim the right of way as needed but will try to minimize the impact the business operations

Figure 1.1 – 1 Project Location Map

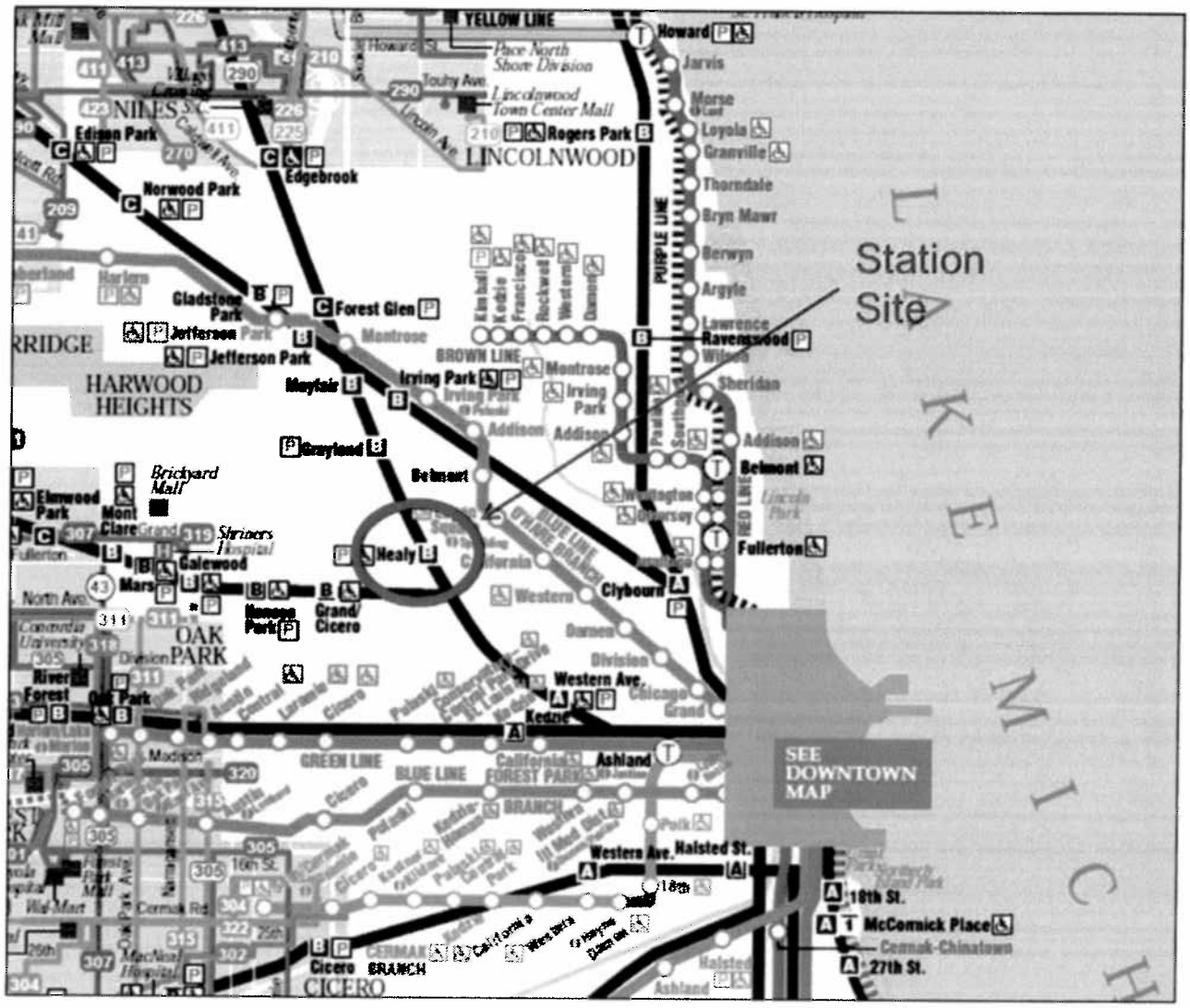


Table 1.1 – 1

30% Opinion of Cost Summary

Metra - Healy:			
4014 W. Fullerton Ave.; Chicago, IL 60639			
Project #: 4471	Contract #: K14797	Specification #:	Task #: 1
30% Opinion of Cost - January 6, 2012			
Station Buildings, Ramps, Platform and Bridge Work			

Item #	Section #	Description	Subs Total Incl. O&P
1	Division 1	General Requirements	
2		See below subtotal line for Division 1 cost	
3	Division 2	Site Construction	
19			$525,314.64
20	Division 3	Concrete	
32			$772,236.58
35	Division 5	Metals	
39			$166,525.50
40	Division 6	Wood and Plastics	
41		Miscelaneous carpentry Including temp barriers	$45,000.00
42			
43	Division 7	Thermal and Moisture Protection	
46			$154,036.00
47	Division 8	Doors and Windows	
52			$244,124.00
53	Division 9	Finishes	
56			$8,128.00
57	Division 10	Specialties	
60			$23,925.00
63	Division 12	Furnishings	
64		Salt Boxes	$1,800.00
65			
70	Division 15	Mechanical	
111			$90,111.72
112	Division 16	Electrical	
151			$77,581.60
		Subtotals	$2,108,783.04
		General Contractors Costs	
	00700	General Conditions	$42,175.66
	01120	Mobilization	$84,351.32
	00100	Insurance and Bonding	$42,175.66
	00100	Overhead and Profit	$210,878.30
		Unforseen Conditions	$168,702.64
		Railroad flagmen - by Metra (excluded)	
		TOTAL	$2,657,066.63

Reference: Muller + Muller 30% Opinion of Cost, provided February 14, 2012

1.2 GOALS AND OBJECTIVES

The objective of the study was to identify opportunities and recommend concepts that may improve value in terms of capital cost improvements, improved constructability, and provide the basic functional requirements of the project. This report documents the value engineering analysis performed to support decisions related to the planned project concepts. Additionally, it includes other data related to the 30% Design Drawings (54 sheets) prepared by Muller+Muller, Architects.

Although several pre-existing conditions were stated during the initial briefing at the beginning of the VE study, some of the major project constraints identified were as follows:

- The architectural theme and glazing concept must remain
- Need to resolve an encroachment by an adjacent property owner on the eastside (outbound) so as not to excessively impact his business operation

The basic project functions are to improve the access, safety, security and shelters at the station. The intent is to also remove the at-grade crossover and rehabilitate the station platforms, passenger shelter areas and provide full ADA access to both sides. As shown in **Section 5**, the Functional Analysis System Techniques (FAST) Diagram illustrates the functions as determined by the VE team.

1.3 RESULTS OF THE STUDY

The VE Team initially generated 19 ideas of which four were determined to be design suggestions during the Creative Ideas phase of the VE Job Plan. The ideas were evaluated based on the evaluation criteria for this project. The object of the evaluation was to identify ideas with the most promise to achieve savings while preserving functions or improving maintenance and/or life cycle costs.

The team began the evaluation process of scoring the 30% Design Documents and the individual creative ideas. During this process it was agreed that we had various ideas for both of the stations and certain ideas having the greatest potential for value improvement were carried forward for further development. The remaining ideas either became design suggestions or were eliminated as duplicate, not appropriate or improbable for acceptance. The VE team ultimately categorized eight of the ideas as recommendations for the designers to consider. The developed ideas maintain the required functions while improving overall costs, constructability, improving maintenance, and meeting current and projected passenger movements. The ideas and how they rated on a weighted scoring evaluation are listed in the table in **Section 6**. Those ideas that were eliminated are shown with strikeout font.

The VE Team presented design suggestions for Metra's consideration and they are shown in **Section 6**. No specific action is normally required to accept or not accept the suggestions. It is helpful, for documentation purposes, to list those suggestions that will be acted upon by the Metra.

The VE team strongly recommends that the mechanical/electrical room be moved from its current design location to an acceptable location as far from the tracks as reasonable to eliminate the amount of sheet piling that is currently required to construct the room as currently proposed. If all other recommendations are not approved the project will definitely benefit from moving the mechanical/electrical room as far east as possible and eliminating deep excavation, deep foundations, and porous granular backfill.

1.4 RECOMMENDED ALTERNATIVES

The recommendations for further consideration are shown in **Table 1.4-1, Summary of Highest Rated Recommendations.** Potential cost savings are shown in present day dollars.

The proposed recommendations in the following table indicate the anticipated initial capital cost. Acceptance of these recommendations may improve the value and if accepted by Metra they may be incorporated in the design of the facility. These recommendations appear to be the most cost effective way to provide the required functions. Some of the recommendations can be taken with others, while others cannot.

The recommendations developed by the study team will directly affect the existing project design. The recommended alternatives have been presented to Metra, and no fatal flaws with the proposed recommendations were indicated at the presentation. It is understood that further analysis of these recommendations may be

needed in order to make a final decision to accept them. The Metra will determine the acceptability of each recommendation. Each recommendation may be implemented individually or partially.

1.5 MANAGEMENT ACCEPTANCE & IMPLEMENTATION

Management action on each of the recommendations taken at the subsequent resolution meeting will be included in **Table 1.4 – 1** in the "Management Action" column. The Metra design project manager must ensure that all accepted recommendations are implemented and all pending actions are resolved for inclusion in the project design. Close coordination with the Metra project manager and the design consultant is encouraged to insure timely resolution of management action.

TABLE 1.4 – 1
SUMMARY OF HIGHEST RATED RECOMMENDATIONS

		PRESENT WORTH (PW) OF COST (FUTURE COST)			
Rec. No.	**Description**	**Management Action**	**Comments**	**Potential Cost Savings/Non-Overlapped Savings**	
1	On the outbound instead of the long extended ramp serpentine ramp adjacent to the loggia			$33,000	$33,000
2	On the outbound shelter relocate it to the top of the stairs in what is the loggia area			$38,000	
3	On the outbound station, relocate the shelter [to the loggia area, the equipment room to the area under the loggia or along the north wall of waiting area below the platform, and reduce the loggia footprint by extending the width of the platform to eliminate sheet piles			$351,000	$351,000
4	On the inbound station keep the existing shelter area footprint, remove the structure above the floor slab, refurbish slab and foundation and build new design enclosure			$39,000	$39,000
6	Reduce the size of the outbound waiting area to 300 SF (221.88 + 78 SF)			$23,000	$23,000
7	On the outbound station keep the shelter as designed and relocate the equipment room to the north end of loggia below the platform level and reduce the sheet piling			$313,000	
8	On the outbound station keep the stairs and first landing and build new stairs extension to the loggia area			$6,000	$6,000
16	On the outbound station instead of the long extended ramp serpentine the ramp adjacent to the loggia, locate the shelter in the loggia area and provide a breezeway under roof to the platform in front of the shelter area and locate the boiler/mechanical room under the new shelter area and serpentine the ramp adjacent to the relocated new shelter			$392,000	

Management Action Legend: A=Approved, NA=Not Accepted, FS=Further Study

VALUE ENGINEERING METHODOLOGY 2

2.1 GENERAL

This section describes the value analysis procedure used during the VE study. A systematic approach was used in the VE study and the key procedures involved were organized into three distinct parts: 1) pre-study preparations, 2) VE workshop study, and 3) post-study.

2.2 PRE-STUDY PREPARATIONS

Pre-study preparations for the VE effort consisted of scheduling study participants and tasks; reviews of documents; gathering necessary background information on the project; and compiling project data into a cost model. Information relating to the design, construction, and operation of the facility is important as it forms the basis of comparison for the study effort. Information relating to funding, project planning, operating needs, systems evaluations, basis of cost, production scheduling, and construction of the facility was also a part of the analysis.

2.3 VE WORKSHOP STUDY

During the four-day workshop, the VE job plan was followed. The job plan guided the search for high value areas in the project and included procedures for developing alternative solutions for consideration while at the same time considering efficiency. It includes these phases:

- Information Phase
- Function Identification and Cost Analysis Phase
- Creative Phase
- Evaluation Phase
- Development Phase
- Presentation and Reporting Phase

2.3.1 Information Phase

At the beginning of the study, the conditions and decisions that have influenced the development of the project must be reviewed and understood. For this reason, the design consultant project manager provided design information about the project to the VE team. Following the presentation, the VE team discussed the project using the documents listed in **Section 3.3**.

2.3.2 Function Identification and Cost Analysis Phase

Based on the Muller+Muller 30% opinion of cost and the statewide historical and background data a cost model was developed for this project organized by major construction elements. It was used to distribute costs by project element in order to serve as a basis for alternative functional categorization. Worth was determined using the similar projects to determine where worth is the least cost to provide the required functions as determined by the VE team. The VE team identified the functions of the various project elements and subsystems and created a Function Analysis System Technique (FAST) Diagram to display the relationships of the functions.

2.3.3 Creative Phase

This VE study phase involved the creation and listing of ideas. During this phase, the VE team developed as many ideas as possible to provide a creative atmosphere and to help team members to "think outside the box". Judgment of the ideas was restricted at this point to insure vocal critics did not inhibit creativity. The VE team was looking for a large quantity of ideas and association of ideas.

The Metra and the design team may wish to review the creative design suggestions that are listed in **Section 6**, because they may contain ideas, which can be further evaluated for potential use in the design.

2.3.4 Evaluation Phase

During this phase of the workshop, the VE Team judged the ideas generated during the creative phase. Advantages and disadvantages of each idea were discussed and a matrix was developed to help determine the highest-ranking ideas. Ideas found to be irrelevant or not worthy of additional study were discarded. Those that represented the greatest potential for cost savings or improvement to the project were "carried forward" for further development.

The creative listing was re-evaluated frequently during the process of developing ideas. As the relationship between creative ideas became more clearly defined, their importance and ratings may have changed, or they may have been combined into a single idea. For these reasons, some of the originally high-rated ideas may not have been developed.

2.3.5 Development Phase

During the development phase, each highly rated idea was expanded into a workable solution. The development consisted of a description of the idea, life cycle cost comparisons, where applicable, and a descriptive evaluation of the advantages and disadvantages of the proposed ideas. Each idea was written with a brief narrative to compare the original design to the proposed change. Sketches and design calculations, where appropriate, were also prepared in this part of the study. The developed VE ideas are summarized in the section entitled **Section 7 – Recommendations**.

2.4 POST STUDY

The post-study portion of the VE study includes the draft and final preparation of this 30%*Value Engineering Study Report* and the discussions and resolution meetings with Metra personnel. The Metra management team should analyze each VE alternative/recommendation and prepare short responses recommending incorporating the recommendations into the project, offering modifications before implementation, or presenting reasons for rejection. The VE team is available for consultation after the ideas are reviewed. Please do not hesitate to call on us for clarification or further information for considerations to implement any of the presented ideas.

2.4.1 Presentation and Reporting Phase

The final phase of the VE Study began with the presentation of the ideas on the last day of the VE Study. The VE team screened the VE ideas before draft copies of the report were prepared. The initial VE ideas were arranged in the order indicated to facilitate cross-referencing to the final recommendations for revision to the contract documents.

2.4.2 Final Report

The acceptance or rejection of ideas described in this report is subject to Metra's review and approval. The VE team is available to address any final draft report comments for incorporation into the final report.

WORKSHOP PARTICIPANTS AND PROJECT INFORMATION 3

3.1 PARTICIPANTS

Representatives from Metra and Regional Transportation Authority (RTA) presented an overview of the project on February 15, 2012. The purpose of this meeting was to acquaint the study team with the overall project and outline the main VE study focus areas.

The VE team leader also reviewed and explained the VE study agenda. He acquainted the team with the goals for the study that would be applied to improve the project. The study team included the following individuals who participated in the study:

Participant Name	Role	Affiliation
Tarek Baghet	Construction	PMA Consultants LLC
Kim Fish, PE	Project Management	PMA Consultants LLC
Rick Johnson, PE, CVS	Team Leader	PMA Consultants LLC

3.2 PROJECT INFORMATION

The purpose of the project orientation meeting on February 15, 2012, in addition to being an integral part of the *Information Gathering Phase* of the VE study, was to bring the VE team "up-to-speed" regarding the overall project scope.

3.3 LIST OF VE STUDY MATERIAL REVIEWED

Prepared by Muller+Muller, Architects

DOCUMENTS TITLE	DATE
1. Healy Station and Bridge Improvements, Issued for 30%	Undated
2. Metra Healy: 30% Opinion of Cost	January 6, 2012

BOARDS

1. Station Artistic Rendering	Undated

3.4 SUMMARY OF GENERAL PROJECT INPUT - OBJECTIVES, POLICIES, DIRECTIVES, CONSTRAINTS, CONDITIONS & CONSIDERATIONS

The following is a summary of general project input, including the goals, objectives, directives, policies, constraints, conditions and considerations presented to the study team. Representatives from the Metra and the design team provided a project background on the first day of the study.

3.4.1 Project Functions, Goals & Objectives (what the project should do as determined at the kickoff meeting and subsequent Workshops):

1. Rehabilitate Station
2. Stage Passengers
3. Construct Project
4. Let Contract
5. Secure Funds
6. Permit Project
7. Design Project
8. Recommend Alternatives
9. Study Alternatives
10. Improve Access
11. Improve Platforms
12. Upgrade Shelters
13. Remove Crossovers
14. Provide ADA Access
15. Maintain Traffic
16. Inspect Work

These functions were used by the VE team to create/brainstorm new ideas for potential improvement to the project.

3.4.2 Project Policies & Directives: (documented things the project must or must not do)

1. The project shall meet economic, engineering design, environmental and social/cultural criteria requirements
2. Meet the goals of the Regional Transportation Authority, Metra and coordinate design with the City codes and standards
3. Coordinate with neighborhood and local representatives to communicate the planned improvements.

3.4.3 General Project Constraints: (unchangeable project restrictions)

1. The architectural theme and glazing concept must remain
2. Need to resolve an encroachment by an adjacent property owner on the eastside (outbound) so as not to excessively impact his business operation

3.4.4 General Project Conditions & Considerations:

Refer to the documents, report, and backup documentation prepared by the consultants.

3.4.4 Site Review Comments and Other Observations:

1. Property owner on the east (outbound) has a fence and pavement for material storage and vehicle circulation for his operation on Metra right of way
2. Embankment is steep on both sides of tracks
3. There is an existing retaining wall in good condition at the outbound station stairway area
4. The bridge abutments are in need of repair and cosmetics (rust stains)
5. The inbound station foundations appear sound and in reasonably good condition
6. The outbound platform grade visually appears to be out of specifications for ADA standards (need to verify grade or correct)
7. The inbound shelter is larger than the outbound shelter

TABLE 6.1 ECONOMIC DATA

The Study team developed economic criteria used for evaluation with information gathered from Muller+Muller, Architects. To express costs in a meaningful manner, the cost comparisons associated with alternatives are presented on the basis of total Life Cycle Cost and discounted present worth. Project period interest rates are based on the following parameters:

Year of Analysis:	2012
	Economic Planning Life: 30 years starting after letting date
Discount Rate/Interest:	5.00%
Inflation/Escalation Rate:	3.00%

The 30% Opinion of cost was used by the team for the major construction items. Quantities and unit prices were assumed to be reasonable and were used for the basis of comparison of recommendation changes in work. The VE team noted that the General Contractor Costs markup of 10% seems low, but recent historical data was not crosschecked to verify.

Table 4.1 – 1
30% Opinion of Cost

Metra - Healy:									
4014 W. Fullerton Ave.; Chicago, IL 60639									
Project #: 4471 Contract #: K14797 Specification #: Task #: 1									
30% Opinion of Cost - January 6, 2012									
Station Buildings, Ramps, Platform and Bridge Work									
Item #	Section #	Description	Qty	Unit	Bare Mat.	Bare Labor	Bare Equip.	Subs Total Incl. O&P	Unit Cost
1	Division 1	General Requirements							
2		See below subtotal line for Division 1 cost							
3	Division 2	Site Construction							
4		Demolition of building striuctures at platform level	1	LS	0.00	30,000.00	20,000.00	$50,000.00	$50,000.00
5		Platform Removal	250	SY	0.00	35.00	10.00	$11,250.00	$45.00
6		Crossing Removal	1	LS	0.00	2,000.00	500.00	$2,500.00	$2,500.00
7		Fence Removal	70	LF	0.00	12.00	3.00	$1,050.00	$15.00
8		Bituminous Concrete Platform	2075	SF	50.00	30.00	0.00	$166,000.00	$80.00
9		Concrete Pads	48	SF	10.00	10.00	0.00	$960.00	$20.00
10		Chain Link Fence, 4'	70	LF	12.00	8.00	0.00	$1,400.00	$20.00
11		Intertrack Fence	14	LF	35.00	15.00	0.00	$700.00	$50.00
12		Trench Drain	50	LF	30.00	30.00	0.00	$3,000.00	$60.00
13		Storm Sewers, Dip 6" Class 50	251	LF	12.00	13.00	0.00	$6,275.00	$25.00
14		Connection to City Sewer	2	EA	7,500.00	7,500.00	0.00	$30,000.00	$15,000.00
15		Steel Sheet Piling	1	LS	33,000.00	40,000.00	50,000.00	$123,000.00	$123,000.00
16		Excavating For Structures (Specia	1095	CY	25.00	30.00	25.00	$87,616.29	$80.00
17		Porous Granular Backfill	351	CY	30.00	40.00	20.00	$31,563.35	$90.00
18		Site Restoration	1	LS	2,500.00	7,500.00	0.00	$10,000.00	$10,000.00
19									
20	Division 3	Concrete							
21		Precast concrete curbs at building enclosures	289	LF	25.00	40.00	0.00	$18,785.00	$65.00
22		Cast-In-Place Concrete	272	CY	350.00	250.00	100.00	$190,216.08	$700.00
23		Concrete Reinforcement	40761	LBS	0.75	0.75	0.00	$61,140.88	$1.50
24		Underdrain System (Pipe Underdrains For Structures, 6")	288	LF	15.00	15.00	0.00	$8,635.20	$30.00
25		Concrete Waterproofing	2720	SF	7.00	3.00	0.00	$27,202.61	$10.00
26		Concrete Coating	304	SY	3.00	2.00	0.00	$1,520.00	$5.00
27		Anti-Graffiti Coating	2282	SF	2.50	1.50	0.00	$9,128.00	$4.00
28		Cleaning And Painting Existing Steel Structure	1	LS	80,000.00	206,000.00	60,000.00	$346,000.00	$346,000.00
29		Drilled Shaft Foundation	36	CY	600.00	900.00	500.00	$72,754.37	$2,000.00
30		Structural Repair Of Concrete	1	LS	4,000.00	13,000.00	3,000.00	$20,000.00	$20,000.00
31		Light Weight Cellular Concrete	56	CY	150.00	100.00	50.00	$16,854.44	$300.00
32									
33	Division 4	Masonry							
34		NA							
35	Division 5	Metals							
36		Remove existing guardrail/handrail	105	LF	0.00	3.00	0.10	$325.50	$3.10
37		New galvanized guardrail/handrail	540	LF	50.00	30.00	0.00	$43,200.00	$80.00
38		Structural Steel Fabrications	1	LS	50,000.00	50,000.00	23,000.00	$123,000.00	$123,000.00
39									
40	Division 6	Wood and Plastics							
41		Miscelaneous carpentry Including temp barriers	1	LS	15,000.00	30,000.00	0.00	$45,000.00	$45,000.00
42									
43	Division 7	Thermal and Moisture Protection							
44		Structural standing seam	3947	SF	24.00	14.00	0.00	$149,986.00	$38.00
45		Gutters and downspouts	270	LF	9.00	6.00	0.00	$4,050.00	$15.00

47	**Division 8**	**Doors and Windows**							
48		Curtainwall	2127	SF	27.00	40.00	0.00	$142,509.00	$67.00
49		Polycarbonate glazing panels, abrasion resistant UV stableized	2127	SF	30.00	15.00	0.00	$95,715.00	$45.00
50		Stainless steel door and frame	1	EA	3,500.00	1,500.00	0.00	$5,000.00	$5,000.00
51		Door hardware	1	EA	700.00	200.00	0.00	$900.00	$900.00
52									
53	**Division 9**	**Finishes**							
54		Structural steel painting (high performance paint)	1000	SF	2.50	2.00	1.00	$5,500.00	$5.50
55		Mechanical room interior painting	876	SF	1.50	1.50	0.00	$2,628.00	$3.00
56									
57	**Division 10**	**Specialties**							
58		Louvers	105	SF	60.00	25.00	0.00	$8,925.00	$85.00
59		Signage	1	LS	10,000.00	5,000.00	0.00	$15,000.00	$15,000.00
60									
61	**Division 11**	**Equipment**							
62		NA							
63	**Division 12**	**Furnishings**							
64		Salt Boxes	1	EA	1,500.00	300.00	0.00	$1,800.00	$1,800.00
65									
66	**Division 13**	**Special Construction**							
67		NA							
68	**Division 14**	**Conveying Equipment**							
69		NA							
70	**Division 15**	**Mechanical**							
71		**Plumbing Demolition:**							
72		Disconnect and remove all existing downspout boots.	1	LS		80.00	20.00	$100.00	$100.00
73		**New Plumbing Work:**							
74		**Domestic Water System:**							
75		New water meter with remote reader - 1" service.	1	EA	375.00	125.00	0.00	$500.00	$500.00
76		Provide cold water make-up to glycol fill tank with air gap, cold water make-up to acid neutralization basin with air gap and trap primer for floor drain. Includes all necessary fittings.	34	LF	10.33	19.18	0.00	$1,003.00	$29.50
77		Domestic water equipment/device connections.	3	EA	85.50	199.50	0.00	$855.00	$285.00
78		**Sanitary System:**							
79		Sanitary piping - 4", underground.	20	LF	30.42	28.08	0.00	$1,170.00	$58.50
80		Fittings - underground.	1	LS	87.75	263.25	0.00	$351.00	$351.00
81		Sawcutting, concrete removal and floor patching.	20	LF		34.00	8.50	$850.00	$42.50
82		FD-1: Floor drain.	1	EA	269.50	115.50	0.00	$385.00	$385.00
83		FCO: Floor cleanout.	1	EA	252.00	63.00	0.00	$315.00	$315.00
84		**Vent Piping System:**							
85		Vent piping - 4", suspended.	24	LF	16.10	29.90	0.00	$1,104.00	$46.00
86		Fittings - suspended.	1	LS	82.80	248.40	0.00	$331.20	$331.20
87		Hangers/supports.	2	EA	9.66	24.84	0.00	$82.80	$34.50
88		Vent thru roof.	1	EA	225.75	419.25	0.00	$645.00	$645.00
89		Connections - sanitary system.	1	EA	53.00	212.00	0.00	$265.00	$265.00
90		**Storm Piping System:**							
91		Provide new downspout boot to connect sheetmetal downspout by others.	4	LOC	48.75	16.25	0.00	$260.00	$65.00

92		**New HVAC Work:**							
93		New natural gas service and meter with remote reader. Includes vent regulator to out of doors.	1	LS	664.00	136.00	0.00	$800.00	$800.00
94		EF-1: Exhaust fan - 250cfm, wall mounted.	1	EA	768.60	146.40	0.00	$915.00	$915.00
95		B-1: Gas fired condensing boiler.	1	EA	4,234.00	1,566.00	0.00	$5,800.00	$5,800.00
96		6" Boiler flue. To be installed as high as possible and terminates beyond overhang above.	35	LF	15.48	20.52	0.00	$1,260.00	$36.00
97		6" Combustion air intake. Terminates in elbow down with screen. To be installed at min. 24" below flue.	35	LF	12.26	16.25	0.00	$997.50	$28.50
98		FP-1: Glycol fill tank and pump.	1	EA	2,695.00	1,155.00	0.00	$3,850.00	$3,850.00
99		Condensate trap and neutralization assembly.	1	LS	624.00	176.00	0.00	$800.00	$800.00
100		Condensate drain piping. Discharges to floor drain. Includes all associated fittings and connections.	28	LF	11.76	16.24	0.00	$784.00	$28.00
101		In-line circulating pumps.	2	EA	920.00	230.00	0.00	$2,300.00	$1,150.00
102		**Snow Melt System:**							
103		Snow melt loop - Approximately 160sq. Ft., 3/4" PEX-AL-PEX tubing 6" on center, 4gpm. Concrete topping included in General Trades.	9	LOC	192.50	357.50	0.00	$4,950.00	$550.00
104		New pre-insulated underground piping system containing 1" supply and return (typical for each loop).	670	LF	8.70	16.15	0.00	$16,649.50	$24.85
105		Fittings.	1	LS	1,248.71	3,746.14	0.00	$4,994.85	$4,994.85
		Snow melt controls	1	LS	4,000.00	16,000.00	0.00	$20,000.00	$20,000.00
106		Sawcutting, concrete removal and floor patching.	670	LF		12.00	3.00	$10,050.00	$15.00
107		Valves.	1	LS	3,679.54	649.33	0.00	$4,328.87	$4,328.87
108		Connections - gas fired condensing boiler.	1	EA	210.00	840.00	0.00	$1,050.00	$1,050.00
109		Connections - snow melt loop.	9	EA	17.00	68.00	0.00	$765.00	$85.00
110		New insulated valve box with valved automatic air vent.	2	EA	480.00	320.00	0.00	$1,600.00	$800.00
111									
112	**Division 16**	**Electrical**							
113		**Demolition:**							
114		Disconnect and remove all existing integrated light fixtures from sidewalls of ramp.	12	EA	0.00	168.00	0.00	$2,016.00	$168.00
115		Disconnect and remove existing lighting pole and pole mounted Type F1 light fixture.	1	EA	0.00	471.25	253.75	$725.00	$725.00
116		Disconnect and remove existing pole mounted Type F1 light fixture, to be replaced with new.	5	EA	0.00	216.00	0.00	$1,080.00	$216.00
117		Disconnect and remove existing Type F2 light fixture, to be replaced with new.	5	EA	0.00	150.00	0.00	$750.00	$150.00
118		Disconnect and remove existing Type F3 light fixture.	2	EA	0.00	150.00	0.00	$300.00	$150.00
119		Disconnect and remove existing Type F4 light fixture, to be replaced with new.	3	EA	0.00	150.00	0.00	$450.00	$150.00
120		Disconnect and remove existing GFI receptacle, to be replaced with new.	1	EA	0.00	150.00	0.00	$150.00	$150.00

121		Disconnect and remove existing electrical panel.	1	EA	0.00	520.00	0.00	$520.00	$520.00
122		Disconnect and remove existing ComEd meter.	1	EA	0.00	500.00	0.00	$500.00	$500.00
123		Disconnect, remove and relocate existing voice of Metra telephone line. New phone line to be run in conduit to existing VOM cabinet.	1	LS	0.00	800.00	0.00	$800.00	$800.00
124		Disconnect, remove and relocate existing high voltage/communication conduit buried East side of the row (2-3" conduits).	1	LS	0.00	3,182.40	795.60	$3,978.00	$3,978.00
125		Disconnect, remove and relocate existing utility poles for telephone and ComEd power.	2	EA	0.00	500.00	0.00	$1,000.00	$500.00
126		**New Work:**							
127		Provide rough-in for new ComEd meter. Electric meter to be provided by ComEd.	1	EA	64.00	256.00	0.00	$320.00	$320.00
128		New Healy Station panelboard - 225amp, 120/240V, 1 phase, 3 wire.	1	EA	2,310.00	1,540.00	0.00	$3,850.00	$3,850.00
129		Provide 1-1/4" conduit from new panelboard to inbound platform side of station. Includes associated power wiring to equipment/devices.	200	LF	15.60	16.90	0.00	$6,500.00	$32.50
130		Provide infrared heaters and associated power wiring. Includes tamper-proof push button with a 5 minute timer shutoff.	7	EA	762.50	487.50	0.00	$8,750.00	$1,250.00
131		Grounding.	1	LS	126.00	324.00	0.00	$450.00	$450.00
132		**Light Fixtures:**							
133		Type F1: Platform lighting - 250W HID, electric ballast, 120V, mounted on existing poles.	5	EA	882.00	168.00	0.00	$5,250.00	$1,050.00
134		Type F2: Ramp lighting - electronic ballast, 120V, surface mounted.	14	EA	332.15	122.85	0.00	$6,370.00	$455.00
135		Type F3: Waiting shelter/loggia lighting - electronic ballast, 120V, surface mounted.	12	EA	379.60	140.40	0.00	$6,240.00	$520.00
136		Type F4: Canopy soffit lighting - electronic ballast, 120V, surface mounted.	7	EA	379.60	140.40	0.00	$3,640.00	$520.00
137		Type F5: 1'x4' Fluorescent lighting fixture - F32T8, electronic ballast, 120V, suspended/surface mounted.	2	EA	69.30	95.70	0.00	$330.00	$165.00
138		Battery back lighting - emergency, twin head, electronic ballast, 120V, suspended.	6	EA	201.40	63.60	0.00	$1,590.00	$265.00
139		**Exit sign - LED, 120V, surface mounted:**							
140		Single face exit directional.	8	EA	104.40	69.60	0.00	$1,392.00	$174.00
141		Double face exit directional.	6	EA	111.00	74.00	0.00	$1,110.00	$185.00
142		**Lighting Controls and Switches:**							
143		Timeclock for lighting.	1	EA	146.25	78.75	0.00	$225.00	$225.00
144		Photo sensor override for lighting.	1	EA	269.75	145.25	0.00	$415.00	$415.00
145		Toggle switch.	1	EA	28.56	55.44	0.00	$84.00	$84.00

146		**Receptacles:**							
147		GFI duplex receptacle.	2	EA	79.36	48.64	0.00	$256.00	$128.00
148		GFI duplex receptacle, with lockable hinged cover.	2	EA	88.04	53.96	0.00	$284.00	$142.00
149		Conduit 1" dia., rigid galvanized steel	938	LF	6.14	7.51	0.00	$12,803.70	$13.65
150		Wire.	3518	LF	0.70	0.85	0.00	$5,452.90	$1.55
151									
		Subtotals						**$2,108,783.04**	
		General Contractors Costs							
	00700	General Conditions	2%					$42,175.66	
	01120	Mobilization	4%					$84,351.32	
	00100	Insurance and Bonding	2%					$42,175.66	
	00100	Overhead and Profit	10%					$210,878.30	
		Unforseen Conditions	8%					$168,702.64	
		Railroad flagmen - by Metra (excluded)							
		TOTAL						**$2,657,066.63**	

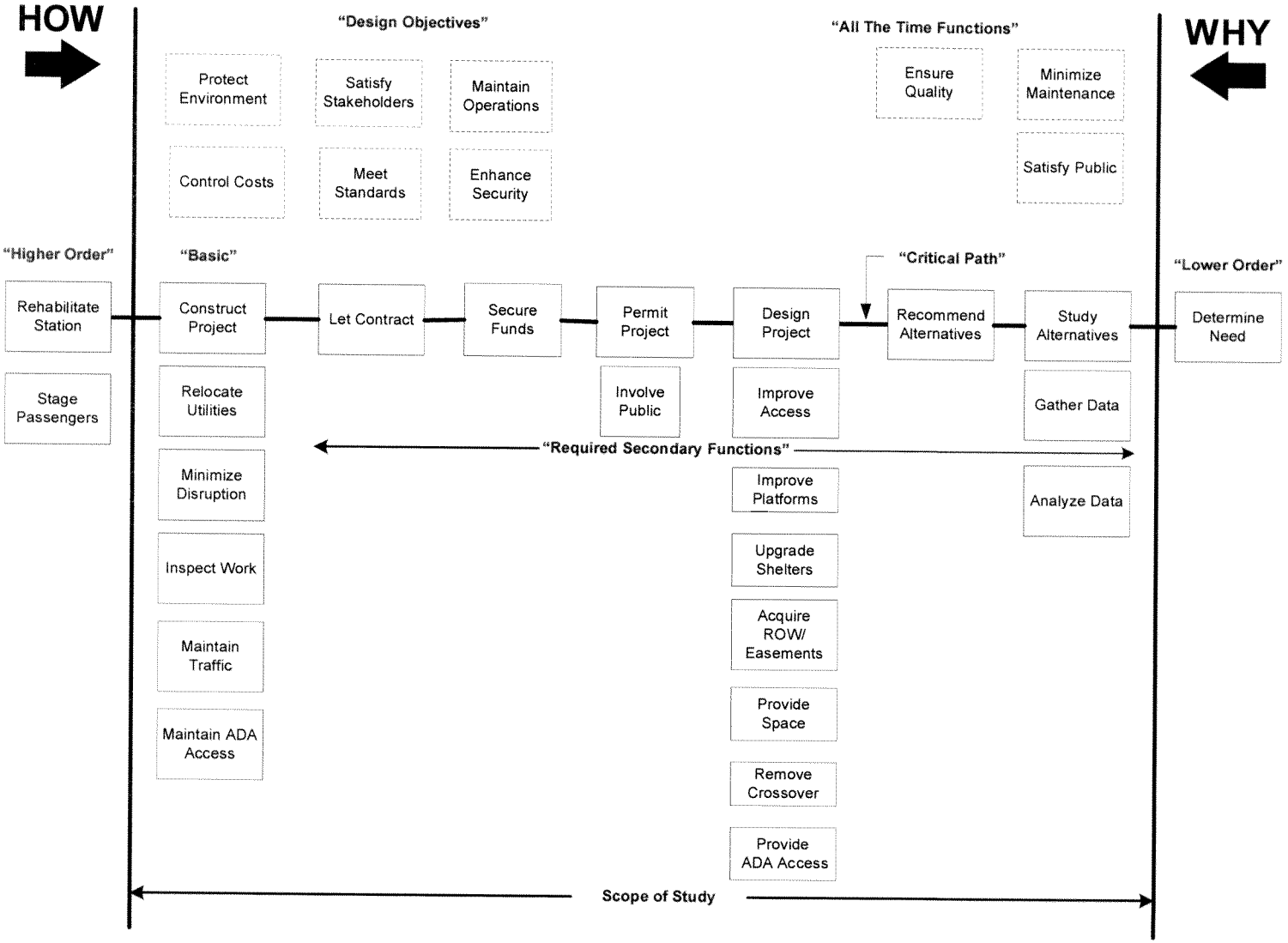
FUNCTION ANALYSIS AND FAST DIAGRAM 5

This project's Function Analysis was reviewed and developed by the team to define the requirements for the overall project (and each project element, if required) and to ensure that the Study Team had a complete and thorough understanding of the functions (basic and others) needed to satisfy the project requirements. The primary Function Analysis System Technique (FAST) diagram for the project is included. The development of FAST diagrams help stimulate team members to think in terms of required functions, not just normal solutions, to enhance their creative idea development. The project's primary tasks, the critical path functions, the project's primary basic functions and other required functions that must be satisfied were identified and are indicated in the report.

A functional analysis was performed to determine the basic function of the overall project and each area shown in the cost model. Functional analysis is a means of evaluating the functions of each element to see if the expenditures for each of those elements actually provide the requirements of the process, or if there are disproportionate amounts of money being proposed to be spent for support functions. These elements add cost to the final product, but have a relatively low worth to the basic function. This creates a high cost-to-worth ratio.

A FAST diagram was developed to identify and display the critical functions path for the overall project. The basic and supporting secondary functions are illustrated on the following FAST Diagram.

Figure 5.1-1 FAST Diagram
Healy Station and Bridge Improvements



EVALUATION 6

During the Creative Phase numerous ideas and alternative proposals and/or recommendations were generated for each required function using conventional brainstorming techniques and are recorded on the following pages. These ideas were discussed and evaluation criteria were determined. The team identified seven weighted evaluation criteria that included Capital Cost, Construction Schedule, Maintenance/Life Cycle Costs, Customer Satisfaction, Coordination Issues, and Maintenance of Passenger Traffic. The evaluation criteria were assigned a weighted value from one to six based on the VE team's consensus on the importance of each item. Criteria with the most importance received a six weight and the least important received a one weight. The ideas were then individually discussed and given a score, on a scale of one to five with one being the least beneficial and five the most beneficial. The score for each item is multiplied by the weighted criteria value and each multiplication product is added to obtain a total score for the idea.

Table 6.1 – 1 contains a list of ideas that were generated during the creative phase and how each idea scored in the individual evaluation criteria. **Table 6.1 – 2** illustrates the weighted values for the evaluation criteria and **Table 6.1 – 3** shows the evaluation matrix for Idea Ranking total scores for all ideas carried forward. The ideas that scored equal to or greater than the original design concepts total score were sufficiently rated to warrant further development. The ideas in the table with strike-throughs were not developed because they were combined with other ideas, not feasible, or were eliminated from consideration for other reasons.

There were 19 creative ideas and 14 that were evaluated and scored. The VE Team discussed each of the evaluated ideas with the Metra Project Management during a mid-point review meeting on Wednesday, February 22, 2012. The VE team and the Metra Project Management and RTA discussed each idea before developing the final group of ideas for final development and analysis.

The write-ups for those ideas are included in **Section 7**. The tables that follow show the original 19 ideas, with the ideas that survived the evaluation, analysis and development phases of the study becoming viable recommendations for value improvements. During the evaluation process the VE Team redefined some of the creative ideas as questions for the designers or design suggestions. Ideas that became design suggestions or design questions for the mid-point review are designated as "DS" on the evaluation worksheets. The major additional design suggestions identified by the VE Team are listed below (in addition to the design suggestions shown on the following pages and in **Section 7**):

DS-1 Replace proposed lights with LED fixtures
DS-2 Improve the inbound platform grade to ADA standards at the south end of the platform
DS-3 Add bike rack space at the sidewalk under the bridge on the east side of the outbound station

The VE Team presents design suggestions for the design consultant and Metra's consideration. No specific action is normally required to accept or not accept the suggestions, though it is often helpful, for documentation purposes, to formally list those suggestions that will be acted upon by the Metra. Readers are encouraged to review the Creative Idea Listing and Evaluation Worksheets that follow since they may suggest additional ideas that can be applied to the design or construction.

TABLE 6.1 –1 Value Engineering Study Ideas

Idea No.	Ideas	Capital Costs	Construction Schedule	Maintenance LCC	Customer Satisfaction	Coordination Issues	MOT
	Original Concept						
	30% Design Documentation	3	3	3	3	3	3
	Earthwork						
1	On the outbound instead of the long extended ramp serpentine ramp adjacent to the loggia	4	2.5	3.5	3.5	2	3
	Station Structures						
2	On the outbound shelter relocate it to the top of the stairs in what is the loggia area	3.5	4	4	5	4	4
3	On the outbound station relocate the shelter and equipment room to the platform level and reduce the loggia footprint by extending the width of the platform to eliminate sheet piles	5	5	4	4.5	5	4
4	On the inbound station keep the existing shelter area footprint, remove the structure above the floor slab, refurbish slab and foundation and build new design enclosure	3.5	4	2.75	3	4	3
5	~~Keep the proposed location for the mechanical room and relocate the enclosed waiting area where the loggia is proposed~~	3.5	3.5	3.5	3	3.5	3
6	Reduce the size of the outbound waiting area to 300 SF (221.88 + 78 SF)	3.5	3	3	3	3	3
7	On the outbound station keep the shelter as designed and relocate the equipment room to the platform level and reduce the sheet piling	3.5	4	3.5	3	4	3
8	On the outbound station keep the stairs and first landing and build new stairs extension to the loggia area	3.5	3	2.5	3	2.5	3
	Platforms/Ramps						
9	~~Instead of the boiler and snow melting distribution system continue to use salt as needed and provide a canopy over the outbound ramp~~	2.5	3	2.5	4	3.5	3
10	~~On the outbound station take the ramp to the back of the building and provide an outdoor commercial grade ADA Lift mechanism~~	5	5	5	5	4	3
11	~~On the outbound station remove the ramp and add a wheel chair lift mechanism for the stairway handrail~~	5	5	5	2	4	3

TABLE 6.1 –1 Value Engineering Study Ideas

Idea No.	Ideas	Capital Costs	Construction Schedule	Maintenance LCC	Customer Satisfaction	Coordination Issues	MOT
	Original Concept						
	30% Design Documentation	3	3	3	3	3	3
	Other/Value Added						
12	Why are the drilled shafts on the inside versus the outside?						
13	~~Don't replace the existing handrails~~	3.5	3	2	2	3	3
DS-1	Replace proposed lights with LED fixtures	2	3	4	3	3	3
DS-2	Improve the inbound platform grade to ADA standards at the south end of the platform	2	2.5	3	4	2	3
16	On the outbound station instead of the long extended ramp serpentine the ramp adjacent to the loggia, locate the shelter in the loggia area and provide a breezeway under roof to the platform in front of the shelter area and locate the boiler/mechanical room under the new shelter area and serpentine the ramp adjacent to the relocated new shelter						
DS-3	Add bike rack space at the sidewalk under the bridge on the east side of the outbound station						
18	On the outbound station instead of the long extended ramp serpentine the ramp adjacent to the loggia and instead of the boiler and snow melting distribution system continue to use salt as needed and provide a canopy over the outbound ramp						
DS-4	Add glycol heating to the stairway in lieu of a canopy						

TABLE 6.1 –2 Value Engineering Study Weighted Values

Capital Costs	Construction Schedule	Maintenance LCC	Customer Satisfaction	Coordination Issues	MOT
6	1	2	5	4	3

TABLE 6.1 –3 Value Engineering Study Evaluation Scores

Idea No.	Ideas	Capital Costs	Construction Schedule	Maintenance LCC	Customer Satisfaction	Coordination Issues	MOT	TOTAL
	Original Concept							
	30% Design Documentation	18	3	6	15	12	9	**63**
	Earthwork							
1	On the outbound instead of the long extended ramp serpentine ramp adjacent to the loggia	24	2.5	7	17.5	8	9	**68**
	Station Structures							
2	On the outbound shelter relocate it to the top of the stairs in what is the loggia area	21	4	8	25	16	12	**86**
3	On the outbound station relocate the shelter and equipment room to the platform level and reduce the loggia footprint by extending the width of the platform to eliminate sheet piles	30	5	8	22.5	20	12	**97.5**
4	On the inbound station keep the existing shelter area footprint, remove the structure above the floor slab, refurbish slab and foundation and build new design enclosure	21	4	5.5	15	16	9	**70.5**
6	Reduce the size of the outbound waiting area to 300 SF (221.88 + 78 SF)	21	3	6	15	12	9	**66**
7	On the outbound station keep the shelter as designed and relocate the equipment room to the platform level and reduce the sheet piling	21	4	7	15	16	9	**72**
8	On the outbound station keep the stairs and first landing and build new stairs extension to the loggia area	21	3	5	15	10	9	**63**
	Other/Value Added							
12	Why are the drilled shafts on the inside versus the outside?	0	0	0	0	0	0	**0**
DS-1	Replace proposed lights with LED fixtures	12	3	8	15	12	9	**59**
DS-2	Improve the inbound platform grade to ADA standards at the south end of the platform	12	2.5	6	20	8	9	**57.5**
DS-3	Add bike rack space at the sidewalk under the bridge on the east side of the outbound station	0	0	0	0	0	0	**0**
DS-4	Add glycol heating to the stairway in lieu of a canopy	0	0	0	0	0	0	**0**

RECOMMENDATIONS 7

The results of this VE study are shown as individual alternatives developed for each area of the project. These alternatives include a comparison between the VE team's proposal and the designer's original concept. Each proposal consists of a summary of the original design, a description of the proposed change, and descriptive evaluation of the advantages and disadvantages of the proposed alternative. Sketches and calculations are shown, if appropriate. The estimated cost comparisons reflect unit prices and quantities on a comparative basis. Value improvement is the primary basis for comparison of competing ideas. To ensure that costs are comparable within the ideas proposed by the VE team, the 30% Opinion of Cost, statewide average costs, and preliminary right of way cost estimates were used as the pricing basis.

7.1 EVALUATION OF ALTERNATIVES

Some of the VE alternatives' potential savings are interrelated, if one is accepted another one may or may not need to be added, or acceptance of one may mutually exclude another. The VE Team identified potential savings as shown on **Table 1.4 – 1, Summary of Highest Rated Recommendations**. The write-ups for the individual developed ideas are included in this section and are presented in idea numerical order.

The Metra and the design team should evaluate and determine whether to accept or not accept each alternative. The alternatives that are accepted should be identified and listed for documentation purposes. For each idea that will not be accepted, the design team normally documents, in writing, the reason or reasons for non-acceptance. The design suggestions are for consideration by Metra and the designers. No specific action is normally required to accept or not accept the suggestions, though it is often helpful, for documentation purposes, to formally list those suggestions that will be incorporated by the designers.

7.2 CONSIDERATIONS AND ASSUMPTIONS

In the preparation of this report and the alternatives that follow, the study team made some assumptions with respect to conditions that may occur in the future. In addition, the study team reviewed the listed project documentation, relying solely upon the information provided by Metra and the designer, and relying on that information as being true, complete and accurate. This value analysis and report are based on the following considerations, assumptions and conditions:

- The alternatives rendered herein are as of the date of this report. The study team or leaders assume no duty to monitor events after the date, or to advise or incorporate into any of the alternatives, any new, previously unknown technology.
- The study team or leaders assume that there are no material documents affecting the design or construction costs that the team has not seen. The existence of any such documents will necessarily alter the alternatives contained herein.

The study team or leaders do not warrant the feasibility of these alternatives or the advisability of their implementation. It is solely the responsibility of the designer in accordance with the Metra to explore the technical feasibility and make the determination for implementation.

RECOMMENDATION No. 1: On the outbound instead of the long extended ramp serpentine ramp adjacent to the loggia

Design Alternative:
The 30% Design Documents Alternative shows a 170 LF ramp for ADA access to the outbound platform. The ramp includes only one switchback to the final 56 LF of the ramp and extends approximate 120 LF beyond the new loggia area. The ramp terminates at the platform approximately 60 LF from the new loggia area (90 LF from the new shelter).

VE Alternative:
This VE Alternative suggests that two switchbacks be added to the new ramp serving the outbound platform to serpentine the ramp adjacent to the Loggia. This idea brings the ramp closer to the station shelter and improves efficiency of the system and still maintains the access to the platform at the same location in order to accommodate passenger access during staging of platform reconstruction.

Advantages:

- Eliminates the ramp extension far beyond the Loggia/Shelter area.
- Less construction cost.
- Improves MEP efficiency associated with shorter pipe runs and the potential to manifold snow melt system piping.

Disadvantages:

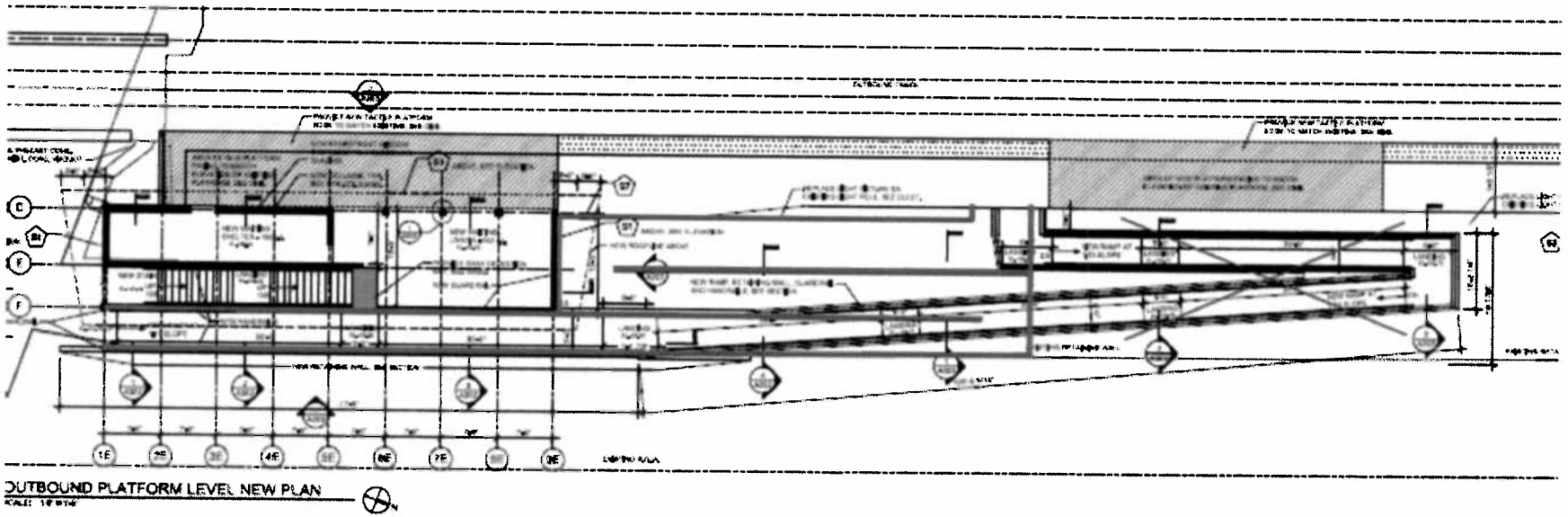
- Increased construction coordination. ??Not noted in presentation??
- May slightly increase construction duration. ??Not noted in presentation??
- May extend limits of construction closer to the limit of Metra's right-of-way, thus infringe slightly more on neighbor's truck access route.

Potential Cost Savings: $33,000

Calculations:

Description	Quantity	Unit	Unit Price	Extended Amount
Drilled Shaft Foundation	-7	CY	$2,000.00	($14,000)
New pre-insulated underground piping system containing 1" supply and return (typical for each loop).	-310	SF	$39.85	($12,354)
Drilled shaft 8" not priced				
Subtotal				($26,354)
General Conditions (2%)				($527)
Mobilization (4%)				($1,054)
Insurance & Bonding (2%)				($527)
Overhead and Profit (10%)				($2,635)
Unforseen Conditions (8%)				($2,108)
			CONSTRUCTION TOTAL	**($33,205)**

RECOMMENDATION No. 1: On the outbound instead of the long extended ramp serpentine ramp adjacent to the loggia



RECOMMENDATION No. 2: On the outbound shelter relocate it to the top of the stairs in what is the loggia area

Design Alternative:
The 30% Design Documents Alternative shows a new shelter at the far south end of the outbound platform A new loggia is located at the top of the stairs, adjacent to the shelter. The shelter/loggia roof structure extends over the new stairs.

VE Alternative:
This VE Alternative suggests relocating the new outbound shelter to the loggia area at the top of the new stairs. The mechanical room would remain as proposed, but the shelter would be built in the area where the loggia is proposed and the loggia open air area would be reduced. A canopy covering will be provided over the stairs. This Alternative also offers the potential for adding a covered breezeway outside of the shelter.

Advantages:

- Reduces construction and maintenance costs by eliminating approximately 36% of the covered waiting area while still exceeding code-required shelter space based on ridership data.
- Shorter construction schedule.
- Less construction coordination.
- Improves utilization of covered waiting area.
- Improves sight-line from Fullerton Avenue.
- Reduces the number of columns at platform level thereby reducing the options for locking bicycles at platform level.

Disadvantages:

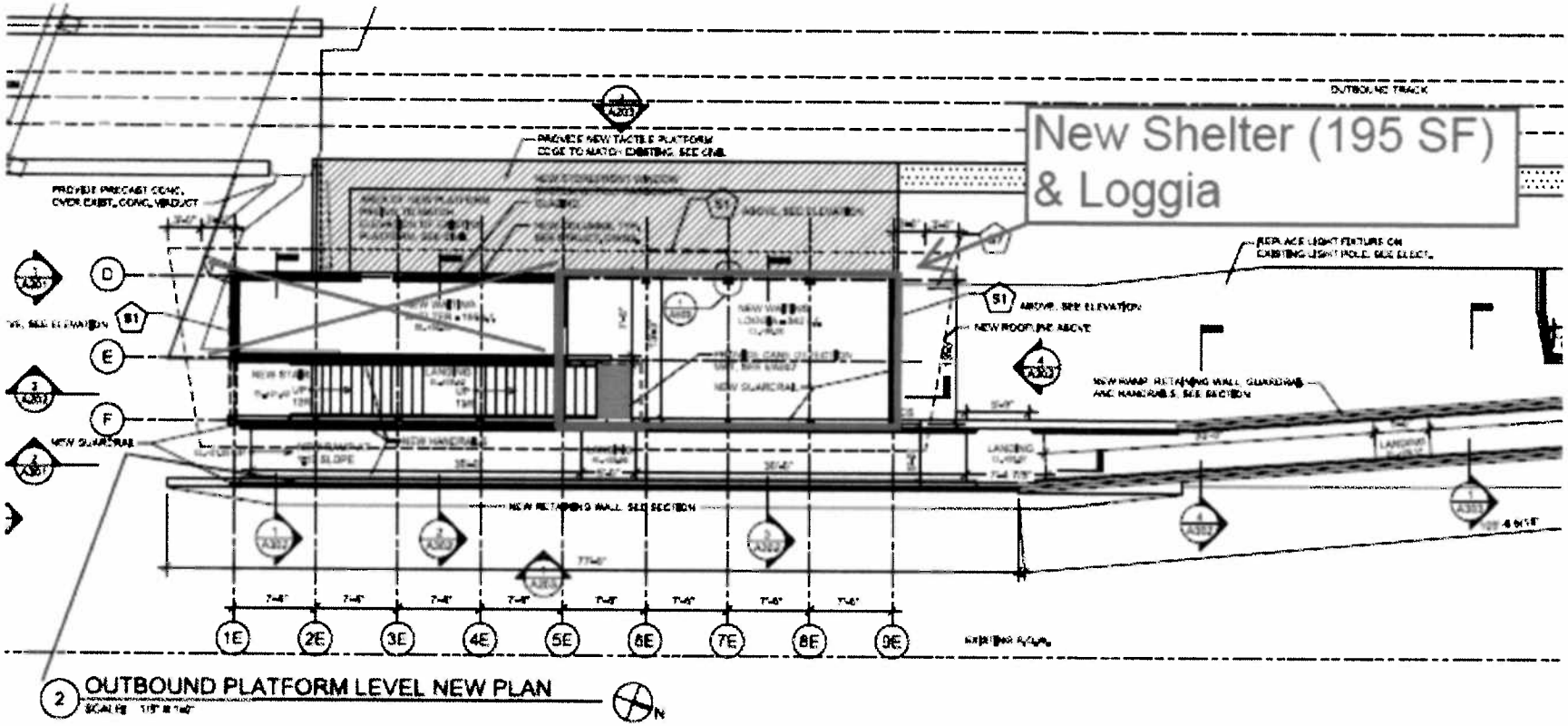
- Passengers with bicycles would bring them into the shelter directly from stair. (Incorporating a covered breezeway at the top of the stairs would eliminate this.)
- Eliminating the loggia reduces long-term flexibility for waiting area maintenance.
- Moves shelter north approximately 25 ft.

Potential Cost Savings: $38,000

Calculations:

Description	Quantity	Unit	Unit Price	Extended Amount
Structural Steel Fabrications	-10%	LS	$123,000.00	($12,300)
Curtainwall	-212	SF	$67.00	($14,204)
Electrical	-5%	LS	$77,581.60	($3,879)
				$0
Subtotal				($30,383)
General Conditions (2%)				($608)
Mobilization (4%)				($1,215)
Insurance & Bonding (2%)				($608)
Overhead and Profit (10%)				($3,038)
Unforseen Conditions (8%)				($2,431)
			CONSTRUCTION TOTAL	**($38,283)**

RECOMMENDATION No. 2: On the outbound shelter relocate it to the top of the stairs in what is the loggia area



RECOMMENDATION No. 3: On the outbound station, relocate the shelter [to the loggia area, the equipment room to the area under the loggia or along the north wall of waiting area below the platform, and reduce the loggia footprint by extending the width of the platform to eliminate sheet piles

Design Alternative:
The 30% Design Documents Alternative shows a new shelter at the far south end of the outbound platform, and a new mechanical equipment room below the new shelter at street-level. A new loggia is shown at the top of the stairs, adjacent to the shelter. The shelter/loggia roof extends over the new stairs. The design includes sheet piling to stabilize the rail bed for construction.

VE Alternative:
This VE Alternative suggests relocating the outbound shelter to the loggia area, constructing a canopy covering over the new stairs, relocating the equipment room to the area below the relocated shelter (east elevation) or to the north end of the relocated shelter slightly below platform-level (e.g., landing level) to maintain line-of-sight for the entire platform length, and reducing the loggia footprint by [reducing the depth of the covered loggia area to shift column footings further from the rail bed to eliminate the sheet piles.

The VE team strongly recommends that the mechanical/electrical room be moved from its current design location to an acceptable location as far from the tracks as reasonable to eliminate the amount of sheet piling that is currently required to construct the room as currently proposed.

Advantages:

- Reduces construction and maintenance costs by reducing earthwork and eliminating the loggia while still exceeding code-required shelter space.
- Utilizes shallower foundations thereby eliminating the need for sheet piles.
- Reduces Equipment Room construction costs.
- Shorter construction schedule associated with the reduction of earthwork and the elimination of more than one-third of the floor slab and roof structure.
- Far less trackside construction coordination.
- Improves space utilization.
- Reduces the number of columns at platform level thereby reducing the options for locking bikes at platform level.

Disadvantages:

- Passengers with bicycles will bring them into the Shelter directly from stair.
- Moves the shelter north approximately 25 ft.

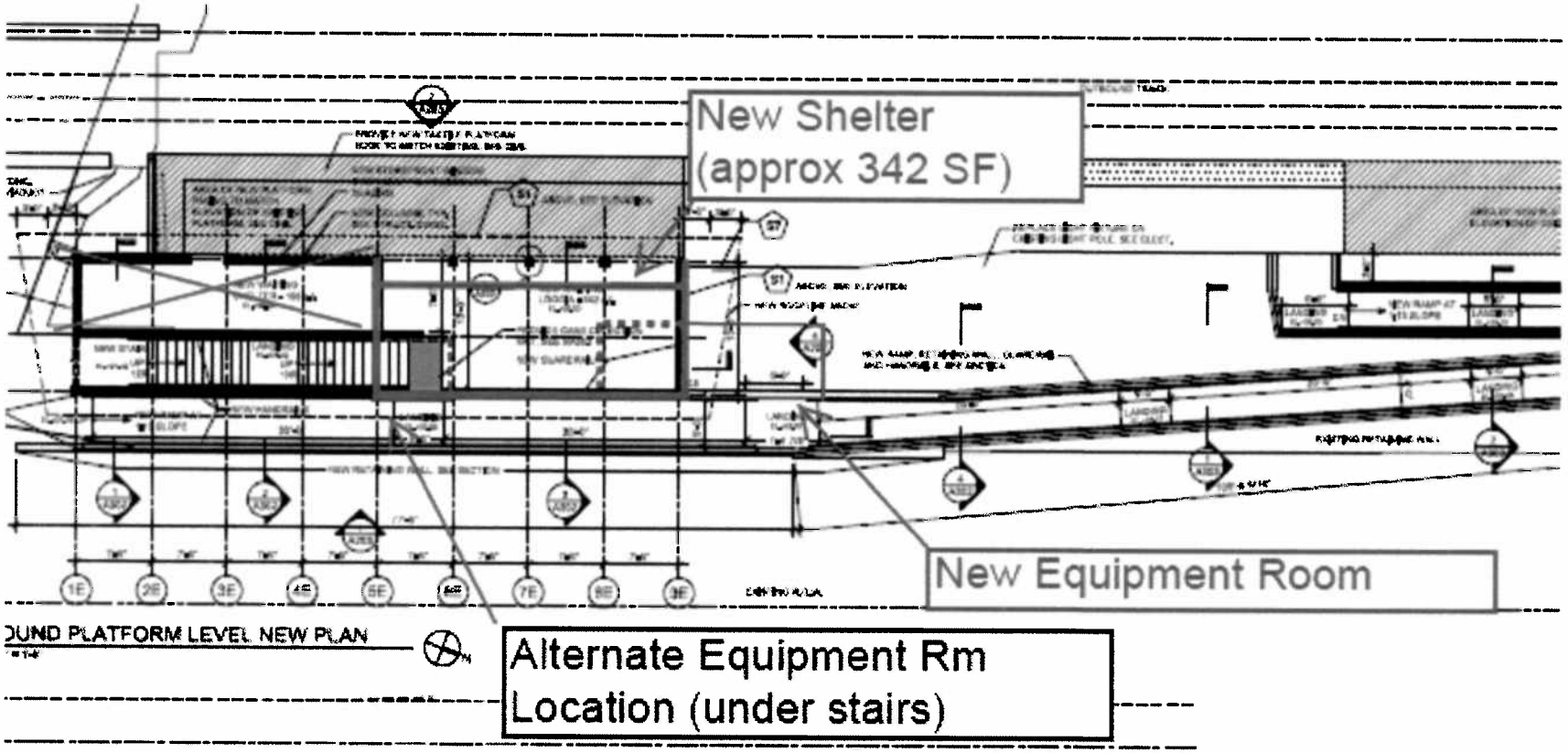
Potential Cost Savings: $351,000

RECOMMENDATION No. 3: On the outbound station, relocate the shelter [to the loggia area, the equipment room to the area under the loggia or along the north wall of waiting area below the platform, and reduce the loggia footprint by extending the width of the platform to eliminate sheet piles

Calculations:

Description	Quantity	Unit	Unit Price	Extended Amount
Structural Steel Fabrications	-10%	LS	$123,000.00	($12,300)
Curtainwall	-212	SF	$67.00	($14,204)
Electrical	-5%	LS	$77,581.60	($3,879)
Steel Sheet Piling	-1	LS	$123,000.00	($123,000)
Porous Granular Backfill	-281	CY	$90.00	($25,251)
Excavating For Structures (Special)	-876	CY	$80.00	($70,093)
Underdrain System (Pipe Underdrains For Structures, 6")	-230	LF	$30.00	($6,908)
Concrete Waterproofing	-2176	SF	$10.00	($21,762)
Concrete Coating	-243	SY	$5.00	($1,216)
				$0
Subtotal				($278,613)
General Conditions (2%)				($5,572)
Mobilization (4%)				($11,145)
Insurance & Bonding (2%)				($5,572)
Overhead and Profit (10%)				($27,861)
Unforseen Conditions (8%)				($22,289)
	CONSTRUCTION TOTAL			**($351,052)**

RECOMMENDATION No. 3: On the outbound station, relocate the shelter [to the loggia area, the equipment room to the platform level, and reduce the loggia footprint by extending the width of the platform to eliminate sheet piles



RECOMMENDATION No. 4: On the inbound station, keep the existing shelter area footprint, remove the structure above the floor slab, refurbish slab and foundation and build new design enclosure

Design Alternative:
The 30% Design Documents Alternative shows demolishing the existing inbound shelter and foundation system, and constructing a new shelter and foundation.

VE Alternative:
This VE Alternative suggests reusing the existing inbound shelter foundation by removing the existing masonry structure above the floor slab, refurnishing the slab and foundation, and constructing the new Shelter as designed on the refurbished slab and foundation.

Advantages:

- Reduces construction cost associated with demolition of existing Shelter foundation and construction of the new foundation.
- Reduces construction schedule (eliminates demolition of existing Shelter foundation).
- Reduces construction coordination

Disadvantages:

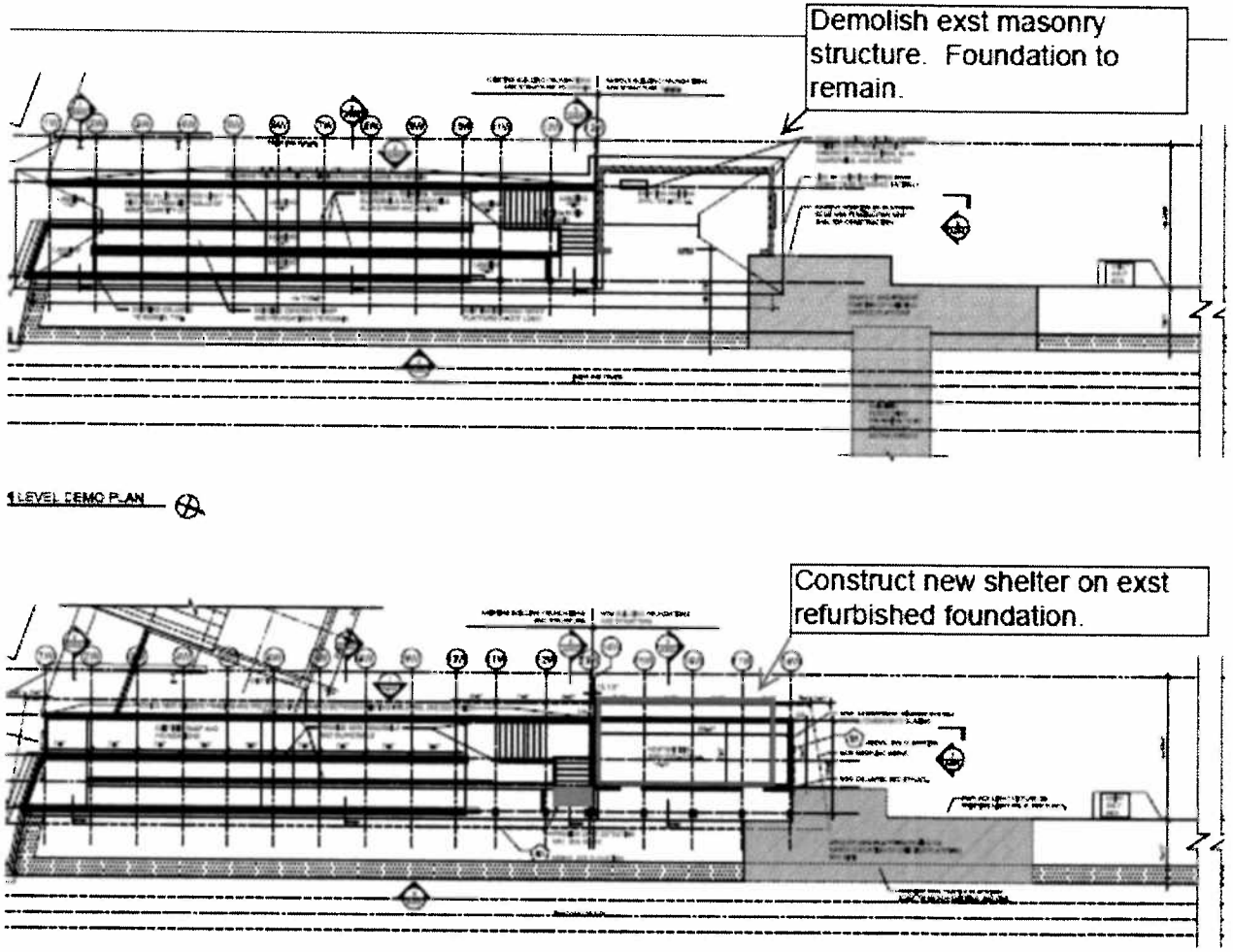
- Relies on an existing foundation system with uncertain integrity.
- Adds an offset in the west curtainwall which introduces non-uniform size glazing and may not offer the preferred aesthetic.

Potential Cost Savings: $39,000

Calculations:

Description	Quantity	Unit	Unit Price	Extended Amount
Porous Granular Backfill	-70	CY	$90.00	($6,313)
Excavating For Structures (Special)	-219	CY	$80.00	($17,523)
Underdrain System (Pipe Underdrains For Structures, 6")	-58	LF	$30.00	($1,727)
Concrete Waterproofing	-544	SF	$10.00	($5,441)
Concrete Coating	-61	SY	$5.00	($304)
Subtotal				($31,307)
General Conditions (2%)				($626)
Mobilization (4%)				($1,252)
Insurance & Bonding (2%)				($626)
Overhead and Profit (10%)				($3,131)
Unforseen Conditions (8%)				($2,505)
	CONSTRUCTION TOTAL			**($39,447)**

RECOMMENDATION No. 4: On the inbound station, keep the existing shelter area footprint, remove the structure above the floor slab, refurbish slab and foundation and build new design enclosure



RECOMMENDATION No. 6: Reduce the size of the outbound waiting area to 300 SF (221.88 + 78 SF)

Design Alternative:
The 30% Design Documents Alternative includes 537 SF covered waiting area for outbound passengers (195 SF shelter and 342 SF loggia). This is 315 SF greater than the code-required 222 SF: (43 peak boarding passengers + 20% future) x 4.3 SF / passenger.

VE Alternative:
This VE Alternative suggests reducing the size of the outbound waiting area to 300 SF to eliminate 237 SF excess waiting area. Everything else remains unchanged from the proposed design.

Advantages:

- Reduced construction and maintenance cost associated with the elimination of over 50% of the covered waiting area
- Less construction time
- Better utilization of space

Disadvantages:

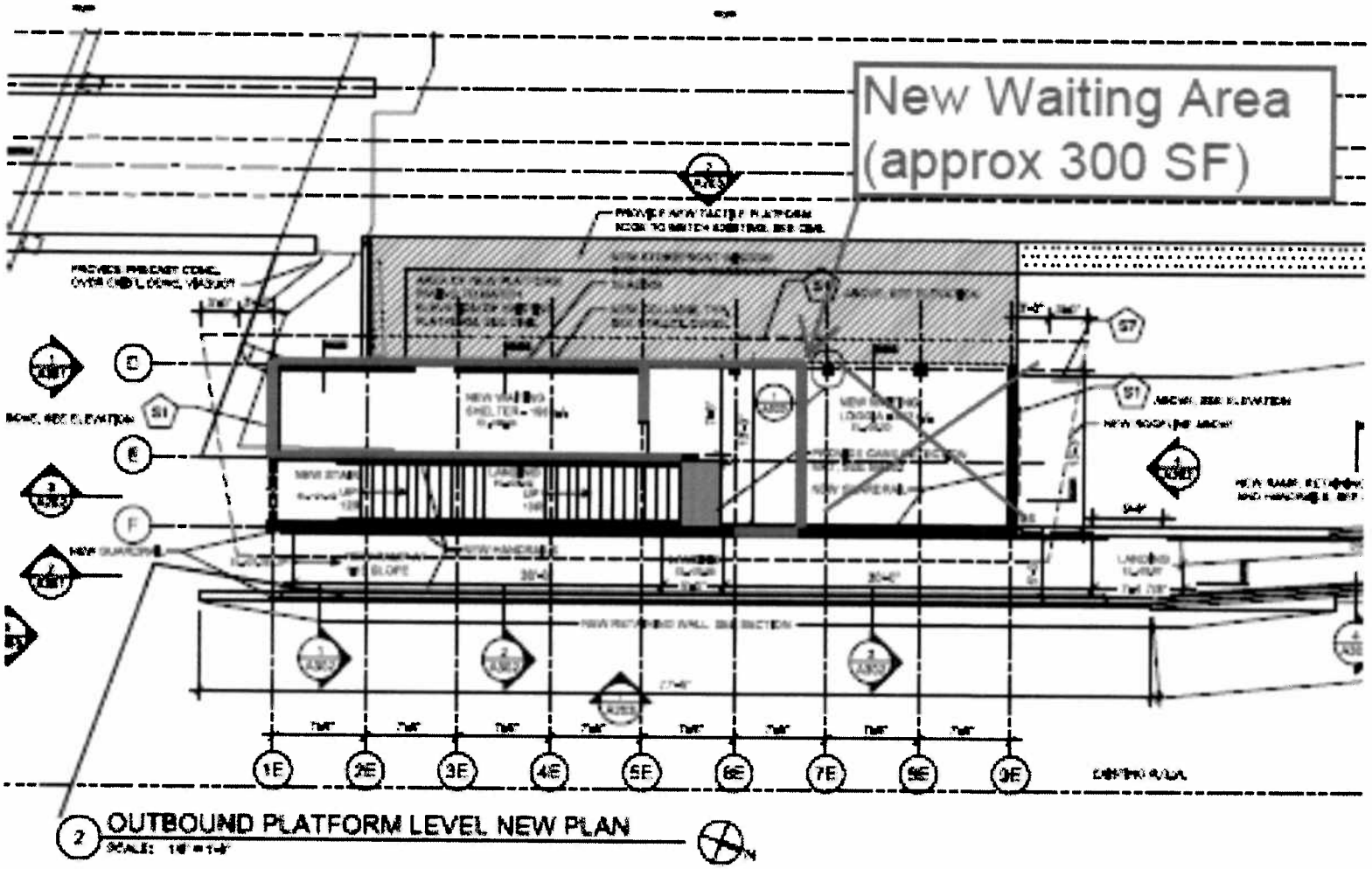
- None apparent.

Potential Cost Savings: $23,000

Calculations:

Description	Quantity	Unit	Unit Price	Extended Amount
Structural Steel Fabrications	-2%	LS	123,000.00	($2,460)
Curtainwall	-237	SF	$67.00	($15,879)
				$0
Subtotal				($18,339)
General Conditions (2%)				($367)
Mobilization (4%)				($734)
Insurance & Bonding (2%)				($367)
Overhead and Profit (10%)				($1,834)
Unforseen Conditions (8%)				($1,467)
	CONSTRUCTION TOTAL			**($23,107)**

RECOMMENDATION No. 6: Reduce the size of the outbound waiting area to 300 SF (221.88 + 78 SF)



RECOMMENDATION No. 7: On the outbound station keep the shelter as designed and relocate the equipment room to the north end of loggia below the platform level and reduce the sheet piling

Design Alternative:
The 30% Design Documents Alternative shows the mechanical equipment room at street-level, below the new outbound shelter area. Sheet piling is required to construct the equipment room at this location because its depth relative to the railway.

VE Alternative:
This VE Alternative includes constructing the mechanical equipment room at platform-level or at a slightly lower elevation as required to maintain line-of-site along the outbound platform. This alternative would allow the existing retaining wall along the stairs to be reused This VE Alternative also reduces sheet piling.

Advantages:

- Less construction cost due to elimination of extensive earthwork.
- Shorter schedule.
- Less construction coordination.
- Slight reduction in maintenance costs.

Disadvantages:

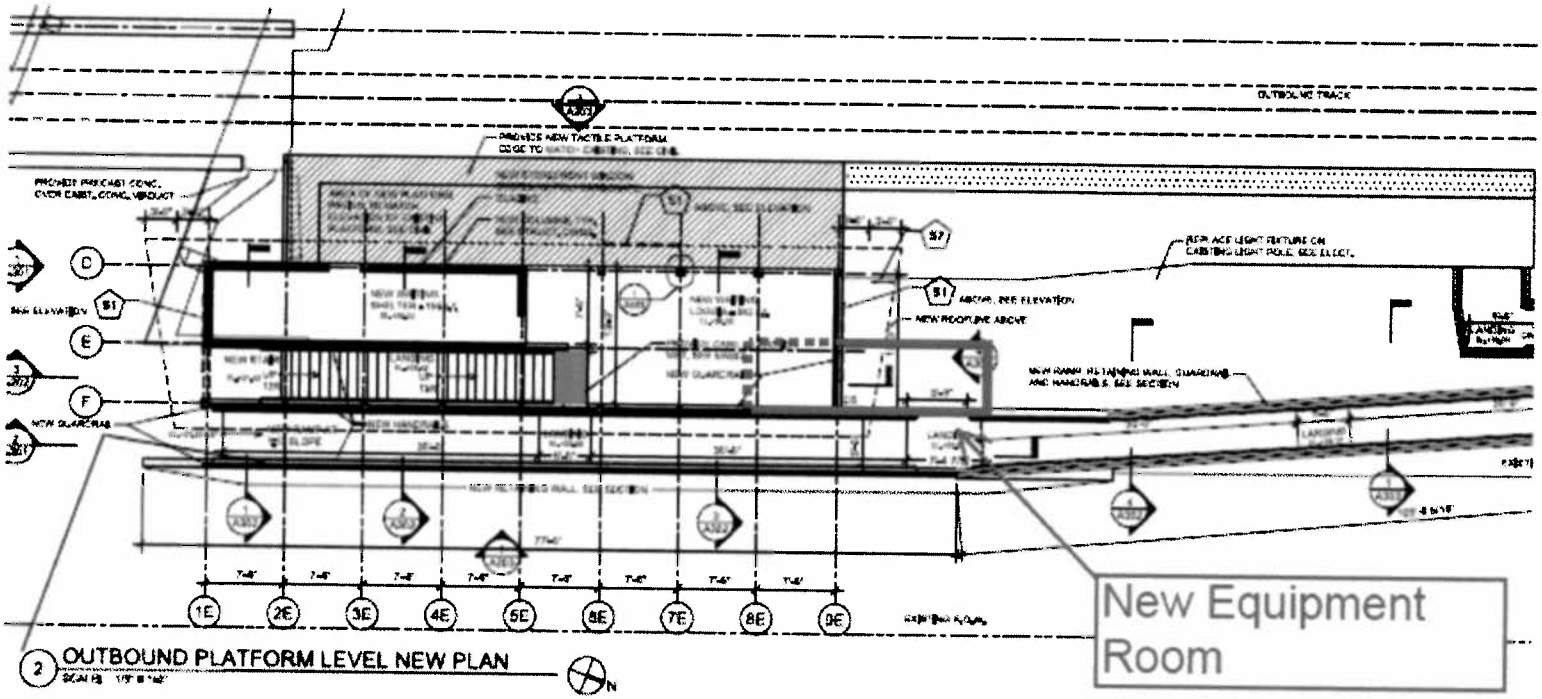
- None apparent

Potential Cost Savings: $313,000

Calculations:

Description	Quantity	Unit	Unit Price	Extended Amount
Steel Sheet Piling	-1	LS	$123,000.00	($123,000)
Porous Granular Backfill	-281	CY	$90.00	($25,251)
Excavating For Structures (Spec	-876	CY	$80.00	($70,093)
Underdrain System (Pipe Underdrains For Structures, 6")	-230	LF	$30.00	($6,908)
Concrete Waterproofing	-2176	SF	$10.00	($21,762)
Concrete Coating	-243	SY	$5.00	($1,216)
Subtotal				($248,230)
General Conditions (2%)				($4,965)
Mobilization (4%)				($9,929)
Insurance & Bonding (2%)				($4,965)
Overhead and Profit (10%)				($24,823)
Unforseen Conditions (8%)				($19,858)
			CONSTRUCTION TOTAL	($312,770)

RECOMMENDATION No. 7: On the outbound station keep the shelter as designed and relocate the equipment room to the north end of loggia below the platform level and reduce the sheet piling



RECOMMENDATION No. 8: On the outbound station keep the stairs and first landing and build new stairs extension to the loggia area

Design Alternative:
The 30% Design Alternative shows demolition of the existing stairway to the outbound platform and construction of a new stairway that terminates at a new loggia on the platform-level.

VE Alternative:
This VE Alternative reuses the stairway up through the first landing and the adjacent retaining wall, and requires construction of a new stair extension leading to the outbound platform. This will afford some savings in stair construction cost, but would also reduce earthwork and the new retaining wall costs.

Advantages:

- Less construction cost due to reduced earthwork, retaining wall, and stair construction.

Disadvantages:

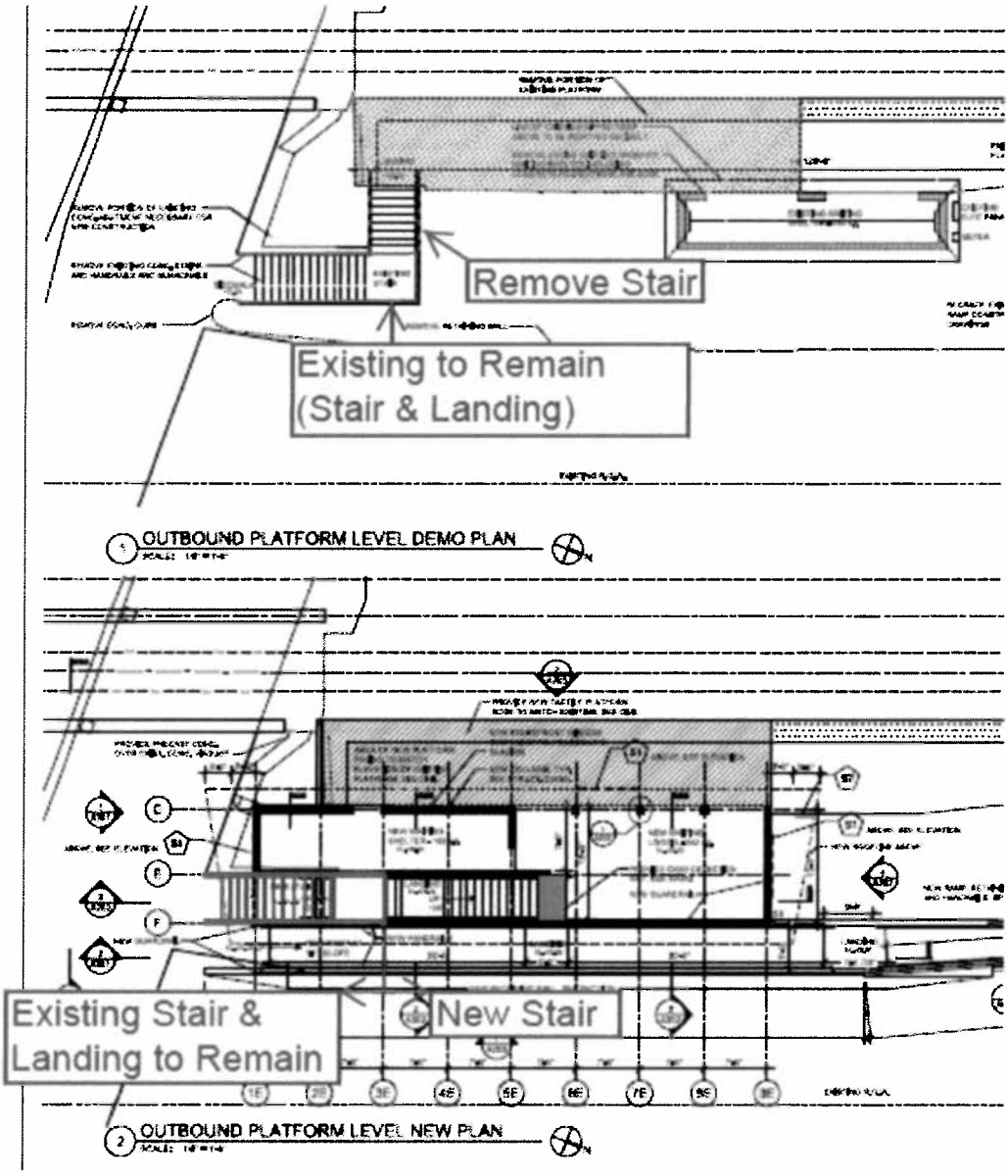
- Shorter lifecycle of reused portion of stair and retaining wall.
- Slight increase in coordination associated with working around the existing reused structures.

Potential Cost Savings: $6,000

Calculations:

Description	Quantity	Unit	Unit Price	Extended Amount
Savings to elemination of concrete and keeping retaining wall	-1	LS	$5,000.00	($5,000)
Subtotal				($5,000)
General Conditions (2%)				($100)
Mobilization (4%)				($200)
Insurance & Bonding (2%)				($100)
Overhead and Profit (10%)				($500)
Unforseen Conditions (8%)				($400)
	CONSTRUCTION TOTAL			**($6,300)**

RECOMMENDATION No. 8: On the outbound station keep the stairs and first landing and build new stairs extension to the loggia area



RECOMMENDATION No. 16: On the outbound station locate the shelter in the loggia area and provide a breezeway under roof to the platform in front of the shelter area and locate the boiler/mechanical room under the new shelter area and serpentine the ramp adjacent to the relocated new shelter

Designed Alternative:
The 30% Design Documents Alternative shows a 170 LF ramp for ADA access to the outbound platform. The ramp includes only one switchback to the final 56 LF of the ramp and extends approximate 120 LF beyond the new loggia area. The ramp terminates at the platform approximately 60 LF from the new loggia area (90 LF from the new shelter).

The 30% Design Documents Alternative shows a new shelter at the far south end of the outbound platform which improves visibility of the shelter from Fullerton Avenue. A new mechanical equipment room is shown below the new shelter at street-level. A new loggia is shown at the top of the new stairway. The design includes sheet piling to stabilize the rail bed for construction.

VE Alternative:
The VE Alternative suggests relocating the outbound shelter to the loggia area at the top of the stairs, providing a covered breezeway between the stair and shelter, constructing a serpentine ramp adjacent to the relocated shelter, and locating the equipment room below the new shelter (entry door accessible from new ramp).

Advantages:

- Reduces construction and maintenance costs by reducing earthwork, consolidating the ramp, and eliminating the Loggia while still exceeding code-required shelter space based on ridership data.
- Completely eliminates sheet piles thereby significantly reducing construction cost and coordination.
- Shorter construction schedule associated with the reduction of earthwork and the elimination of more than one-third of the floor slab and roof structure.
- Improves ramp location.
- Provides a covered landing area at the top of the stairs so that bicycles carried up the stairs do not have to be brought into the shelter.
- Increased MEP efficiency associated with shorter pipe runs along the ramp and the potential to manifold the snow melt system.
- Reduces the number of columns at platform level thereby reducing the options for locking bikes at platform level.

Disadvantages:

- Moves the shelter approximately 25 ft. north.
- May extend limits of construction closer to the limit of Metra's right-of-way thus infringe slightly more on neighbor's truck access route.

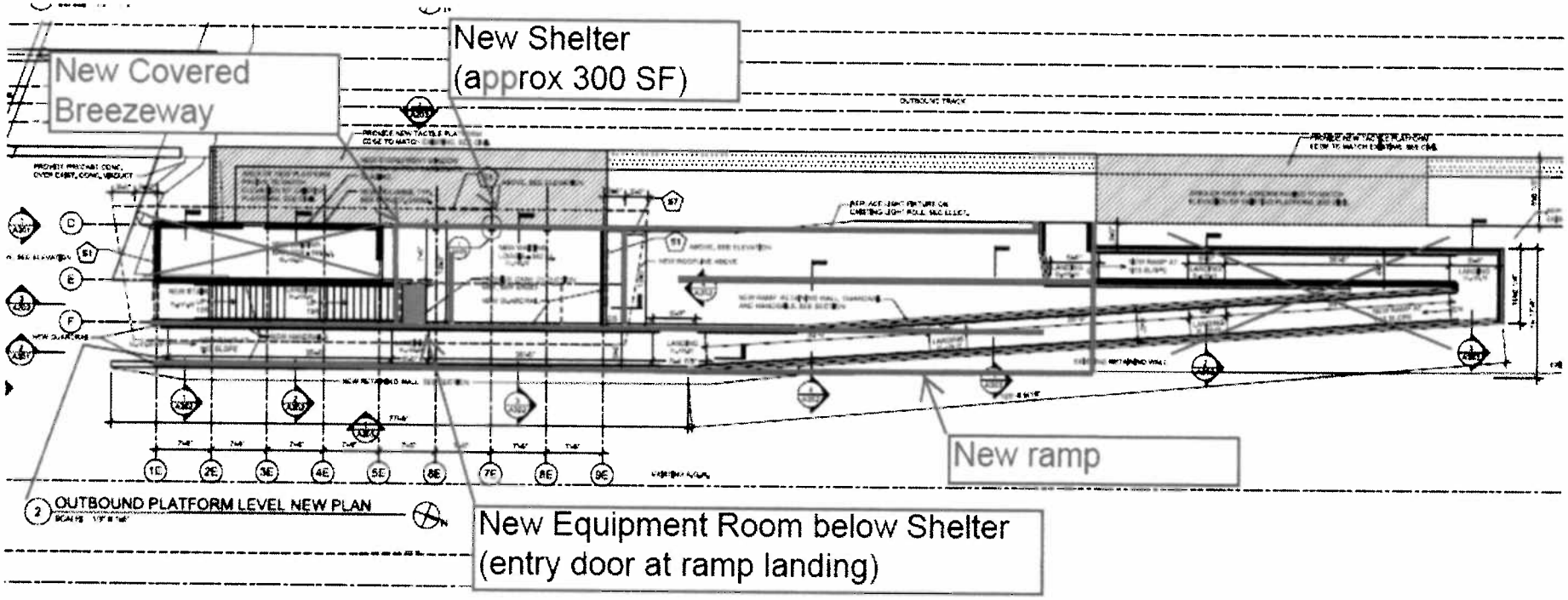
RECOMMENDATION No. 16: On the outbound locate the shelter in the loggia area and provide a breezeway under roof to the platform in front of the shelter area and locate the boiler/mechanical room under the new shelter area and serpentine the ramp adjacent to the relocated new shelter

Potential Cost Savings: $392,000

Calculations:

Description	Quantity	Unit	Unit Price	Extended Amount
Drilled Shaft Foundation	-7	CY	$2,000.00	($14,000)
New pre-insulated underground piping system containing 1" supply and return (typical for each loop).	-310	SF	$39.85	($12,354)
Structural Steel Fabrications	-10%	LS	$123,000.00	($12,300)
Curtainwall	-212	SF	$67.00	($14,204)
Electrical	-5%	LS	$77,581.60	($3,879)
Steel Sheet Piling	-1	LS	$123,000.00	($123,000)
Porous Granular Backfill	-281	CY	$90.00	($25,251)
Excavating For Structures (Special)	-876	CY	$80.00	($70,093)
Underdrain System (Pipe Underdrains For Structures, 6")	-230	LF	$30.00	($6,908)
Concrete Waterproofing	-2176	SF	$10.00	($21,762)
Concrete Coating	-243	SY	$5.00	($1,216)
Structural Steel Fabrications	-2%	LS	$123,000.00	($2,460)
Curtainwall	-50	SF	$67.00	($3,350)
Subtotal				($310,777)
General Conditions (2%)				($6,216)
Mobilization (4%)				($12,431)
Insurance & Bonding (2%)				($6,216)
Overhead and Profit (10%)				($31,078)
Unforseen Conditions (8%)				($24,862)
		CONSTRUCTION TOTAL		**($391,578)**

RECOMMENDATION No. 16: On the outbound station locate the shelter in the loggia area and provide a breezeway under roof to the platform in front of the shelter area and locate the boiler/mechanical room under the new shelter area and serpentine the ramp adjacent to the relocated new shelter



APPENDICES

Agenda
Sign In Sheets
Presentation Slides

30% Value Engineering Agenda
Regional Transportation Authority – Healy Station Refurbishment Project
Chicago, Illinois
February 15 - 29, 2012

Day One – February 15, 2012

Introductions and Study Agenda (METRA Offices)	10:00 am – 10:15 am
Project Orientation by Project Management Team	10:15 am – 11:00 am
Questions for PM Team by VE Team	11:00 am – 11:30 am
Lunch	11:30 am – 12:30 pm
Site Visit	12:30 pm – 1:30 pm
Site Visit Review Comments/Questions	1:30 pm – 2:15 pm
VE Team Discussion and Team Planning	2:15 pm – 5:00pm

Day Two – February 21, 2012

Review Cost Model	8:00 am – 10:00 am
Function Analysis	10:00 am – 10:30 am
Introduction to Creative Thinking	10:30 am – 10:40 am
Creative Idea Listing	10:40 am – 12:00 pm
Lunch	12:00 pm – 1:00 pm
Evaluation of Ideas	1:00 pm - 5:00 pm

Day Three – February 22, 2012

Finalize Evaluation of Ideas	8:00 am – 10:00 am
Mid-point review at METRA Offices	9:00 am – 10:30 am
Begin Development phase	10:30 am – 12:00 pm
Lunch	12:00 pm – 1:00 pm
Continue Development	1:00 pm - 5:00 pm

Day Four – February 29, 2012

Prep for Oral Presentation	8:00 am – 10:00 am
Oral Presentation	10:00 am – 10:45 am
Questions/Answers	10:45 am – 12:00 pm
Lunch	12:00 pm – 1:00 pm
Begin Draft Report	1:00 pm – 5:00 pm

Metra®

Meeting Attendance Sheet

Project Name: HEALY
Project #: 4471 Contract #: K 14797 Task #: 1
Consultant: MULLER + MULLER / RTA / PMA

Date	Start	Location	Purpose
2-15-12	10AM	METRA/SITE	VALUE ENGINEERING

Name (print) / initial	Company	Title	Email Address	Voice	Fax
KATE SULLIVAN	METRA	ASSOC. ARCHITECT	KSullivan@metrarr.com	(312) 322-6903	
Andrew Roth	Metra	Manager Station & Parking Design	aroth@metrarr.com	312-322-6611	
[illegible]	PMA	Senior Principal	[illegible]@pmaconsultants.com	609.433.5987	
Rick Johnson	PMA	MANAGING PRINCIPAL	rjohnson@pmaconsultants.com	(321) 418-8187	
Kim Fish	PMA	Senior Associate	kfish@pmaconsultants.com	312 713-796-3902	
Jim Hickey	RTA	Pgm Mgr PMO	hickeyj@rtachicago.org	312 913-3180	
John Goodworth	RTA	Div Mgr Oversight	goodworthj@rtachicago.org	312 913-3230	

Meeting Attendance Sheet Form, Rev. 00
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Page 1 of 1

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Meeting Attendance Sheet

Project Name: HEALY
Project #: 4011
Consultant: RTA / PMA
Contract #: —
Task #: 1

Date	Start	Location	Purpose
2.22.12	9AM	METRA	VALUE ENGINEERING

Name (print) / initial	Company	Title	Email Address	Voice	Fax
KATE SULLIVAN	METRA	ASSOC. ARCHITECT	ksullivan@metrarr.com		
RICK JOHNSON	PMA	MANAGING PRINCIPAL	rjohnson@pma-a&e.com		
TAREK BOUHAFS	PMA	SENIOR PRINCIPAL	tbouhafs@pmaconsultants.com		
KimFish	PMA	Senior Associate	kfish@pmaconsultants.com		
Andrew Roth	Metra	Manager Stations	aroth@metrarr.com		
Jim Hickey	RTA	Pgm Mgr, PMO	hickeyj@rtachicago.org		

Meeting Attendance Sheet Form, Rev. 00
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Metra

Meeting Attendance Sheet

Project Name: HEAVY VALUE ENGINEERING
Project #: ——
Contract #: ——
Task #: ——
Consultant: RTA / PMA

Date	Start	Location	Purpose
2.29.12	10AM	METRA - 7TH FLR	FINAL PRESENTATION

Name (print) / initial	Company	Title	Email Address	Voice	Fax
KATE SULLIVAN	METRA	ASSOC. ARCHITECT	ksullivan@metrarr.com	312 322 6903	
KIM FISH	PMA	SR ASSOCIATE	kfish@pmaconsultants.com	773 796 3902	
RICK JOHNSON	PMA	MANAGING PRINCIPAL	rjohnson@ "	(407) 351-7016	
JASON LATHAM	PMA	SENIOR PRINCIPAL	jlatham@ "	(609) 433-5987	
Jim Hickey	RTA	Pgm Mgr. PMO	hickeyj@rtachicago.org	312-913-3180	
John P Goodworth	RTA	DIV MGR - OPERATIONS	goodworthj@rtachicago.org	312-913-3110	
GLEN PETERS	METRA	SR. DIR. CAP PROJECTS	gpeters@metrarr.com	312 322-6631	
Andy Roth	Metra	Manager Station Design	aroth@metrarr.com	312-322-6611	
LARRY POWELL L VIA PHONE	METRA				

Meeting Attendance Sheet Form, Rev. 00
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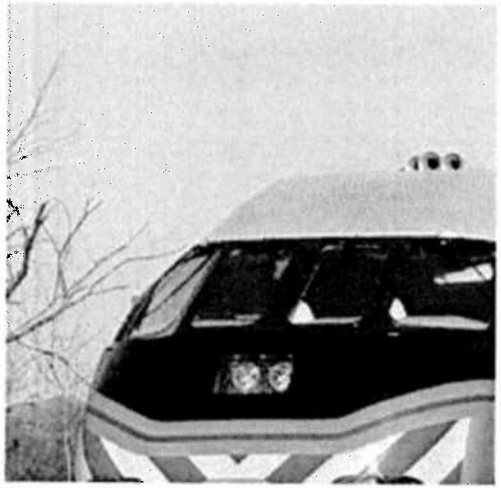
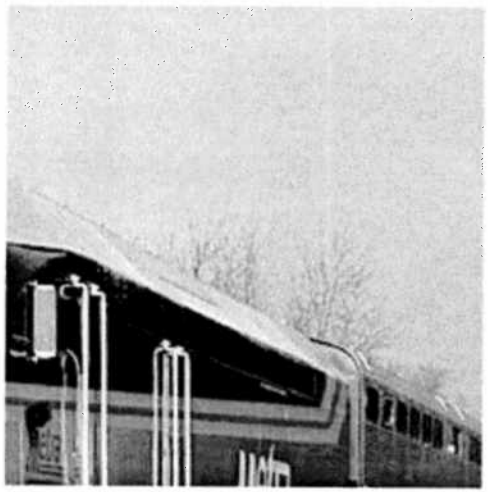
SLIDE PRESENTATION





Healy Station - Value Engineering Study Recommendations

Conducted

February 15 – 29, 2012

Metra®

Regional Transportation Authority

PMA Consultants

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Value Engineering

HEALY STATION REHABILITATION

- Kimberly Fish, PE – Project Management
- Tarek Bahgat – Construction
- Rick Johnson, PE, CVS – Team Leader

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SAVE International Job Plan

- Information
- Function
- Creative Brainstorming
- Evaluation
- Development
- Presentation/Report

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INFORMATION PHASE

- Information Gathering
- Reviewed Project Information
- Site Visit
- Verified Constraints
- Identified Functions

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PROJECT LOCATION

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PROJECT SCOPE

Improve the access, safety, security and shelter at the station. Remove the at-grade crossover and rehabilitate the station platforms, passenger shelter areas and provide full ADA access to both sides.

Program Estimate: $ 2.67M

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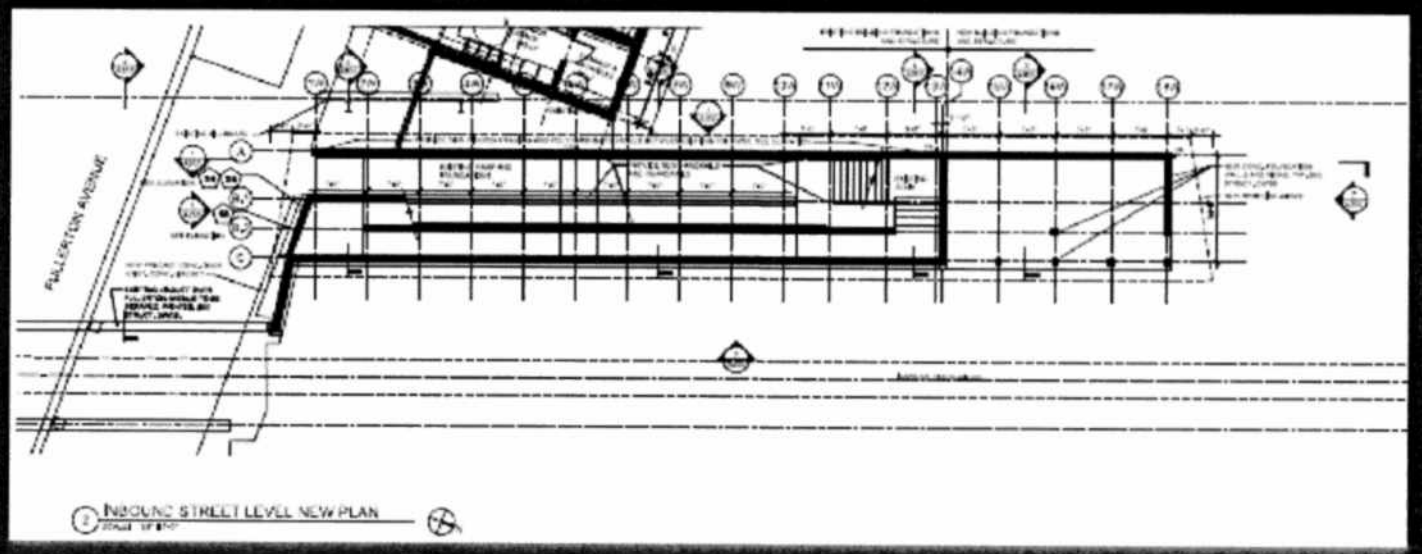
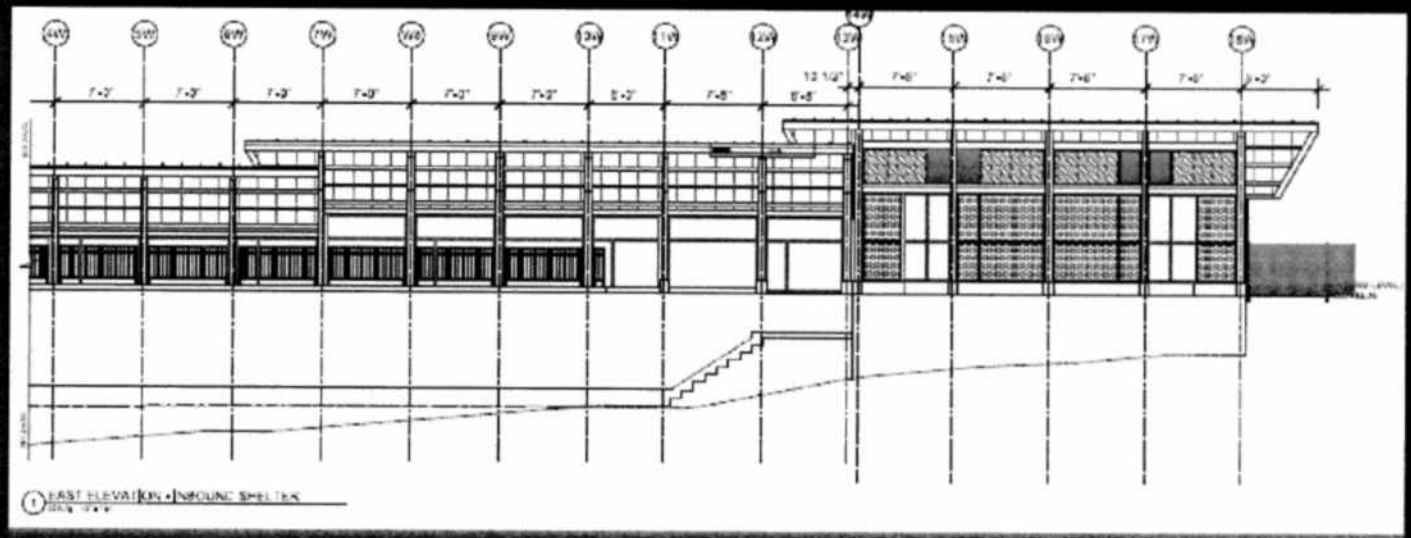
INBOUND STATION





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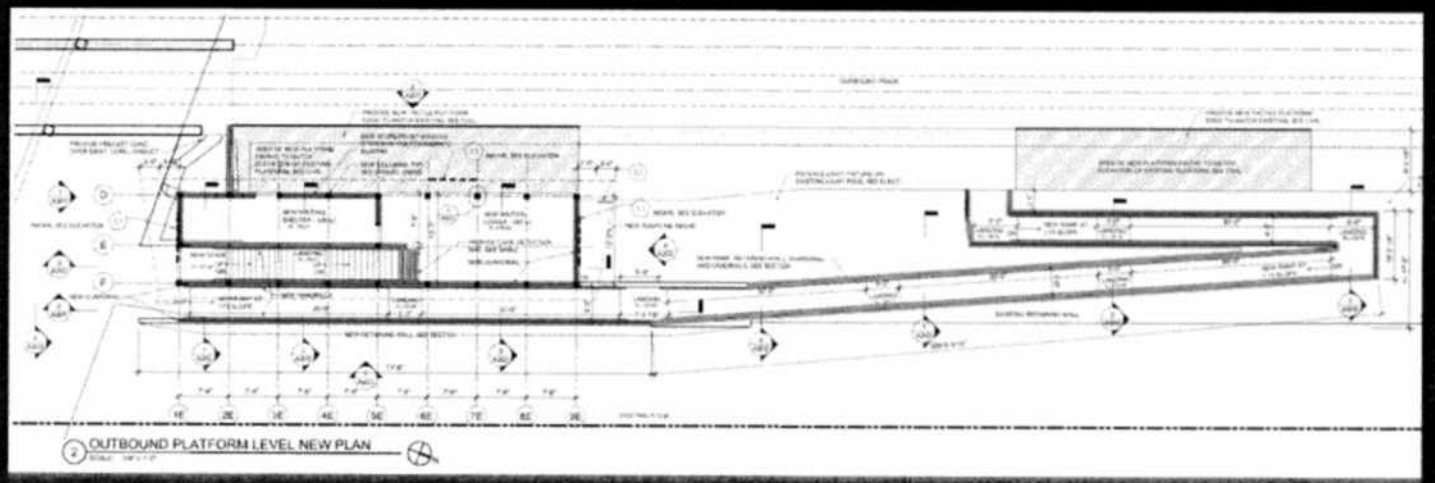
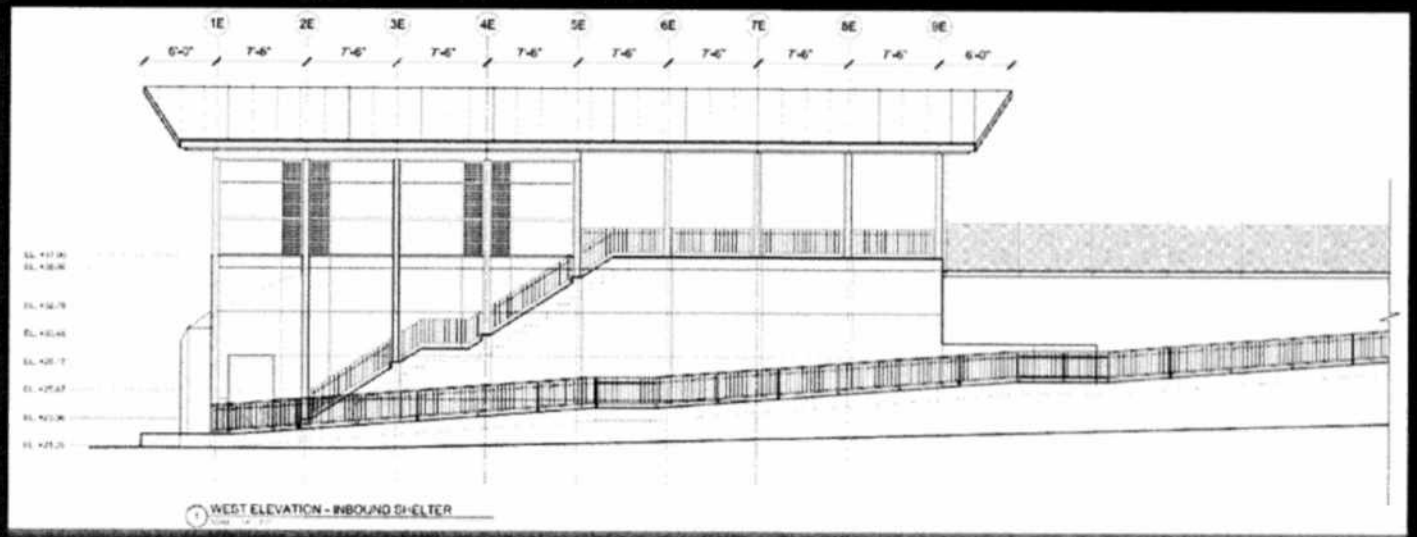
OUTBOUND STATION





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CONSTRAINTS

- The Architectural Theme/Concept must remain
- Need to resolve an encroachment by an adjacent property owner on the eastside (Outbound) so as not to excessively impact his business operation

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FUNCTION ANALYSIS

- Rehabilitate Station
- Construct Project
- Let Contract
- Secure Funds
- Permit Project
- Design Project
- Recommend Alternatives
- Study Alternatives
- Determine Need

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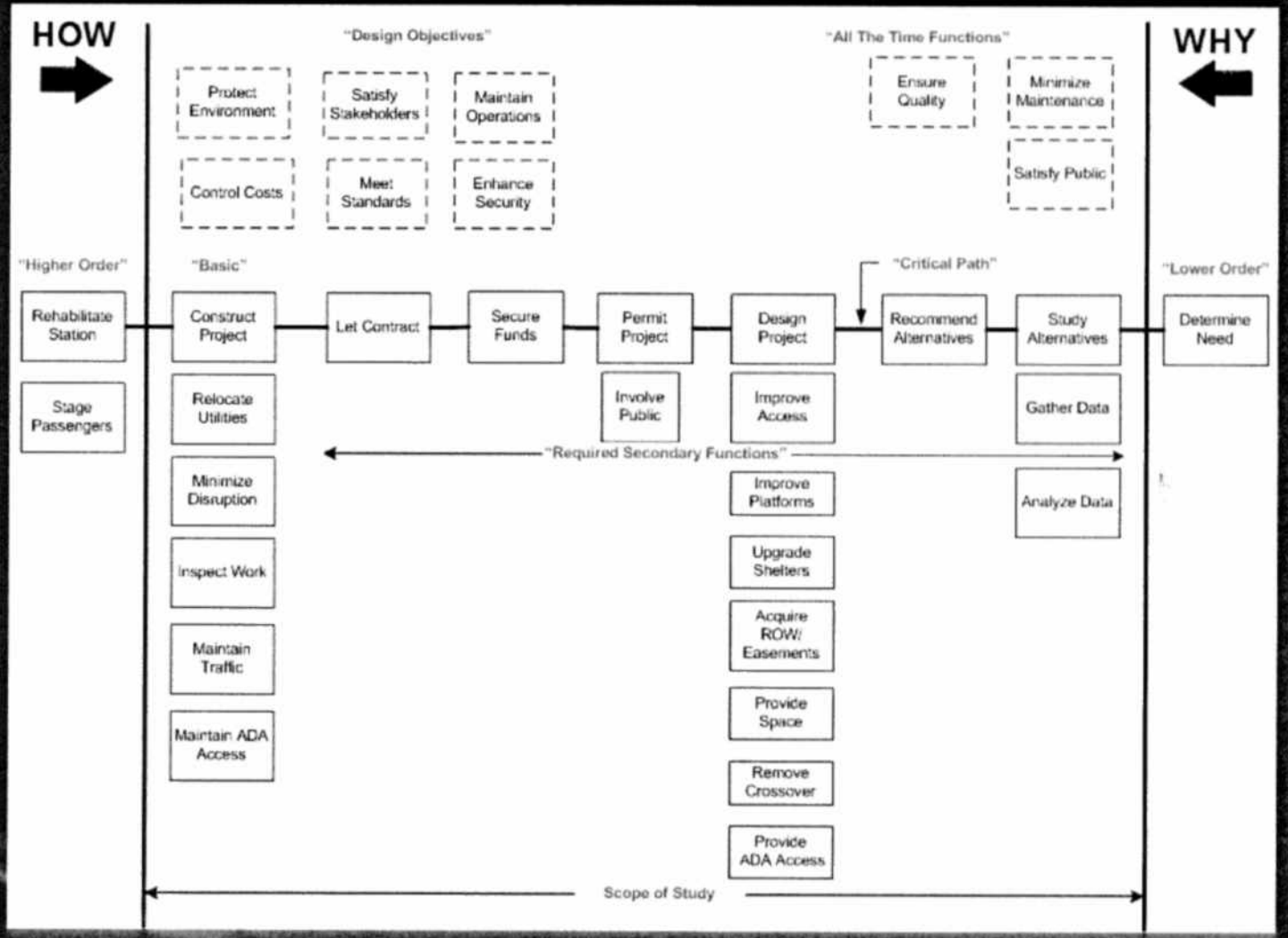
FAST Diagram



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DESIGN FUNCTIONAL CONSIDERATIONS

- Improve Access
- Improve Platforms
- Upgrade Shelters
- Acquire ROW/Easements
- Provide Space
- Remove Crossovers
- Provide ADA Access

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CREATIVE BRAINSTORMING

- Generated Ideas in Major Disciplines and Functions
- Ideas Were Consolidated by the VE Team for Further Development

EVALUATION/DEVELOPMENT

- Generated 19 Ideas and Identified Weighted Criteria
- Ideas That Improved the Design Alternative Were Developed
- Compare the Design Alternative to the VE Alternative
- List Advantages and Disadvantages

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IDEA No. 1 – Outbound serpentine ramp adjacent to the loggia

Design Concept – The 30% Design Documents Alternative shows a 170 LF ramp for ADA access to the outbound platform. The ramp includes only one switchback to the final 56 LF of the ramp and extends approximate 120 LF beyond the new loggia area. The ramp terminates at the platform approximately 60 LF from the new loggia area (90 LF from the new shelter).

IDEA No. 1 – Outbound serpentine ramp adjacent to the loggia

VE Recommendation – This VE Alternative suggests that two switchbacks be added to the new ramp serving the outbound platform to serpentine the ramp adjacent to the Loggia.

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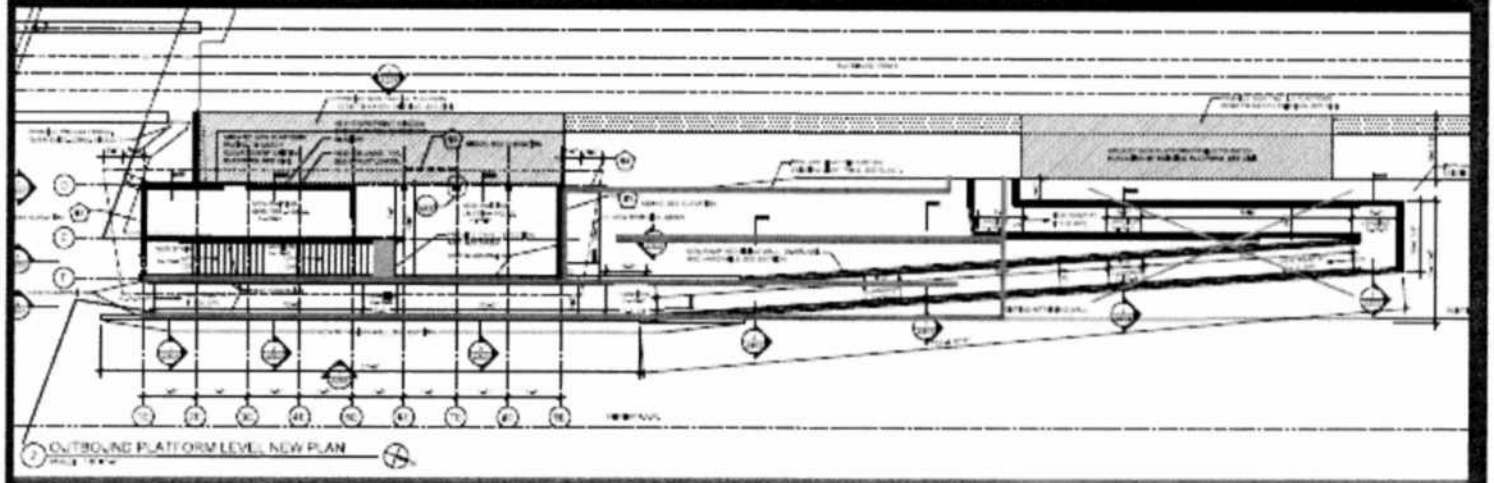
IDEA No. 1 – Outbound serpentine ramp adjacent to the loggia



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IDEA No. 1 – Outbound serpentine ramp adjacent to the loggia

- **Advantages:**
  - Improves ramp location
  - Less cost
  - Improves snow melt system layout and pipe runs
- **Disadvantages:**
  - May require shifting the ramp east
- **Potential Cost Savings: $33,000**

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IDEA No. 2 – Outbound shelter relocated to the loggia area

Design Concept – The 30% Design Documents Alternative shows a new shelter at the far south end of the outbound platform. A new loggia is located at the top of the stairs, adjacent to the shelter.

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IDEA No. 2 – Outbound shelter relocated to the loggia area

VE Recommendation – This VE Alternative suggests relocating the new outbound shelter to the loggia area at the top of the new stairs.

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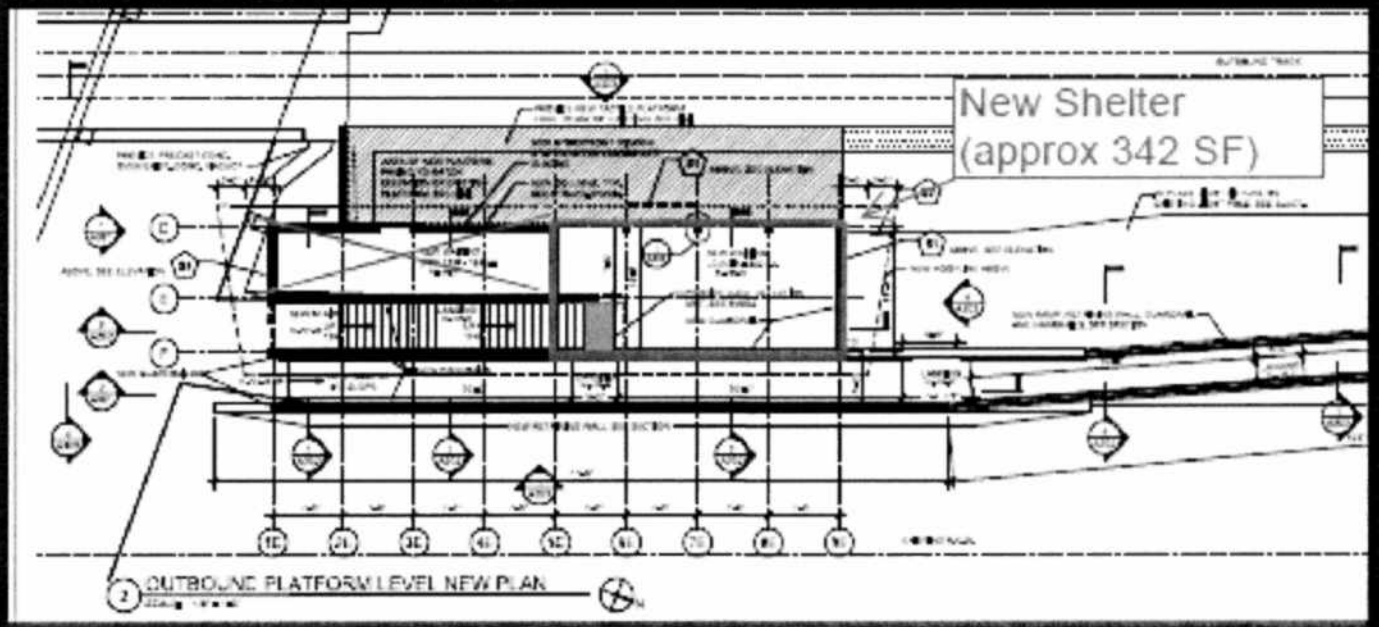
IDEA No. 2 – Outbound shelter relocated to the loggia area



IDEA No. 2 – Outbound shelter relocated to the loggia area

- **Advantages:**
  - Less cost (construction & maintenance)
  - Less construction time
  - Less coordination
  - Better utilization of covered space
  - Improves sight line
  - Potential to add space for breezeway to accommodate bikes
- **Disadvantages:**
  - Moves the shelter north approx. 25 ft.
- **Potential Cost Savings: $38,000**

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IDEA No. 3 – Relocate the shelter and equipment room, reduce the loggia size to eliminate sheet piles

Design Concept – The 30% Design Documents Alternative shows a new shelter at the far south end of the outbound platform. A new mechanical equipment room is shown below the new shelter at street-level. A new loggia is shown at the top of the stairs, adjacent to the shelter. The design includes sheet piling to stabilize the rail bed for construction of the shelter, loggia, and street-level equipment room.

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IDEA No. 3 – Relocate the shelter and equipment room, reduce the loggia size to eliminate sheet piles

VE Recommendation – Relocate the outbound shelter to the loggia area, relocate the equipment room to alternative locations at street level to maintain line-of-sight for the entire platform length, and reduce the loggia footprint by reducing the depth of covered Loggia area to shift column footings further from the rail bed to eliminate the sheet piles.

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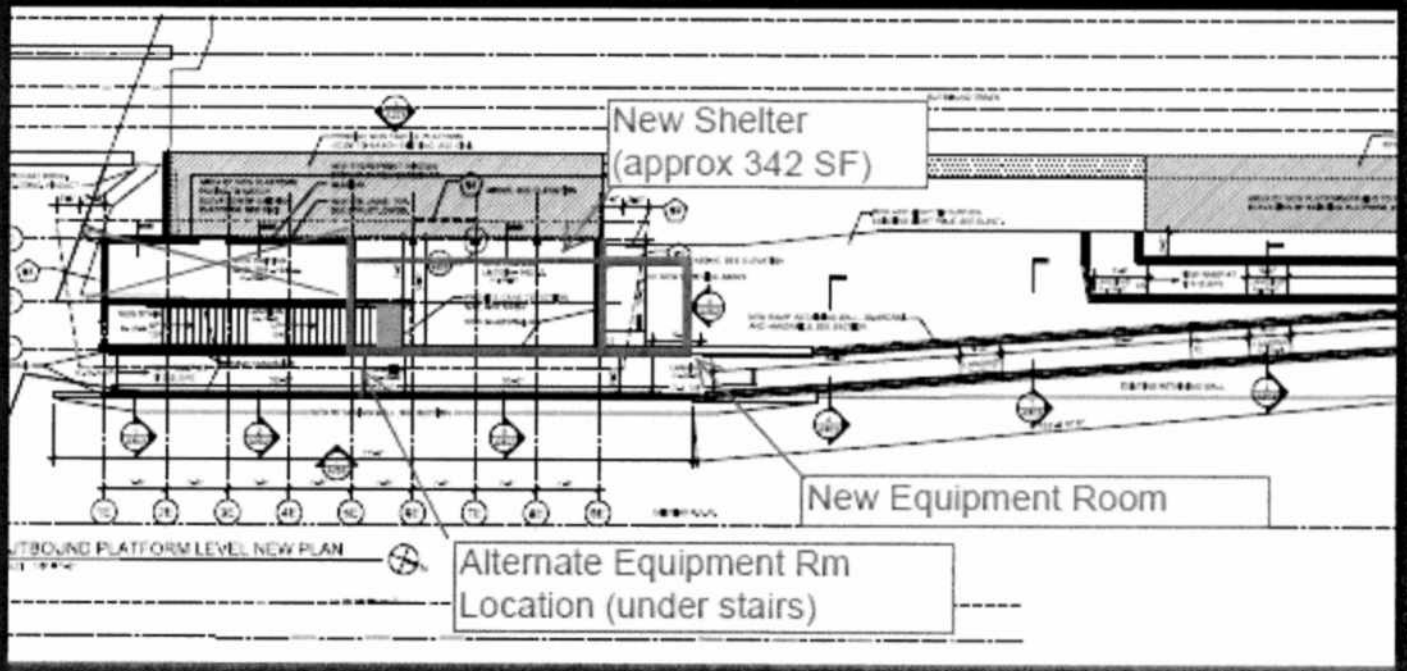
IDEA No. 3 – Relocate the shelter and equipment room, reduce the loggia size to eliminate sheet piles



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IDEA No. 3 – Relocate the shelter and equipment room, reduce the loggia size to eliminate sheet piles

- **Advantages:**
  - Less cost (construction & maintenance)
  - Less construction time
  - Less coordination
  - Greater options for space allocation
  - Shallower foundations eliminating sheet piling
- **Disadvantages:**
  - Moves the shelter north approx. 25 ft.
- **Potential Cost Savings: $351,000**

IDEA No. 4 – Inbound station, demo above the floor slab, refurbish slab and foundation

Design Concept – The 30% Design Documents Alternative shows demolishing the existing inbound shelter and foundation system, and constructing a new shelter and foundation.

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IDEA No. 4 – Inbound station, demo above the floor slab, refurbish slab and foundation

VE Recommendation – This VE Alternative suggests reusing the existing inbound shelter foundation by removing the existing masonry structure above the floor slab, refurnishing the slab and foundation, and constructing the new shelter as designed on the refurbished slab and foundation.

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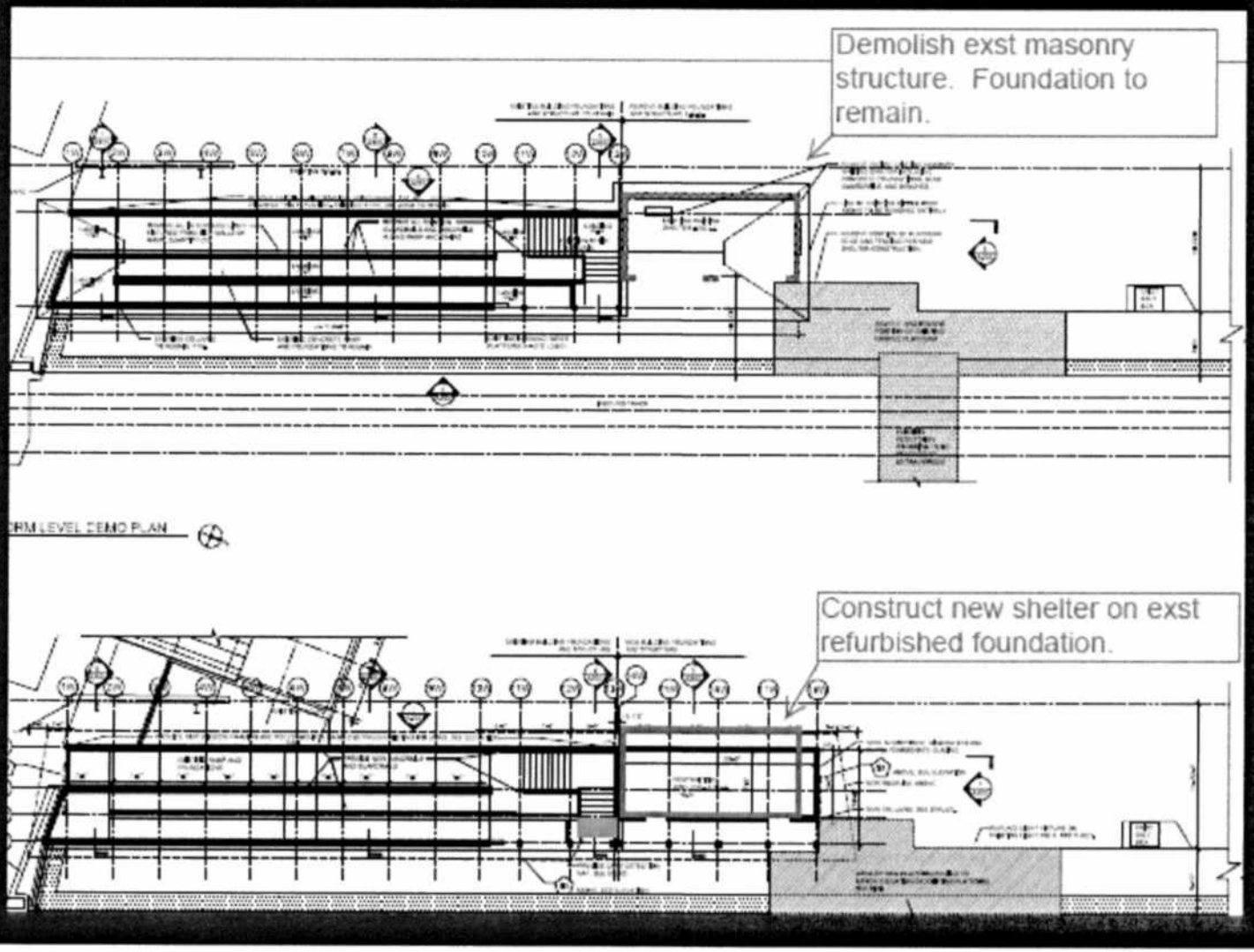
IDEA No. 4 – Inbound station, demo above the floor slab, refurbish slab and foundation



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IDEA No. 4 – Inbound station, demo above the floor slab, refurbish slab and foundation

- **Advantages:**
  - Less cost
  - Less construction time
  - Less coordination
- **Disadvantages:**
  - Relies on an existing foundation system
  - Adds an offset in the west curtainwall
- **Potential Cost Savings: $39,000**

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IDEA No. 6 – Reduce the size of the outbound waiting area to 300 SF (221.88 + 78 SF)

Design Concept – The 30% Design Documents Alternative includes 537 SF covered waiting area for outbound passengers (195 SF shelter and 342 SF loggia). This is 315 SF greater than the code-required 222 SF: (43 peak boarding passengers + 20% future) x 4.3 SF / passenger.

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IDEA No. 6 – Reduce the size of the outbound waiting area to 300 SF (221.88 + 78 SF)

VE Recommendation – This VE Alternative suggests reducing the size of the outbound waiting area to 300 SF to eliminate 237 SF excess waiting area.

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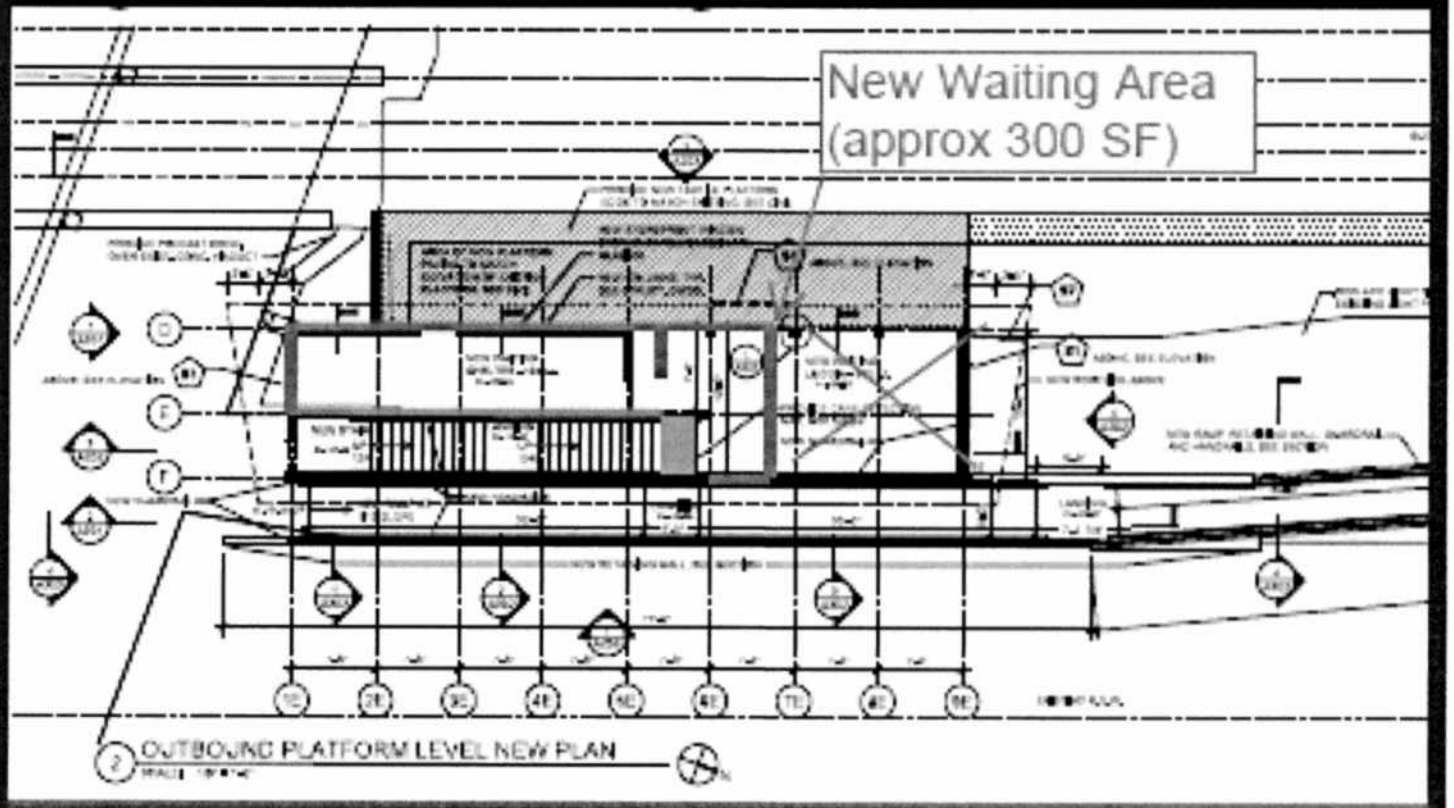
IDEA No. 6 – Reduce the size of the outbound waiting area to 300 SF (221.88 + 78 SF)



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IDEA No. 6 – Reduce the size of the outbound waiting area to 300 SF (221.88 + 78 SF)

- **Advantages:**
  - Less cost (construction & maintenance)
  - Less construction time
  - Better use of space
- **Disadvantages:**
  - None apparent
- **Potential Cost Savings: $22,000**

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IDEA No. 7 – outbound, keep as designed & relocate equipment to the platform to reduce sheet piling

Design Concept – The 30% Design Documents Alternative shows the mechanical equipment room at street-level, below the new outbound shelter area. Sheet piling is required to construct the equipment room at this location because of its depth relative to the railway.

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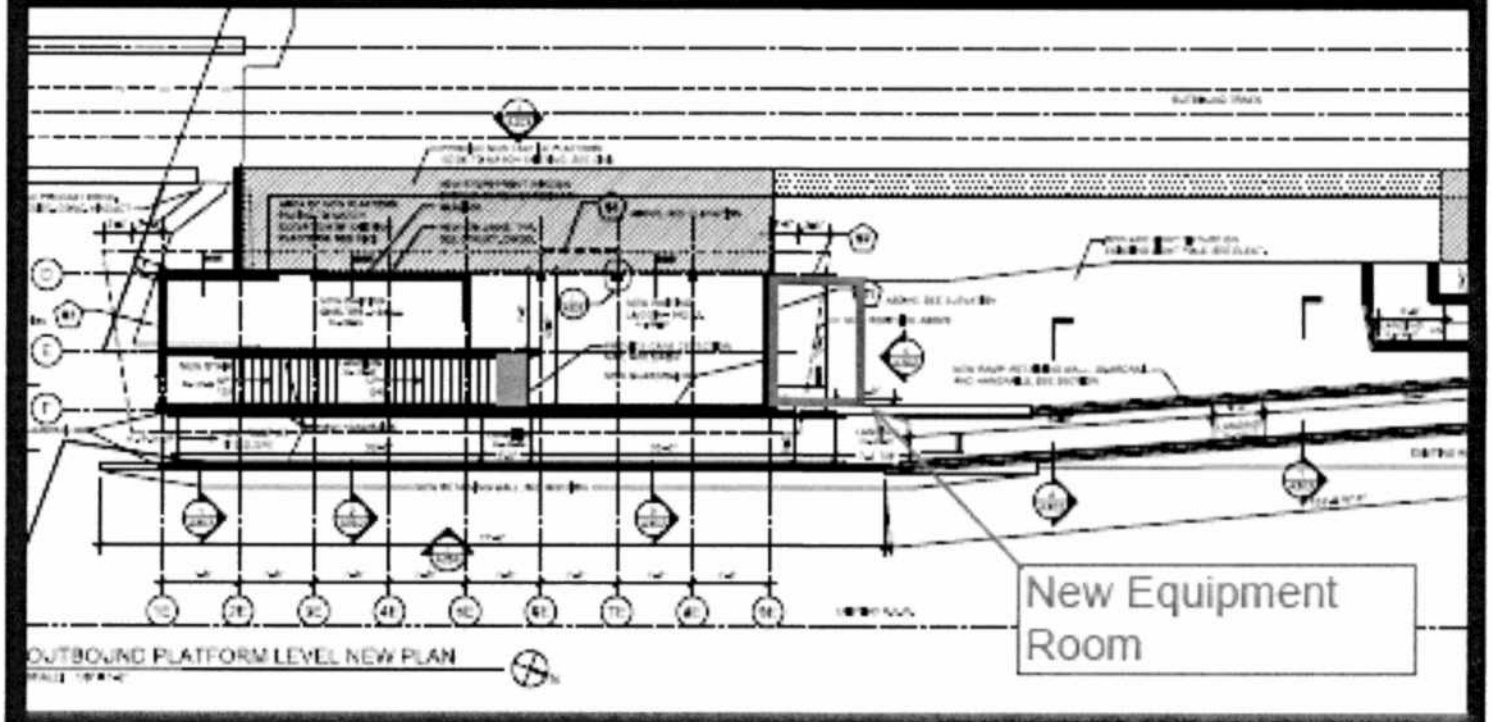
IDEA No. 7 – outbound, keep as designed & relocate equipment to the platform to reduce sheet piling

VE Recommendation – This VE Alternative includes constructing the mechanical equipment room at platform-level or at a slightly lower elevation as required to maintain line-of-site along the outbound platform. This alternative would allow the existing retaining wall along the stairs to be reused. This VE Alternative also reduces sheet piling.

IDEA No. 7 – outbound, keep as designed & relocate equipment to the platform to reduce sheet piling



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IDEA No. 7 – Outbound, keep as designed & relocate equipment to the platform to reduce sheet piling

- **Advantages:**
  - Less cost
  - Less construction time
  - Less coordination
  - Less maintenance
- **Disadvantages:**
  - None apparent
- **Potential Cost Savings: $313,000**

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IDEA No. 8 – Outbound, keep the stairs and first landing and build new stairs extension

Design Concept - The 30% Design Alternative shows demolition of the existing stairway to the outbound platform and construction of a new stairway that terminates at a new loggia on the platform-level.

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IDEA No. 8 – Outbound, keep the stairs and first landing and build new stairs extension

VE Recommendation – This VE Alternative reuses the stairway up through the first landing and the adjacent retaining wall, and requires construction of a new stair extension leading to the outbound platform. This will afford some savings in stair construction cost, but would also reduce earthwork and the new retaining wall costs.

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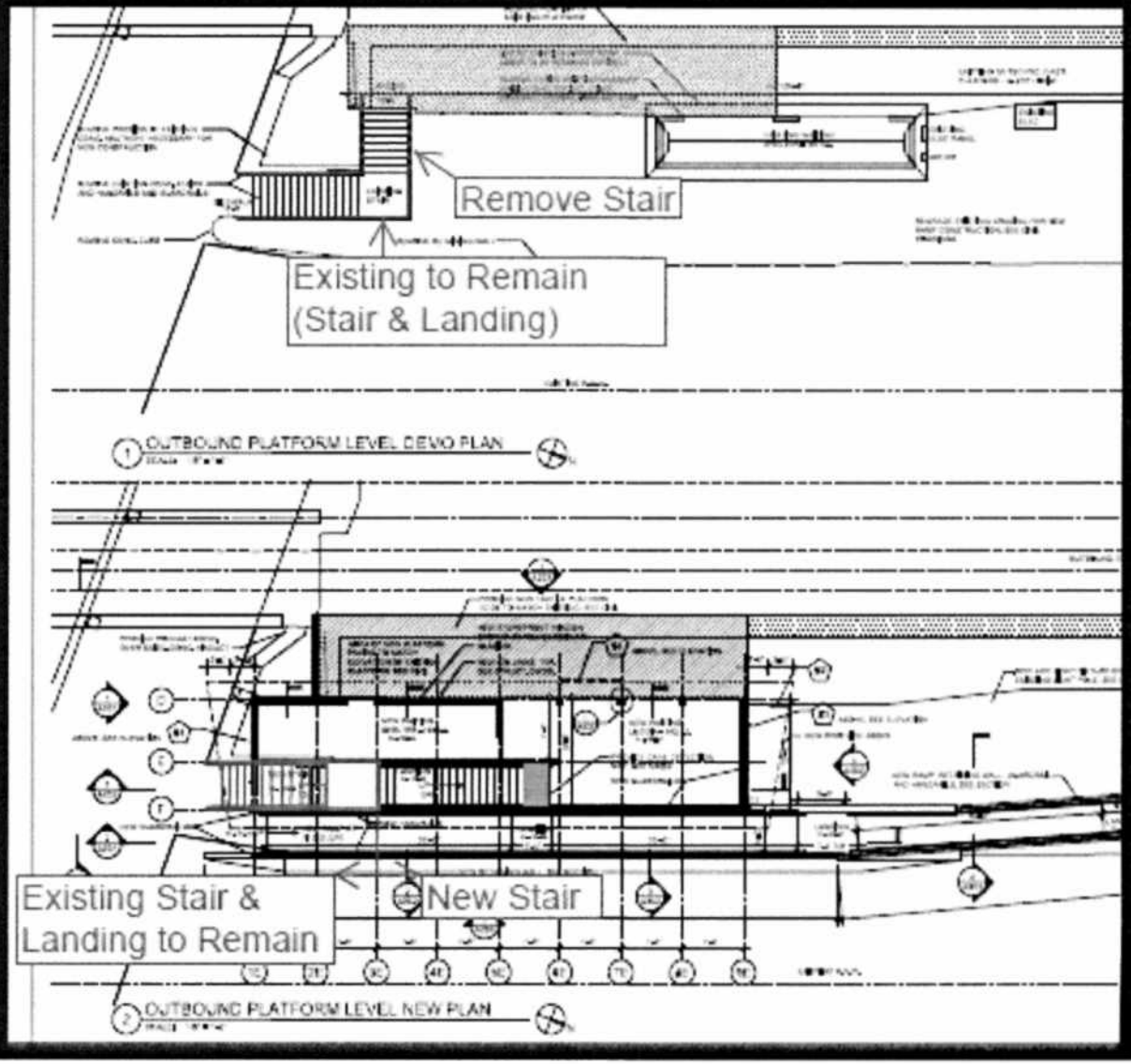
IDEA No. 8 – Outbound, keep the stairs and first landing and build new stairs extension



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IDEA No. 8 – Outbound, keep the stairs and first landing and build new stairs extension

- **Advantages:**
  - Less cost
  - Less construction
- **Disadvantages:**
  - Shorter life cycle on lower stairs
  - Matching up to existing stairway
- **Potential Cost Savings: $6,000**

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02.29.12

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IDEA No. 1, 3 & 6 combined

Design Concept – The 30% Design Documents Alternative shows a 170 LF ramp for ADA access to the outbound platform and shows a new shelter at the far south end of the outbound platform. A new mechanical equipment room is shown below the new shelter at street-level. A new loggia is shown at the top of the new stairway.

IDEA No. 1, 3 & 6 combined

VE Recommendation – The VE Alternative suggests relocating the outbound shelter to the loggia area at the top of the stairs, providing a covered breezeway between the stair and shelter, constructing a serpentine ramp adjacent to the relocated shelter, and locating the equipment room below the new shelter (entry door accessible from new ramp).

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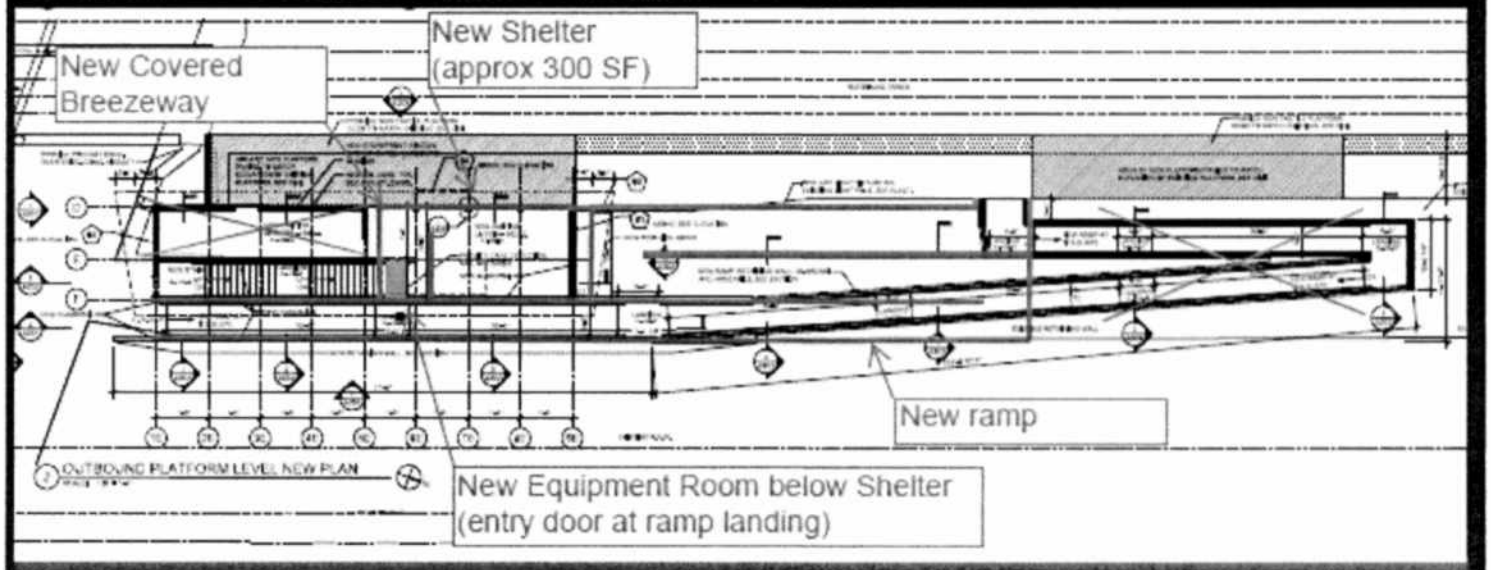
IDEA No. 1, 3 & 6 combined



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02.29.12

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IDEA No. 1, 3 & 6 combined

- **Advantages:**
  - Less construction and maintenance costs
  - Completely eliminates sheet piles
  - Shorter construction schedule
  - Improves ramp location
  - Improves snow melting system efficiency
- **Disadvantages:**
  - Moves the shelter north approx. 25 ft.
- **Potential Cost Savings: $391,000**

DESIGN SUGGESTIONS

- Consider adding bike racks under the bridge
- Consider LED lighting to lower maintenance and life cycle costs

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SAVINGS SUMMARY

Recommendation	Savings	Maximum Savings
Outbound serpentine ramp adjacent to the loggia	$33,000	$33,000
Outbound shelter relocated to the loggia area	$38,000	
Relocate the shelter and equipment room, reduce the loggia size to eliminate sheet piles	$351,000	$351,000
Inbound station, demo above the floor slab, refurbish slab and foundation	$39,000	$39,000
Reduce the size of the outbound waiting area to 300 SF (221.88 + 78 SF)	$22,000	$22,000
Outbound, keep as designed & relocate equipment to the platform to reduce sheet piling	$313,000	
Outbound, keep the stairs and first landing and build new stairs extension	$6,000	$6,000
TOTAL		$451,000

PMA Consultants

ACTION PLAN

- Submit Draft VE Report 3/5/12
- Draft Report Routed for Comments
- Receive and Incorporate RTA/Metra Comments and Revisions 3/16/12
- Issue Final VE Report 3/23/12

Questions?

PMA Consultants

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2010 Triennial On-Site Safety and Security Review of Chicago Transit Authority Rail Transit System

Review Conducted by

Regional Transportation Authority

Regional Transportation Authority

TRANSPORTATION RESOURCE ASSOCIATES
TRA

Transportation Resource Associates

Final Report 9/27/10

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1. Introduction

The Federal Transit Administration (FTA), through its State Safety Oversight Final Rule (49 CFR §659, effective 1997 and revised effective 2006), requires that states with specified rail fixed guideway systems conduct regular safety and security oversight of those systems. The Chicago Transit Authority's (CTA) rail system is covered under the Regional Transportation Authority's (RTA) State Safety Oversight Program.

The FTA's rule requires that designated state safety oversight agencies perform an on-site safety and security review of rail transit fixed guideway systems once every three years. This report documents the methodology, observations, and results of RTA's triennial review of CTA, conducted in May 2010 (previous reviews were conducted in 2007, 2004, 2001, and 1998).

The triennial review of CTA examined the transit agency's implementation of and compliance with its System Safety Program Plan (SSPP) and its Security and Emergency Preparedness Plan (SEPP). The RTA review team used the FTA's *Recommended Best Practices for States Conducting Three-Year Safety Reviews* as a basis, in part, for review criteria. Using this guidance, results of past RTA triennial reviews, and RTA's own published procedures, the review team developed specific checklists for all 21 SSPP elements and five SEPP elements prescribed by the FTA.

The RTA review team consisted of RTA staff as well as contract personnel from Transportation Resource Associates, Inc., and its subcontractor, Raul V. Bravo + Associates. Review activities began with a pre-review period of research, a request to CTA for certain background documents, and initial evaluation of plans and procedures. The review team then spent a two-week period on-site conducting interviews, field inspections, and follow-up document reviews. During each of the individual review sessions, RTA and CTA personnel discussed interim findings and observations and identified any immediate issues or problems. Upon conclusion of the on-site review, the team presented an exit briefing to CTA management that identified significant findings and observations and addressed any immediate questions from CTA personnel.

The review's findings, noted in each section of the report and compiled in Appendix A, identify two general types of issues:

1. Areas where CTA is not in compliance with existing requirements identified in FTA's State Safety Oversight Final Rule, RTA's *System Safety Program Standard and Procedures (revised September 15, 2006)*, and CTA's own SSPP, SEPP, plans, policies, or procedures.

2. Areas where CTA is in compliance with external requirements but review team members have identified opportunities to improve plans or procedures, or to enhance compliance with those documents.

Both types of findings require CTA to analyze and address the discrepancies noted through a written Corrective Action Plan (CAP). RTA will work closely with CTA in the review and approval of these CAPs, according to RTA procedures. RTA expects that CTA will address the first type of finding by revising plans, practices, or both. RTA will require CTA to either address the second type of finding by identifying its intended correction actions or providing sufficient analysis indicating why current practices are acceptable and appropriate.

The RTA review team would like to thank all personnel at CTA for their assistance in performing this review. The team highly appreciated their professionalism and cooperation in coordinating interviews, scheduling site visits, and providing documents.

2. Review Methodology

The review team included technical experts in rail transit safety, security, operations, vehicles, maintenance, and engineering. After the notice to proceed, the review team requested, received, and reviewed background documents in advance of the on-site reviews. Upon arrival on-site, the team conducted a two-week-long assessment that involved a kick-off meeting, interviews with CTA personnel, additional document and record review, system site visits and field inspections. Site observations focused on CTA's compliance with and implementation of its SSPP and SEPP.

One of RTA's responsibilities under its State Safety Oversight Program is to periodically review CTA's SSPP and its SEPP versus RTA's published standards and approve those plans as appropriate. CTA updated its SSPP and its SEPP and submitted them to RTA for review and approval just before this triennial review. This schedule was fortuitous. Triennial reviews such as this one typically result in findings and recommendations about contents of the SSPP and the SEPP. Because the SSPP and SEPP review process was coordinated with the on-site triennial review, any changes suggested by either review could also be coordinated.

For the on-site review, team members used checklists to compare CTA's SSPP and SEPP to the program standards mandated by the FTA and RTA. The review team then measured compliance in the following areas:

SSPP	SEPP
1. Policy Statement and Authority for SSPP 2. Goals and Objectives 3. Overview of Management Structure 4. SSPP Control and Update Procedure 5. SSPP Implementation Activities and Responsibilities 6. Hazard Management Process 7. System Modification 8. Safety Certification 9. Safety Data Collection and Analysis 10. Accident/Incident Investigations 11. Emergency Management Program 12. Internal Safety Audits 13. Rules Compliance 14. Facilities and Equipment Inspections 15. Maintenance Audits and Inspections 16. Training and Certification Program for Employees and Contractors 17. Configuration Management and	1. Identify the Policies, Goals, and Objectives for the Security Program 2. Process for managing Threats and Vulnerabilities 3. Identify controls in place to address personal security 4. Internal Security reviews 5. Update and Submittal of SEPP

SSPP	SEPP
Control 18. Local, State and Federal Requirements 19. Hazardous Materials Programs 20. Drug and Alcohol Program 21. Procurement Process	

As part of SSPP checklists 14 and 15, this triennial review included a detailed assessment of CTA's ventilation equipment and emergency exits. The review included a site inspection of all CTA fans, louvers, blast shafts, and emergency exits in [undisclosed locations] to determine that they are functional, maintained and accessible. This contrasts with other safety and security areas, where records and sites are sampled, rather than reviewed in their entirety.

At the conclusion of the two-week on-site review, the review team presented preliminary findings to CTA. Team members also submitted follow-up questions and additional document requests to CTA. The final steps of the review itself involve the development of the draft report for CTA to review. The review team will then publish a final report that will consider and, as appropriate, incorporate CTA comments.

3. System Description

The Chicago Transit Authority (CTA) is the second largest public transit system in the United States. The CTA fleet includes approximately 2,000 buses and 1,180 rapid transit cars that service the city of Chicago and 40 surrounding suburbs. The CTA organization structure includes several Divisions that report directly to the CTA President. Each Division manages the various aspects that make up the system. CTA Divisions include: Transit Operations; Administration; Safety, Security, and Risk Compliance (SSRC); Technology; Infrastructure; Development; Finance; Treasury; and General Counsel.
The Safety, Security, and Risk Compliance Department is managed by a Chief Safety and Security Officer. The SSRC department is then divided into two groups, each led by a General Manager for Safety and Risk Compliance and Security. The SSRC department prepares and maintains the CTA SSPP, SEPP, identifies hazards, collects safety and security data, investigates accidents and incidents, conducts internal safety and security audits, and interfaces with the RTA oversight program.

Rail Transit Service
CTA rail transit services consist of eight lines that serve approximately 650,000 riders on a typical weekday, according to the CTA website, and provide access to both of Chicago's major airports. The CTA rail system contains 144 stations along approximately 224 route-miles of mainline revenue track, including elevated, subway, and ballasted roadbed. The eight rail lines are:

- Red Line (Howard – Dan Ryan): approximately 22 miles from Howard Street on the north end to 95th/Dan Ryan at the south end. The Red Line includes the State Street subway in the downtown area, services 34 stations, and is the most heavily used rail line in the CTA system.

- Purple Line: operates both a "purple line shuttle" service and weekday express from Howard Street to Belmont Ave., and then all local stops to the loop. The shuttle service covers approximately 4 miles between the Linden and Howard terminals, servicing nine stations. Express service to the loop covers approximately 15 miles and services eight rail stations.

- Yellow Line (Skokie Swift): nonstop shuttle service between the Skokie station and the Howard terminal, approximately 5 miles.

- Blue Line: approximately 28 miles from O'Hare International Airport in the northwest to the Des Plaines terminal in the western suburb of Forest Park. The line provides 24-hour rapid transit service via the Dearborn Street subway in the downtown area and services a total of 33 stations.

- Brown Line: approximately 10 miles between Kimball terminal in the northwest and the Loop, servicing 28 stations (including the nine Loop stations).

- Orange Line: approximately 11.5 miles between Midway International Airport in the southwest suburbs of Chicago and the Downtown Loop. The line services 17 stations (including the nine Loop stations).

- Green Line: approximately 20 miles from Harlem terminal in the western suburb of Forest Park to the Loop, and then south to the Garfield Station, at which the Green Line has two branches, one east to Cottage Grove, the other west to Ashland/63rd. The Green Line services a total of 29 stations. The oldest line in the CTA rail system, the Green Line is the only entirely elevated line in the system. Due to the longevity of the Green Line, it underwent a complete state-of-the-art rehab in 1996.

- Pink Line: approximately 11 miles from 54th and Cermak in the western suburbs and continuing through the Loop, servicing 22 stations. The Pink Line began operation in 2006 after a complete rebuild of the Paulina Connector, which had not been used in revenue for some time. The Pink Line was established as a trial for replacement of the Blue Line Douglas Branch operation. CTA determined that the Pink Line would permanently replace the Douglas Branch service in 2008.

4. System Safety Program Plan Implementation

4.1 Description/Overview

CTA revised its safety plan just before this triennial review. The review's findings and observations are based on the new plan revision unless otherwise noted. In tandem with this report, RTA also sent CTA a letter with comments and findings related to SSPP content.

The review team assessed implementation of safety activities as described in the Chicago Transit Authority Rail System Safety Program Plan, April 2010, Revision No. 6, and reviewed its compliance with RTA and FTA State Safety Oversight requirements. The SSPP outlines the procedures, requirements, organizations and responsibilities that are essential to ensure the safety of CTA employees, system customers, and the general public. The SSPP also explains the roles and relationships of CTA organizations to each other and to external federal, state and local regulatory agencies, including RTA.

In addition to verifying compliance with federal and state requirements, the review team also evaluated employee compliance in carrying out practices and procedures. Checklists used for this purpose are included at the end of this report. The elements reviewed for this portion of the assessment are primarily areas of the SSPP for which CTA safety personnel have direct responsibility or involvement. For each of these elements, the review assessed how well employees are performing safety functions and requirements identified by the SSPP and, where applicable, how the Safety Department interacts with other departments. Review team members conducted interviews with key personnel of departments responsible for each of the identified elements. In addition, CTA reviewed documents and records (including procedures, reports, databases, and meeting minutes) to determine what activities are taking place to meet SSPP requirements. Section 4.5 provides a listing of all personnel interviewed, facilities visited, and documents reviewed for this portion of the assessment. The assessment occurred at work locations that provided the opportunity to interview appropriate personnel, view project files and databases, and assess actual CTA practices. The individual checklists contain specific information concerning personnel interviewed for each element.

4.2 Responsibility and Current Situation

The department with overall responsibility for coordination and oversight of SSPP implementation activities is the Safety & Risk Compliance Department (Safety Department), headed by General Manager Sara Schwanke, within the Office of Safety, Security and Risk Compliance, led by Chief Safety & Security Officer Amy Kovalan. Safety Department has direct responsibility for SSPP content, implementation of specific safety requirements, and coordination of safety responsibilities of other departments as outlined in the SSPP. The following is a description of each of the SSPP sections reviewed, based on content specified in the review checklists.

Chapter 1 – Rail Safety Policy Statement: The CTA Rail Safety Policy Statement, endorsed by the CTA President, delegates authority to the Chief of Safety and Security. The current plan was approved and signed March 30, 2010. Senior management is apprised of and involved in safety issues on a regular basis through the bi-weekly Senior Staff Meeting for review and discussion of performance measures and safety policy and objectives. The President's Chief of Staff also meets with the Chief of Safety and Security and/or General Manager of Safety and Risk Compliance weekly. Safety Department and senior management are collaboratively involved in safety decisions. Safety Department is represented on all management committees by either the Chief of Safety and Security or the General Manager of Safety and Risk Compliance. Documentation provided for this review confirms these activities.

Chapter 2 – Purpose, Goals and Objectives: This chapter of the SSPP broadly defines safety goals and objectives, promoting and incorporating safety at CTA. There are no specific numeric value targets identified, but reports do include statistical information that provides monthly comparisons and trends. CTA senior management is responsible for developing and monitoring the goals and objectives. Monitoring is accomplished through a Performance Management System, which tracks injuries, accidents, safety violations, safety training, and investigations. Reports are generated, distributed, and reviewed monthly at Senior Staff/Executive Committee meetings. Compliance with the RTA *System Safety Program Standard and Procedures (Revised September 15, 2006)* should be included in the list of purposes of the SSPP.

Chapter 3 - Management Structure: The organizational structure described includes all functions necessary for the operation and maintenance of CTA rail vehicles, facilities, and systems. Organization charts are provided in SSPP Appendix B, including all functions reporting to the CTA President and additional charts for the Safety, Operations, Infrastructure, and Vehicle Maintenance organizations. The safety function is appropriately independent from other functions and reports directly to the President. The Chief of Staff (not shown on the organization chart) reports to the President and may interact directly with positions reporting to the President on behalf of the President. The Safety Department's role at CTA is described as monitoring and overseeing safety activities performed by other departments to identify and address risks. SSPP Chapter 5 describes in detail the tasks performed by Safety and other departments.

Chapter 4 - SSPP Control and Update Procedure: This chapter describes the process for revising the SSPP. The Safety Department is responsible for SSPP development, review, and updating. An annual review is required. All departments review proposed changes. Safety notifies RTA annually, either indicating that no changes were made or requesting that RTA review and approve a revised SSPP. Specific time periods are established for the review and approval process. However, the chapter does not describe or reference a change control and distribution process for revising the SSPP. There should be a procedure that assures all SSPP copies previously distributed to organizations and personnel are replaced with the most recent approved version. Also, some

organizational changes affecting training responsibilities are not reflected in the most recent SSPP update.

Chapter 5 - SSPP Implementation – Tasks and Activities: This chapter describes activities required to implement the SSPP. A good description of responsibilities of the Safety Department is provided in a table (Figure 5-1) listing individual task descriptions assigned to each of six management sections within the safety organization. Each section lists and describes tasks, indicating the scope and frequency of the activity performed. There are some discrepancies between Figure 5-1, which does not include tasks of the Training and Safety Observation or Risk Compliance sections, and the organization chart, which does not include the Industrial Hygiene function. Key safety responsibilities are also listed for eight other CTA departments, but operations and maintenance training are not included in the list of responsibilities. A safety task responsibility matrix, which is not specifically required, is not used to identify responsibilities.

This chapter also describes the committees and meetings where Safety Department and other departments jointly review and discuss safety issues, performance, and procedures. Descriptions do not indicate how often meetings occur. In addition to typical responsibilities for hazard management, safety data and investigations, the Safety Department has additional responsibilities including safety training, contractor and employee safety observations, MSDS approval, and an extensive program of scheduled inspections for stations, maintenance facilities, subway tunnels, and elevated walkways. Examination of documentation provided for this review indicates that responsibilities are being performed as required and described by the SSPP. The documentation and review also confirm the active, collaborative involvement of safety and other CTA departments to perform safety responsibilities as described in the SSPP.

Chapter 6 - Hazard Management Process: The description of the hazard management process identifies all departments with safety responsibilities. The Safety Department has a particularly prominent role in facilitating and monitoring this process. Most of the sources used to identify hazards are connected with activities performed by Safety Department. The Safety Department is responsible for notifying RTA of hazards, maintaining a tracking log, overseeing the development and implementation of corrective action by other departments, and coordinating with RTA for CAP review, approval and updates. Safety Department's Inspections and Investigations Section plays a significant role in hazard identification through the performance of regularly scheduled inspections of stations, rail facilities, shops, elevated walkways, and subway tunnels. Most sources for identifying hazards are listed in SSPP Chapter 6; additional sources are listed in Chapter 9 for data collection and analysis, but not recognized for hazard identification as they should be. A process is available to employees (the Safe Line telephone reporting system) to report hazards anonymously to the Safety Department. Chapter 6 describes the system being used for non-emergency safety issues, while Chapter 9 indicates it is for reporting unsafe conditions. The Safe Line log shows up to four reports a month. Safety Department has written guidelines for responding to Safe Line reports. There are no SOPs, bulletins or forms used to heighten employee awareness or provide a formal

process (other than Safe Line) for hazard reporting. Employees are required by a rule (R8.34 or General Safety Rule 40) to notify the controller or a supervisor/manager concerning defects, dangerous conditions or unsafe conditions or practices.

The hazard management process is active and has been used to analyze findings from audits, inspections and investigations, signal system performance, and incident trends, such as safety violations, train berthing and derailments. A new process is being developed to identify, analyze, and track systemwide hazards using a Hazard Management Log. It is a collaborative process involving Safety Department, Operations, Maintenance, Training, Facilities, and Power & Way. The log, managed by Safety Department, provides a tracking process, describing hazards, responsibility, risk assessment, RTA notification, and CAP status. This chapter describes coordination with RTA for hazardous condition reporting, CAP approval and quarterly status updates. Documentation provided for this review, including hazard analysis reports and the Hazard Management CAP log, indicates an active hazard management program compliant with the SSPP.

Chapter 7 – Rail System Modifications: Rail Engineering and Technical Services modifies and manages facilities modifications, which run through the CTA's web-based project management system, ProjectNet. ProjectNet allows for real-time project collaboration and provides access to project issues, information requests, team directories, meeting minutes, drawings, reports, specifications and other project documentation. In addition, all documents, testing bulletins, acceptance and safety certificates are stored and can be reviewed at any time for any project.

Rail Engineering and Technical Services issues a modification bulletin and submits it to several groups (including Safety Department) for comments, followed by discussion and ultimate approval by the Rail Operations Committee. The modification is applied on one or two rail cars, followed by testing, any required hazard mitigation, and approval by the Chief Operating Officer based on a recommendation of the Rail Operations Committee.

Chapter 8 - Safety Certification: CTA's Safety Certification Program Manual describes the process used to verify that all facilities, equipment and services of the rail system incorporate all safety and security requirements before being placed into passenger operations. This includes design, construction and start-up of rail operations or services. A multi-departmental Safety Certification Committee, including Safety Department, is responsible for implementing CTA's Safety Certification Program Plan. To date, CTA has only performed Safety Certification for the Brown Line project, and only for the construction phase.

Chapter 9 - Safety Data Collection and Analysis: This chapter of the SSPP describes the collection and analysis of safety data. Data collection, trend analysis and reporting is performed by Safety Department's Data Analysis & Audit Section. Statistics on accidents, incidents, injuries, and illness are collected, and reports are generated monthly. Reports include trends by department/function, location and category. Safety Department

maintains databases for incidents/investigations and safety inspections. Analysis and reporting to senior management – including presentation and discussion at senior staff meetings – occurs quarterly. Data analysis and reporting is also performed for hazard assessments, safety violations, derailments and train berthing. Organizations from which data is obtained include Safety Department, Control Center, Rail Operations, Maintenance and Power & Way. Safety Department is also responsible for monthly reporting to NTD and annual reporting to OSHA. The SSPP provides a good description of this function, and actual practice is in compliance with the SSPP requirements.

Chapter 10 - Incident Notification, Investigation and Reporting: Safety Department is responsible for the investigation process. Other departments participate in the investigation process to provide technical assistance as needed. All procedures and requirements are well documented. The process includes notification of a safety specialist on duty by the Control Center when an incident occurs, and determination of the need for on-scene investigation by Safety Department. The criteria for determining the need for a safety investigation are documented in CTA Safety Incident Investigation Guidelines (Revised April 28, 2009). Investigation thresholds, requirements for internal/external notification, comprehensive investigation procedures, and requirements for report content and corrective action are documented in CTA Procedure for Accident and Incident Investigation (Revision #1, November 2006). The documentation is thorough and conforms to SSPP requirements. The Procedure includes requirements for RTA notification and NTD reporting, but does not include the SSPP requirements for CAP submission to RTA, approval by RTA or quarterly status reporting to RTA. A CAP Recommendations log for RTA Reportable incidents is used to provide quarterly status updates to RTA. Accident investigations are performed by Safety Department's Inspections and Investigations section. Investigation report and CAP information are managed and tracked in the Investigations Database. There is a log of CAP Recommendations to track responsibility and status for corrective actions. The process for communication of and response to recommendations is documented in Administrative Procedure #1901, Response to Safety Incident Investigations. This procedure specifies time period requirements for issuing and responding to reports, but the time period required for CAP development in response to recommendations is not clear. Review of final and preliminary accident reports indicated compliance with documented procedures and SSPP requirements.

Chapter 12 - Internal Safety Review: Internal Safety Reviews (ISRs) or Audits are performed by Safety Department to determine if the SSPP is being appropriately and effectively implemented. In accordance with CTA's Internal Safety Review Procedures, the ISR is a monitoring function independent of the specific departments that have rail system safety related responsibilities. All 21 elements of the SSPP are required to be reviewed at least once over a three-year period. Safety Department develops checklists, notifies departments being reviewed in advance, and requests documentation. After the ISR is conducted, corrective action plans are developed for any deficiencies. An annual report is submitted to RTA documenting CTA's ISR activities for the previous year.

Chapter 17 - Configuration Management: Configuration Management (CM) involves the process of authorizing and documenting changes to the rail system to assure that safety and security are properly addressed, and that there is an accurate record of the current configuration of safety and security-critical systems, equipment, and facilities. CTA approaches control of the changes made and the resulting configuration for two functions – rail facilities and rail vehicles – in slightly different ways. Facility changes are the responsibility of Engineering, and vehicle changes are the responsibility of Rail Engineering and Technical Services. Both groups use the input and review of several CTA departments, including Safety Department, to assure that the different group interests are considered.

Chapter 18 – Compliance with Local, State and Federal Requirements: This chapter describes CTA compliance with safety requirements of external agencies. With respect to employee and contractor safety, two types of programs are identified. One is for personnel working on or near rail right-of-way, and the other references OSHA requirements for occupational and construction safety. The SSPP description does not indicate how compliance is monitored and enforced by CTA, nor does it directly identify responsibility for this function. The Safety Department's Construction and Engineering section oversees the safety of construction activities, reviews contractor safety programs, and develops safety procedures for contractors and employees as described in Figure 5-1 of the SSPP. Safety Department's Training and Safety Observation section provides OSHA construction and industrial training for employees, supervisors, and managers as described in SSPP Chapter 16. This Safety Department section also conducts observations of work activities for OSHA compliance. Chapter 16 also describes Rail Safety Awareness Training for employees and contractors. OSHA compliance is also monitored during quarterly inspections of facilities and shops, performed by Safety Department's Inspections and Investigations section. Safety Bulletins for shop/occupational safety are issued and updated. Safety Department personnel also perform observations for work zone rule compliance. The review team verified compliance with these requirements through observation of Safety Department activities and documentation. Safety Department personnel provided re-instruction to workers after observing issues of minor non-compliance. PPE requirements for all job classifications are developed by the Safety Department's Senior Industrial Hygienist (Figure 5-1). Collectively, the SSPP describes the personnel and programs responsible for training, procedures, and oversight of contractor and employee safety. Inclusion or reference of this activity in Chapter 18 could help clarify how CTA assures compliance with external work safety regulations for employees and contractors.

Chapter 19 - Hazardous Material Programs: This chapter of the SSPP describes CTA's hazardous materials program. The Environmental Affairs section of the Facilities Management department has primary responsibility for the program. Safety Department responsibilities include MSDS review, approval, and file maintenance performed by the Senior Industrial Hygienist (described in SSPP Chapter 21), hazardous materials/response training performed by Training and Safety Observation (described in Chapter 16 with an outdated reference to the Training and Instruction department), and performance of

quarterly compliance checks during shop inspections performed by the Inspections and Investigations section (documented by Safety Inspection Checklists for facilities).

Environmental Affairs develops rules, procedures and SOPs for hazardous material handling, storage and spill response, while Safety Department conducts training. All shops must have at least one person on duty trained in hazardous material response when the shop is open. Each shop has an Emergency Response and Spill Control Plan, developed by Environmental Affairs and Safety Department, updated every three years. Environmental Affairs performs an environmental inspection of each shop twice a year, documented by a checklist with comments, findings, and corrective action status. Environmental Affairs is notified of hazardous material spills through the Control Center, performs required external notifications, and manages spill response through an on-call contractor.

Safety Department (Senior Industrial Hygienist) performs all MSDS review and approval and maintains a central hard copy file of all approved MSDS. Electronic access to all current, approved MSDS is available on-line at all shop facilities. Purchasing and Warehousing controls purchase and delivery of all MSDS materials based on approval status as described under SSPP Chapter 21. Employees are trained by Safety Department's Training and Safety Observation section. MSDS compliance is verified through quarterly inspections performed and documented by Safety Department's Inspections and Investigations section. Contractor use of MSDS must be documented in the Contractor Safety Plan with compliance reviews done by the Safety Department.

CTA has a comprehensive, well coordinated process for hazardous material handling, control and compliance verification. The significant involvement of the Safety Department should be incorporated in the SSPP description of this program.

Chapter 21 - Purchasing: This chapter describes CTA requirements for procurement of hazardous materials and safety-sensitive equipment. The Purchasing and Warehousing department has primary responsibility for this function. Safety Department's Senior Industrial Hygienist performs MSDS review and approval, analysis of all hazardous materials for replacement with non-hazardous substitutions, and development of PPE requirements for working with hazardous materials. There is a documented procedure (CTA Purchasing Procedures for Hazardous Material) assuring MSDS review and approval by Safety Department and compliance with OSHA and USDOT container and label requirements. Purchasing and Warehousing receives all requisitions, requests and verifies MSDS approval by Safety Department, controls delivery to specified CTA facilities and performs inspection of product and paperwork at points of delivery. Material storage and handling remain under Purchasing and Warehousing control at warehouses and shop stock rooms which are managed by Purchasing and Warehousing personnel. All deliveries are electronically tracked for procedure compliance, which is tied to contract approval and payment.

Purchasing and Warehousing Quality Assurance performs product inspections. An electronic system (Oracle) codes and tracks all items. Delivered items requiring inspection are held in a controlled area until inspected. Inspections are performed according to specifications developed by Engineering Technical Services or Tech Support. Safety Department participates in the review of specifications. Inspections include verification that any required manufacturer certifications are provided. Quality Assurance controls all delivered items until the inspection process is complete and all issues preventing approval are resolved. The electronic system prevents payment until inspection requirements are met and delivered items are accepted.

The procurement process, as described in the SSPP and explained during the review, has the proper controls, procedures and coordination among the personnel responsible to assure compliance with CTA hazardous material and quality assurance requirements.

4.3 Assessment

The assessment of each SSPP element consisted of interviews with personnel responsible for and involved in the implementation of that SSPP element. These personnel are identified in each of the element checklists. Additionally, the RTA review team conducted a review of documentation applicable to the element. Documentation consisted of rules, procedures, manuals, plans, SOPs, forms, reports, meeting agendas/minutes and on-line database/reporting systems. The narrative provided for each element in Section 4.2 includes a discussion of CTA's implementation of that element. The CTA SSPP, in general, provides a good description of CTA's safety programs in compliance with RTA requirements. CTA procedures and practices generally are in conformance with the SSPP. Findings and recommendations regarding individual elements of the RSSPP are provided in the next section (Section 4.4).

4.4 Findings

As noted in the introduction to this report, RTA reviewed a revised draft of CTA's System Safety Program Plan before and during this triennial review. A separate set of plan content-related comments was transmitted to CTA in letter format. Some additional SSPP comments resulting from additional, more detailed review are included below. Most findings in this section, however, relate to SSPP implementation and associated processes.

SS-1: The safety certification process, as described in the CTA SSPP, needs to be reexamined to ensure appropriate thresholds are in place, and that departments, including Safety & Risk Compliance, have appropriate levels of safety certification responsibility. During its 2007 triennial review, RTA found that CTA needed additional detail in its safety certification process, including clearer thresholds for when the safety certification process is implemented. CTA's own internal audits have also found the need for more robust safety certification process. Finally, SSPP Page 25 states that Power & Way Engineering chairs the Safety and Security Certification Committee

(SSCC). RTA recommends that this role should be the responsibility of Safety & Risk Compliance, in order to ensure the process remains focused on safety.

SS-2: Chapter 6 of the SSPP describes the Safe Line hazard identification source as being used for non-emergency safety issues, while Chapter 9 describes it for reporting unsafe conditions. Consider developing an SOP or bulletin for Safe Line and other mechanisms for employee identification and reporting of hazards to promote employee awareness, consistency and understanding of the hazard management process and reporting function.

SS-3: A policy and procedure should be established and implemented for updating CTA's Rail Design Criteria to reflect the latest transit industry standards (e.g., APTA Rail Safety Standards). It should also reflect lessons learned from recent project implementation. CTA's current Design Criteria were last updated in 1996.

SS-4: CTA's SSPP describes the requirements for developing and tracking corrective actions based on recommendations of an investigation report, but does not document CAP development responsibilities and timelines for the departments affected by and responsible for CAP implementation (e.g., operating or maintenance departments, etc.). While CTA Safety has a good process for corrective action development, the current SSPP (and current practice) does not fully incorporate non-Safety departments into the CAP development process. CTA should provide a clearer expectation for non-Safety departments and their roles in this area, as well as the timelines and processes involved in CAP development.

SS-5: There is inconsistency among timelines for required incident notification. Administrative Procedure #1901, Response to Safety Incident Investigations, (updated January 25, 2010), section 3.3, specifies that a draft report be forwarded to affected departments within 60 days of an incident. Procedure for Accident and Incident Investigation, Revision #1 (November 2006), section 9.2, requires that a draft report be completed in a timely period. It is recommended that the 60-day requirement be used in place of the "timely period" for consistency.

SS-6: Consider updating the CTA Procedure for Accident and Incident Investigation to include SSPP requirements for coordination with RTA regarding CAPs.

SS-7: CTA's hazard management process does not sufficiently incorporate and coordinate with the RTA State Safety Oversight Program. CTA Safety and RTA SSO personnel should work together to analyze their current interaction for on-site and follow-up hazard management activities. This analysis should include a review of current coordination levels, and discrete, achievable steps both agencies can take to increase cooperation and coordination in these areas.

4.5 Related Open Findings from Previous Triennial Reviews

SS-10: CTA should work with RTA to develop acceptable definitions of what projects are subject to the SSC process.

This open finding from the 2007 triennial review was incorporated into the above 2010 finding SS-1.

4.6 Bibliography

Personnel Interviewed

- Peter Ousley, Chief of Staff
- Amy Kovalan, Chief of Safety & Security
- Chris Bushell, Chief of Infrastructure
- Jeanette Martin, Chief Operating Officer
- Dennis Mondero, Chief Administrative Officer
- Sara Schwanke, General Manager of Safety & Risk Compliance
- David Wright, Manager of Inspections & Investigations (Safety)
- John Plante, Senior Manager of Emergency Preparedness (Safety)
- Jessica Rio, Manager of Data, Analysis & Audit (Safety)
- Bob Burns, Manager of Training & Safety Observation (Safety)
- Christine Bravi, Manager of Risk Compliance (Safety)
- Stephen Kiraly, Data Management Analyst (Safety)
- Kevin Vogt, Construction Safety (Safety)
- Paris Galmore, Inspections & Investigations (Safety)
- Tom Drozd, General Manager of System Maintenance – Shops & Facilities
- Kevin Lockney, Chief of Facilities Initiatives
- Mike Turbov, Machinist Foreman – North Side
- George Domingez, Manager – Kimball Shop
- Chuck Webber, Environmental Affairs
- Edward Miller, Senior Industrial Hygienist (Safety)
- Adrian Cabral (Safety)
- Scott McAleese (Engineering)
- Erin Carsele (Power & Way)
- Mark Ehmig, General Manager of Warehouse Operations
- Geoffrey Urban, General Manager of Purchasing
- Humberto Perez Jr, Coordinator of Quality Inspection – Materials
- Harry Paller, Manager of Specifications & Inspections
- Patrick Hughes, Manager of Warehousing & Purchasing
- James Harper, Chief Engineer
- Leah Dawson, Chief of Capital Construction Financials, Power & Way

- Michael Goff, ProjectNet Manager, Chicago Transit Partners
- Christer Bohman, QA/QC Manager, Chicago Transit Partners
- Robert Wittmann, General Manager, CTA Construction

Facilities Visited

- CTA Offices, 567 W. Lake Street, Conference Rooms 4B and 5B, Safety Department
- Green Line, 59th Street Junction (derailment investigation)
- Red Line, Cermak/Chinatown Station (modifications)
- Brown Line, Sedgwick elevated structure (600 volt cable replacement)
- Green Line, Tower 18 (work zone rule compliance)
- Brown Line, Fullerton Station (work zone rule compliance)
- Brown Line, Belmont Station (construction safety compliance)
- Orange Line, Tower 12 (work zone rule compliance)
- Brown Line, Kimball Shop (employee safety, hazardous materials)
- Red Line Grand Station (rehabilitation construction safety compliance)
- Red Line North/Clybourn Station (rehabilitation construction safety compliance)
- Green Line between Clinton and Ashland (structural column relocation safety compliance)
- Red Line at North/Clybourn Station (track walker rule compliance)
- Green Line between Clinton and Clark/Lake (work zone rule compliance)

Documents Reviewed: Procedures, Plans

- Chicago Transit Authority Rail Safety Program Plan, April 2010 Revision 6
- Rail System Rule Book – January 1, 2009
- Standard Operating Procedures 7037-43, 7045-47, 7049-50, 7075, 7083, 8065, 8099, 8111, 8130-31, 8149, 8200, 8209, 8226
- List of Safety Bulletins 1001- 6007
- CTA 2010-2014 Proposed Capital Improvement Program
- CTA FY 2011-2012 Capital Improvement Program Solicitation, April 7, 2010
- CTA Safety Certification Program Plan Manual for Major Capital Improvement Projects on the Rail System, March 2005
- CTA Safety Certification Program Plan for the Ravenswood (Brown) Line Expansion Project, May 2005
- CTA Internal Safety Review Procedure, March 2008
- CTA Safety Manual for Contract Construction On, Above or Adjacent to the CTA Rail System, March 2010
- CTA Design and Rehabilitation Criteria Manual Table of Contents, November 15, 1996

- CTA Design and Rehabilitation Criteria Manual Chapter 17 – Safety and Security, November 15, 1996.
- Capital Program Management Program Management Procedures, Configuration Management, P120, December 2009
- Capital Program Management Program Management Procedures, Web-based Project Management System Records Management, P103, January 2010

Documents Reviewed: Project Design and Safety Certification

- Safety Design Review Log (as of February 2010)
- Brown Line Expansion Project Safety Construction Completion Certificate with Construction/Testing Verification (for 12 stations), 2008

Documents Reviewed: Committees, Meetings

- Rail Reliability Task Force Agenda, April 30, 2010
- Bi-weekly Safety, Security and Risk Compliance Meeting, April 27, 2010
- Internal Rap Session Safety Agenda
- Agenda – Safety Captain Committee January 25, 2010
- Agenda – Rail reliability Task Force, May 28, 2010
- Action Items for Rail Reliability Task Force, May 14, 2010

Documents Reviewed: Safety Data

- CTA Monthly Performance (Scorecard)
- Safety Performance Measures Matrix: 2010
- Flash Report, April 29, 2010 (Senior Staff presentation)
- 2010 Rail Station Injuries Report
- 2009 Rail Station Injuries Report
- OSHA Recordable CTA IOD's, YTD March 2010
- System Safety Employee Safety Concern Response Guidelines
- Safety Reporting Line – Log

Documents Reviewed: Inspections, Audits

- Track Maintenance Audit, March 25, 2010
- Safety Inspection – Linden, January 25, 2010
- Safety Inspection – Rosemont Rail Shop, April 28, 2010
- Subway Inspection – O'Hare Subway Tollway Tunnel, November 12, 2009
- CTA Annual Safety Audit Annual Report 2007
- CTA Annual Safety Audit Annual Report 2008
- CTA Annual Safety Audit Annual Report 2009

- Environmental Audit – Kimball Rail Shop, May 11, 2009, and October 14, 2009
- Open CAP Status Spreadsheet Related to 2007 Triennial Review
- Construction Safety Observation Form
- Construction Safety Observation Tracking Spreadsheet

Documents Reviewed: Investigations

- CTA Safety Incident Investigation Guidelines, Revised April 28, 2009
- CTA Procedure for Accident and Incident Investigation, Revision #1 (November 2006)
- Administrative Procedure #1901, Response to Safety Incident Investigations, January 25, 2010
- Accident Investigation Reports: 12/12/09, 1/14/10, 2/7/10, 2/16/10, 3/25/10
- NTD Internet Reporting – Major Incident Summary 2008, 2009, 2010 as of May 3, 2010
- Investigations Database – Instructions
- CAPS Recommendations – RTA Reportable 1/6/09 - 1/14/10
- CAPS Recommendations Report (for incidents) 1/14/10 - 4/6/10

Documents Reviewed: Hazard Management

- Hazard notification and updates to RTA, AF800/AF500 track circuits: October 16, 2009, and April 15, 2010
- Hazard notification and updates to RTA, train berthing: 7/11/08, 10/31/08, 4/8/09, 4/14/10
- Berthing Analysis, November 19, 2009
- Derailment Analysis, October 15, 2009
- Rail Safety Violation Analysis, March 5, 2010
- Hazard Management Log

Documents Reviewed: Worker Safety

- Rail Safety Training Program, May 2009
- Emergency Response Plan for 54th Rail Shop, April 2007
- Emergency Response and Spill Control Plan for Kimball Rail Shop, January 2008
- Personal Protection Equipment for CTA Employees According to Job Title, July 2009
- Environmental Inspection (Form)
- CTA Purchasing procedures for Hazardous Material
- MSDS Approval of April 27, 2010 (sample)

- Instruction Memo dated July 14, 2009 – accessing MSDS sheets from IPC or MMIS workstations.

4.7 References

The following evaluation criteria were used to review the SSPP and assess implementation:

- Requirements identified in the RTA *System Safety Program Standard and Procedures (revised September 15, 2006)*
- FTA State Safety Oversight Final Rule (49 CFR 659)
- *FTA Recommended Best Practices for States Conducting Three-Year Safety Reviews*
- CTA SSPP, Rule book, SOPs and other SSPP-referenced documents and procedures

5. System Security

This section of the report contains confidential security sensitive information; therefore it has been redacted from the public report.

Findings

SEC-1: This section of the report contains confidential security sensitive information; therefore it has been redacted from the public report.

SEC-2: This section of the report contains confidential security sensitive information; therefore it has been redacted from the public report.

SEC-3: This section of the report contains confidential security sensitive information; therefore it has been redacted from the public report.

SEC-4: This section of the report contains confidential security sensitive information; therefore it has been redacted from the public report.

6. CTA Operations Rules Compliance

6.1 Description/Overview

Rules compliance comprises the processes used by CTA to develop, maintain and ensure compliance with rules and procedures that affect the safe operation of the CTA rail system. This review area encompasses CTA's internal processes and procedures for the review and update of operating rules and procedures, the techniques used to assess the implementation of and compliance with operating rules and procedures, the means by which CTA measures the effectiveness of its rule compliance and enforcement activities, and the process for analyzing trends in overall rule compliance and the incorporation of potential rules and procedures compliance issues and problems into the hazard management program. This review area also included overall observations of train operations, supervision and control.

6.2 Responsibility and Current Situation

CTA Rail Operations is responsible for the operation of the CTA rail system. Ed Cook is the Vice President of CTA Rail Operations. Rail service delivery is divided among three line service groups – Brown/Green/Orange (General Manager: Marlene Taylor), Blue/Pink (General Manager: Richard Newton), and Red/Purple/Yellow (General Manager: Ronald Ester). Each line service group includes Transportation Managers, Rail Supervisors and Customer Service Supervisors, who in turn oversee Rapid Transit Operators (RTOs). Transportation Managers are responsible for conducting efficiency testing and other everyday managerial tasks along the lines. Administrative Managers are responsible for such activities as recordkeeping and the collection of rule compliance data from Supervisors and Transportation Managers. Universal Rail Supervisors report to Transportation Managers and are responsible for overseeing rail operating personnel (RTOs, towermen) as well as Customer Assistants located in rail system stations. RTOs operate CTA trains and are generally cross-trained to also perform flagman and yardman functions.

In addition to the line groups, train movements are generally monitored and controlled at the CTA Control Center, headed by General Manager Kelly Brookins. The Control Center General Manager is assisted by additional management level staff members, who in turn oversee the Rail Controllers. The Rail Controllers are responsible for the rail system and are joined in the Control Center by Bus Controllers, Customer Assistant Controllers and Security Controllers.

CTA Rail Operations also includes the Operations Oversight group, headed by General Manager Bruce Nelson. Operations Oversight is responsible for the review and update of CTA's operating rules, procedures, and Rail Service Bulletins and Temporary Bulletins.

In general, the reviewer found CTA Rail Operations to be structured appropriately and to have appropriate processes in place to complete all necessary tasks. However, not all of

these processes appeared to be formalized (see Findings below). CTA appeared to have appropriate processes in place to address major (safety-critical) rule violations (such as violating a signal, improper berthing, derailments, collisions, incorrect routes, coupling violations, cell phone usage, and improper door operation), and this process is well-documented in CTA's Efficiency Testing Procedures. But a review of records revealed that CTA does not appear to document lower-level rule violations in a manner that allows for the analysis of trends in overall rule compliance.

6.2 Assessment

The RTA review team conducted this assessment through interviews with CTA Rail Operations managers and front line employees, including managers from the three line service groups, the Control Center, and CTA Operations Oversight. The review team also reviewed a sample of employee records, including approximately 500 Rail Operator Check forms across approximately 30 RTO personnel records. The team conducted field observations of CTA rail operating rule compliance, and observed CTA Supervisors performing their duties. RTA observed Control Center operations and reviewed Control Center logs.

6.3 Findings

ORC-1: Based on a review of over 500 RTO Operations Check forms from a sample of 30 RTOs from the three line groups, it appears that CTA Rail Supervisors are not monitoring RTOs effectively for compliance with all operating rules and procedures. Of the 500 RTO Operations Check forms reviewed, approximately 10 noted something other than "Operated Correctly." Meanwhile, two review team members noted several minor rule compliance issues while performing independent field observations for RTO rule compliance (see the attached checklist for details). It will always be easier for outsiders and persons unknown to CTA Operators to spot violations. Still, the consistently good results from CTA Supervisors' audits suggest the rules check program needs to be expanded and diversified to ensure a more accurate assessment of actual operations. CTA should expand the program to include clearer expectations of what areas are to be reviewed, how frequently they are to be checked, and so on, to ensure the process is valid and useful.

CTA does appear to catch the most severe rules and procedures violations (described above), and these are adequately addressed by CTA Rail Operations management; appropriate persons throughout CTA are made aware of such issues (including Safety Department personnel). Additionally, there appears to be a process in place to ensure that trends in high-level rules violations are addressed through actions like changes to rules and procedures, bulletins, and reinstruction, and appropriate managers and personnel from the Safety Department appear to be aware of these issues.

However, CTA should analyze how it can better ensure that Supervisors are noting all observed instances of non-compliance with rules and procedures for the purposes of data collection and analysis (and not just discipline) so that trends in low-level rule

compliance issues can also be addressed at the executive level through training, changes to rules, procedures, and bulletins, and the ability of managers to focus supervisions on problem areas. Trends in lower-level rule violations (such as failure of an RTO to stand while proceeding through an interlocking or entering a station) may not pose an immediate safety risk, but may point toward growing problems in overall rule compliance. Additionally, Supervisors may be observing such rule violations by RTOs, and even providing verbal feedback to RTOs in such cases. However, it is difficult for CTA management to conduct appropriate analysis of rule compliance without such seemingly minor rule violations being documented every time. None of the Rail Operations Check forms denoted the rule violations outlined in CTA's Efficiency Testing Procedures, which suggests that Supervisors are not independently recording such violations outside of the context of an Efficiency Test, when they are accompanied by Managers in observing RTOs and other personnel.

CTA Rail Operations, Safety, and Rail Instruction should be able to use trends in rule compliance to guide the same changes to supervisory activities (i.e., focus on a certain rule or procedure for a period of time), training, and even rules and procedures that trends in "major" violations may cause. As such, CTA should analyze the duties, responsibilities and training of its Rail Supervisors and determine how it can utilize them more effectively to ensure full RTO compliance with all CTA operating rules and procedures, and to ensure that they document all observed instances (even minor occurrences) of rule violations, whether using the Rail Operations Check form or some other form. CTA should provide evidence of such an analysis and its results to RTA.

ORC-2: RTA observed that CTA uses an incoherent system to collect data from the results of Supervisor observations of RTOs, efficiency testing by Transportation Managers and Safety Department personnel, and observations by Rail Instruction personnel. At the time of the review, CTA management did not appear to have the capability to analyze this disparate data to effectively monitor trends in rules and procedures compliance across different sources. It is essential that management have the capability to use rule compliance data to influence supervisory activities, training, and the review and update of rules and procedures, as well as disciplinary issues.

RTA learned during the review that CTA is in the process of rolling out a new, more comprehensive database that will allow managers across CTA to analyze the results of all types of rule compliance and enforcement activities. Though CTA is to be commended for this effort, CTA should develop a formal plan, policy or procedure for this database that indicates such things as its purpose, how it will be utilized, what data must be entered, who will be responsible for analyzing the data and who will be responsible for maintaining the data. Formalization of this process will help ensure consistency of utilization of this information across the organization, and continuity among successive managers. CTA should submit a copy of such a plan, policy or procedure to RTA.

ORC-3: CTA's processes that guide the update of rules, procedures and bulletins (as well as the development of new ones) are not formalized. Although CTA has

processes in place to guide the review and update of rules, procedures and bulletins, (as well as the development of new ones), these procedures have not been formalized. In particular, CTA has a draft "Standard Operating Procedure Committee Description," a draft "Rail System Rule Book Committee Charter," and a draft "Rail Service Bulletin Process." Each of these draft documents appears to be appropriate, but CTA should finalize them as formal plans, policies, or procedures to help ensure that the processes outlined therein are consistently followed. CTA should provide copies of the finalized versions of these documents to RTA.

6.4 Bibliography

Documents Reviewed

- Chicago Transit Authority Training and Instruction, Standard Operating Procedure Committee Description (Draft) T&I 03/08
- Rail Service Bulletin Process (Draft)
- Chicago Transit Authority Rail System Rule Book Committee Charter (Draft)
- CTA Transit Operations Standard Operating Procedures
- CTA Transit Operations General Information – Towerman Duties and Responsibilities
- CTA Transit Operations General Information – Universal Rail Supervisor Duties and Responsibilities
- CTA Rail Service Bulletins
- CTA General Bulletins
- Flash Report: Rail Safety Violations – May 2010 (sample printout of database of major safety violations used by Rail Operations)
- Rail Operator Check forms (in employee personnel records)
- Time Check forms (completed by Supervisors)
- CTA Rail Safety Violation and Retraining Request Form
- Lists of Customer Assistants, Switchmen, RTOs, Towermen who need to be observed by a Supervisor (sample)
- Sample Rail Efficiency Test results
- Sample of Employee Personnel Records, Employee Hours Lost/Corrective Action forms
- Sample of Special Occurrence Reports
- CTA Rail System Rule Book (2009 Edition – January 1, 2009)
- Sample Daily Station Checks and G-47-09 Cleaning of Rail Stations Efficiency Tests
- CTA Efficiency Testing Procedures

Personnel Interviewed

- Kelly Brookins, General Manager, Control Center
- Zerria Clark, Vehicle Operations Manager II – Blue & Pink Lines

- Kenneth Elam, Transportation Manager II – Red/Purple/Yellow Lines
- Ronald Ester, General Manager, Red/Purple/Yellow Lines
- Stephen James, Vehicle Operations Manager – Blue/Pink Lines
- Bruce Nelson, General Manager, Operations Oversight
- Richard Newton, General Manager, Blue/Pink Lines
- Marlene Taylor, General Manager, Brown/Green/Orange Lines
- Chris Fisher, Rail Supervisor
- James Ward, Rail Supervisor
- Jeff Gadomski, Program Specialist II
- Clifton Lloyd, Rail Controller

Locations Visited

- CTA Control Center
- O'Hare Terminal
- Forest Park Rail Operations Office
- Howard Terminal
- 95th/Dan Ryan Terminal
- Kimball Terminal
- Midway Terminal
- Line Operations – all lines

6.5 References

Evaluation Criteria

- CTA System Safety Program Plan
- CTA Rail Operations Rule Book
- CTA Transit Operations Standard Operating Procedures
- CTA General Bulletins and Rail Service Bulletins

7. CTA Facilities & Equipment Safety: Stations

7.1 Description/Overview

The assessment area for this task included the rail stations located within the CTA rail transit system. These rail stations handle a large number of passengers on a daily basis and they must be able to provide a safe environment for entrance to and exit from the system as passengers wait to board and alight the trains. For this to happen, reviews of the field conditions must be performed on a regular basis to ensure that safety hazards are identified and corrected in a timely manner. In addition, performance of regularly scheduled maintenance helps to ensure that a safe environment is provided for passengers and employees while reducing equipment failures.

7.2 Responsibility and Current Situation

The Facilities Maintenance Department (located at West Shops) within CTA is responsible for most inspection and maintenance of the rail stations. The Safety Department also performs regularly scheduled station walkthroughs and inspects for safety-related issues. CTA's Power & Way section is also responsible for certain electrical maintenance areas.

The Facilities Maintenance Department is comprised of approximately 300 employees, of which 260 are workers in various trades, including electricians, escalator servicemen, sheet metal workers, HVAC servicemen, sign fabricators, welders, machinists, carpenters, painters, bricklayers, and plumbers. Several areas of work that are outsourced to contractors include fencing, glazing, pest and pigeon control, landscaping, concrete, and asphalt. This department must maintain approximately 144 rail stations and equipment associated with approximately 224 miles of mainline track. Included in these stations are 159 escalators and 140 elevators that are maintained by escalator servicemen and an outside contractor, respectively.

As it currently stands, any CTA employee – such as a Customer Assistant (CA), rail janitor, or inspector – can identify and report safety issues, with the primary method being the creation of a work order. These work orders are called in to a service desk, where they are entered into a centralized electronic database that is used to schedule the work and track open and closed items. Any safety-related issues that deserve a rapid response are called in immediately upon discovery so that the hazard may be remediated as quickly as possible.

Elevators and escalators are tracked in detail, and daily and monthly reports are generated to track efficiency based upon service interruptions calculated on an hourly basis. For the month of March 2010, the hourly in-service rate for escalators was approximately 97 percent and 98 percent for elevators. This demonstrates that preventive maintenance is effective in playing a key role in maintaining such a high in-service percentage.

The Facilities Maintenance Department has instituted a "Deep Clean Initiative" that focuses on preventative maintenance on a station-by-station basis. This program assesses the current status of all stations through use of a rating system and focuses on addressing maintenance issues at the lowest-rated stations. The core team devoted to this task is composed of four to eight painters, four sheet metal workers, six to 10 electricians, and four carpenters. This staffing is also expanded on an as-needed basis to include up to four bricklayers, four machinists, two plumbers, and four HVAC servicemen. The team is scheduled to address issues at two stations per workday. Based upon the presentation provided by CTA, it appears that this program has not negatively impacted emergency and/or standard maintenance items throughout the system.

7.3 Assessment

The review team conducted interviews with senior staff to establish the current practices to provide a baseline comparison to the documented procedures and plans.

Field visits of three stations were conducted to review existing conditions of each type of station (one underground, one elevated, and one at-grade).

Maintenance and inspection records were reviewed to determine if inspections were taking place in accordance with the Facility Maintenance Plan.

7.4 Findings

STA-1: CTA needs to re-examine its electrical maintenance process and its application of that process to ensure that electrical distribution panels are consistently and properly secured. At Clinton Station on the Green Line, the janitor's closet contained electrical panels that were not properly secured. One panel had a cover removed that was resting up against it on the floor, two panel boards did not have blanks installed where breakers used to be located (which allowed direct access to the bus bars), and a fourth panel was left open. No warning signage was present indicating work in progress at this location, and no electricians were observed working in the area.

STA-2: CTA needs to re-examine its electrical maintenance process and application of that process to ensure that electrical box covers are installed where appropriate. Electrical junction boxes were observed without covers installed in areas accessible to the traveling public. These boxes contained wires that appeared to be live and could cause injury to passengers. These areas were reviewed with CTA personnel on site.

STA-3: Station exit signage is inconsistent. Stations do not adhere to the same signage nomenclature for exit signs. Arrows are generally provided to show the direction to exits, but "Out" or "Exit" are used interchangeably. This could lead to confusion during an emergency when all passengers should be focused on following "Exit" signs to lead them safely out of the facility. The coloring of these signs is also inconsistent.

STA-4: CTA needs to re-examine its emergency telephones inspection and maintenance processes, especially relative to Red Line phone installations, which are inaccessible at platform level. The emergency telephones mounted within secure enclosures at the platform level at Sox-35th on the Red Line were not accessible, despite having the proper key to open. During an emergency, these phones may be a vital communication link. Without access to the interior of the phone boxes, it was impossible to determine if these phones were operating properly.

STA-5: Station inspections are not being performed in accordance with the current Facilities Maintenance Plan. Without the inspections referenced in the CTA Facilities Maintenance Plan, there does not appear to be a method to address issues that would have been identified during the missed inspections. Safety inspections are a good practice, but they do not cover all of the details and various reports currently referenced in the Facilities Maintenance Plan. There are station inspection forms located in Part 3, Section 1 of the plan that do not appear to be used, including "Inspection Checklist, Type B," "Subway Station Inspection Report," "Terminal Inspection Report," and "Rail Station Inspection Record." Actual practice and written plan need to be coordinated so they are in agreement.

7.5 Bibliography

Documents reviewed

- Work Order Logs from May 2009 to April 2010
  - Clinton – Green
  - Lake – Red
  - 35th - Red
- Inspection Check List of Electric Elevators
- Escalator Inspection Routine
- Generator Preventive Maintenance Records
- Deep Clean Initiative Performance Management Session Presentation
- Safety Inspection – Rail Stations – 35th
- Work Order Log – Clinton - Green Line, 35th – Red Line, Lake – Red Line
- CA Reports – Clinton - Lake

Personnel interviewed

- Thomas Drozd - General Manager – CTA Facilities Maintenance
- Kevin Loughnane - Manager, Special Projects – CTA Facilities Maintenance, Construction and Engineering
- Erin Carsele - Project Manager – CTA Power & Way Maintenance, Construction and Engineering
- Kevin Vogt – Coordinator – System Safety
- Stephanie Shapira – Safety Inspector – System Safety

Locations visited

- Clinton – Green Line (elevated station)
- Lake Randolph – Red Line (underground station)
- Sox-35th – Red Line (at grade station)

7.6 References

- CTA Facilities Maintenance Plan, August 2006 revision
- APTA Standard for Station, Shop and Yard Inspection and Maintenance (APTA RT-S-FS-003-02, 7/26/04

8. CTA Facilities & Equipment Safety: Structures

8.1 Description/Overview

The assessment area for this task included the elevated guideway and stations located within the CTA rail transit system. These structures support CTA's elevated trains and facilitate transportation of thousands of passengers daily. They must be able to support all of the dead and live loads associated with the trains and infrastructure to provide a safe environment for passengers and CTA employees. For this to happen, reviews of field conditions must be performed on a regular basis to ensure that safety hazards are identified and corrected in a timely manner. In addition, performance of regularly scheduled maintenance will help to ensure that a safe environment is provided for passengers and employees while trying to avoid equipment failures.

8.2 Responsibility and Current Situation

The Structure Department (located at West Shops), which falls under the Power & Way Maintenance Department, is responsible for inspection and maintenance of all structural supports, including elevated structures, elevated stations, station canopy supports, bridges (split inspection with City of Chicago in most cases), and subways.

The primary purpose of structure maintenance is to repair the elevated bridge decks and station structures. Currently, there are no major rehabilitation programs in progress. There are 46 total ironworkers devoted to structural maintenance steel repairs.

There are eight inspectors responsible for all structural inspections throughout the rail system. They operate in two-man crews using bucket trucks during elevated structure inspections. They are able to complete inspections of approximately seven spans per day. The ironworker foreman keeps a bent book that lists all the bents in sequential order and records when the inspections have been completed.

The foreman assigns work to the structural inspectors each morning. He collects all the field documentation and provides it to the senior engineer before it is transmitted with a cover letter to 567 West Lake Street to be logged into the electronic database.

The Rail Information Management System (RIMS) is the electronic database that is used to document structural maintenance issues. Inspections are performed on a two-year cycle. At the time of review, there was an inspection backlog of three months that was expected to be brought current by June or July of 2010. The senior engineer completes one field audit per week to ensure that structural defects are being performed and recorded in accordance with the RIMS Manual and the structure maintenance plan.

The structural inspections and steel repair are performed one subway line at a time from one end of the line to the other. This systematic workflow may be disrupted at times by the need for permits or street closures, especially in the downtown Loop area.

CTA's structural management and support staff at 567 West Lake Street performs spot checks to verify that the information on the inspection forms matches the information in RIMS. One complete inspection cycle is kept on site at West Shops until the next inspection cycle is completed.

The fabrication shop makes the components for steel repairs based on engineering drawings produced in-house. Field dimensions for these repairs are obtained from a separate measuring crew of two personnel. A protective coating is placed on new steel that is installed in the field. All new work makes use of A325 high strength bolts in lieu of the original rivets being replaced.

Subway inspections are performed on a six-year cycle. Viaducts are inspected on a two-year cycle. The City of Chicago performs bridge inspections and provides them to the 567 West Lake Street office when available. Inspectors were trained and certified in accordance with FHWA-NHI-130055 "Safety Inspection of In-Service Bridges" and FHWA-NHI-130078 "Fracture Critical Inspection Techniques for Steel Bridges."

At the time of the review, the system showed a total of 163,855 open defects. The breakdown of defects is as follows:

- Priority 1 – 368
- Priority 2 – 30,396
- Priority 3 – 126,395
- Priority 4 – 5,523
- Priority 5 – 1,173

There is no current painting program in place to address cleaning and recoating of steel with epoxy protective coating except in instances where lead paint abatement has been performed.

8.3 Assessment

A detailed review was performed of RIMS to verify that the system is working properly and that corrective action items were being performed. A random sampling of reports for all the rail lines was reviewed to verify that information recorded on the inspection forms matched the information located in RIMS.

Ironworkers were observed in the field to determine if proper safety procedures were being followed and repairs were being performed in accordance with the structure maintenance plan.

Inspectors were interviewed in the field to determine if proper documentation and safety procedures were being followed.

8.4 Findings

STR-1: There is no painting program being followed to mitigate structural deterioration of the structural steel supports. There is a painting program identified in the Facilities Management Plan that makes reference to structural steel painting, but it is not being followed. RTA made a similar finding during its 2007 triennial review. The review team understands that funding is the primary obstacle to a structural painting program; also, funding that would have been devoted to a painting program is largely being diverted to ongoing steel repair and replacement. This finding is resubmitted because RTA believes the issue is still important and merits CTA's attention and analysis.

STR-2: The RIMS computer system makes internal reporting somewhat difficult and is built on a computer platform that may not be viable over the long term. RIMS is a useful tool that is based on outdated technology. It does not provide an expedient way to print specific reports or enter data directly into the database in the field. It is noted that CTA plans to move to a new system when an evaluation of the proposed system is completed and funds are available.

STR-3: The use and flow of structural inspection and repair documentation is not adequately described in a standard operating procedure or similar document. A specific location at West Shops should be identified for the storage of the current cycle of inspection documents. The flow and storage location of documentation should be clearly defined for ready access by CTA personnel.

STR-4: The electronic database CTA currently uses to document structural maintenance issues has an inspection backlog of nearly three months. At the time of review, CTA was aware of the build up and expected to be current by June or July of 2010.

8.5 Related Open Findings from Previous Triennial Reviews

STR-2: A better painting program would reduce deterioration and the risk of a structural failure as well as reducing the cost of structural repairs.

This open finding from the 2007 triennial review was incorporated into the above 2010 finding STR-1.

8.6 Bibliography

Documents reviewed

- RIMS Inspection Forms – ID Numbers 4161220, 4160234, 4164591, 4162580, 4164581, 4164144, 4160266, 4160269, 4163021, 4163035, 4161964, 4161963, 4160455, 4162889, 4162887, 4144790, 4162022

- RIMS Inspection Forms – Bents EV1101, EV1606, EV1607, DG54096, SK312, SM695, SW222, EV6212, EV6401, CN1, CN11, HW2, HW4, RV601, GJ1001, GJ1027, GJ1028, DR2002
- Subway Inspections
- Bent Book
- National Highway Institute Course 130055 Sign-In Sheet
- National Highway Institute Course 130078 Sign-In Sheet
- Regular Structure Inspection Program – Updated June 18, 1993

Personnel Interviewed

- William Mooney – General Manager – CTA Track and Way Maintenance
- Dan Schiffer – Manager - Structure Maintenance
- Sam Muharram – Senior Engineer - Structure Maintenance

Locations visited

- West Shops
- North Main Line near Wellington Station – Bents 5094, 5093
- Ravenswood Line – north of north junction
- Lake Street on the Green Line – repairs to Bent 2448

8.7 References

- Rail System Safety Program Plan (RSSPP)
- Facilities Maintenance Plan
- Rail Information Management System (RIMS)
- Federal Highway Administration (FHWA)
- National Highway Institute (NHI)
- American Society for Testing and Materials (ASTM) A325

9. CTA Facilities & Equipment Safety: Subway Fans & Louvers

This section of the report contains confidential security sensitive information; therefore it has been redacted from the public version of the report

Findings

SUB-1: This section of the report contains confidential security sensitive information; therefore it has been redacted from the public report.

SUB-2: This section of the report contains confidential security sensitive information; therefore it has been redacted from the public report.

SUB-3: This section of the report contains confidential security sensitive information; therefore it has been redacted from the public report.

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10. Maintenance Audits & Inspection Program: Track

10.1 Description/Overview

CTA's Track section is part of the Power & Way Maintenance department, which is responsible for the inspection, maintenance and in-house construction of CTA's rail line track guideway. The group's responsibility includes rails, fasteners, plates, ballast, ties and special trackwork. The group is responsible for ensuring that the overall track system meets CTA's standards for safety and ride quality.

10.2 Responsibility and Current Situation

CTA's Track organization includes a Manager of Track Maintenance, James Blatz, and three Senior Track Engineers, Scott Brown, Dave Ellsworth, and Colleen Zinck. Within their three inspection territories, there are several Roadmasters (both I and II class) who coordinate and manage the efforts of Track Maintainers. Track Maintainers are responsible for visual inspection of CTA's track. (Maintenance and Construction activities, which are also split into reporting locations, were not reviewed separately, but they were reviewed as they relate to the safety-critical inspection activity.) The Track section reports to Power & Way General Manager William Mooney, Jr., and works closely with Manager II of Power & Way Carrie Wagener.

Track Maintainers work in pairs and physically walk all CTA track either once weekly for construction less than 10 years old, or twice weekly for older segments (most areas). The direction of inspection/travel and track inspected are alternated with each inspection. Generally, inspections are done during the 7:00 a.m. – 3:30 p.m. shift. A departmental standard operating procedure splits reporting locations and their Elevated rail lines into inspection territories. Inspection occurs over a floating four-week period before the schedule resets. The Maintenance of Way Information System (MOWIS) computer database is used to record track inspections, defects and maintenance items, and work orders.

Special trackwork inspections, including turnouts and similar hardware, are scheduled for once yearly. This is a concentrated inspection, performed with Signals personnel, who have responsibility for switch machines, electrical components, and related hardware. Specialwork inspections are recorded primarily on paper.

Ultrasonic and geometry/gauge restraint measuring inspections are performed by contractors and are coordinated by CTA's Engineering staff. Inspection results are relayed to the Track section and integrated into MOWIS defect lists.

Track Engineers are responsible for auditing inspection activities within their sections on an ongoing basis. An audit must be performed every week, which results in each inspection territory being audited at least once per quarter. While the audit process has been refined from week to week, it now includes assessments of the following elements:

- Inspection cycle completion for the entire reporting location (all inspection runs for the particular inspection Roadmaster)
- MOWIS defect audit, wherein a section of track is compared physically to the MOWIS inspection records for the area
- Completed work order audit, wherein completed work orders are reviewed, with a focus on keeping the MOWIS database up to date and useful
- Field force manager audit, wherein cell phone/GPS records for all track inspection personnel are audited to ensure proper usage, and wherein one Track Maintainer's records are audited versus their assigned shifts and locations, to ensure that s/he is where s/he should be relative to inspection limits

These Engineers' audits are very valuable activities because they identify procedural and compliance issues. The audits also put positive and appropriate emphasis on the areas that Track (and Power & Way) management have determined are critical. These audits are among a number of other existing capacities (such as the very capable frog and steel fabrication shop) and relatively new initiatives (such as inspection pocket cards and renewed emphasis on simple but critical projects like tie renewal) that help to continually improve the group's results.

This review concentrated on the Track inspection function. While it is the review team's understanding that some additional management (Engineer) staff may be necessary in construction or maintenance, the current inspection Engineer team seems very capable. They seem to have a very good understanding of departmental priorities, and have taken proactive and helpful steps to further those goals.

There are several Track section (and Power & Way Department) standard operating procedures that guide track inspection and maintenance activities. While a complete critique of these SOPs is beyond the scope of this review, it is important to point out that positive results of these SOPs can be seen in several areas. As noted above, the inspection process is dictated by SOP. Additional SOPs dictate important topics such as departmental personal protective equipment and Engineers' audits. Further SOPs are planned in areas such as track inspection process. These SOPs seem to have a very positive impact on the department and its effectiveness.

10.3 Assessment

This assessment was conducted in concert with CTA personnel and based primarily on interviews with the Track section Manager, Engineers, sample Roadmasters, and sample Track Maintainers, as well as the Power & Way General Manager. This assessment also included physical inspections of sample track segments. A review of Track section documents included MOWIS database entries, completed switch inspections, standard operating procedures, and departmental internal audits. Finally, this assessment included a detailed discussion with one entire shift of Track Maintainers regarding inspection

process and responsibilities and worker protection issues. Details on particular inspection segments, documents, and interviews are found at the end of this section.

Overall, the Track section's overall function, its focus on its core mission, and its overall stature is likely better than it has been during any previous RTA triennial review. RTA appreciates that Power & Way has additional goals, and its work is never complete. Still, it is important to point out that the concerted attention to and focus on track is appropriate to its safety-critical nature, and has produced positive and tangible results.

10.4 Findings

TIM-1: While not overdue at the time of this assessment, CTA's annual turnout/switch inspections may need additional resources to be completed in June 2010. Joint turnout and switch inspections – a detailed inspection conducted by both Track and Signal personnel represented – are completed at least once yearly. At the same time, Track Maintainers are required to perform detailed visual checks of this equipment during each weekly or twice-weekly inspection. The more detailed annual (joint) inspections are, to some extent, on hold at this time due to manpower issues. Although such annual inspections were not yet overdue at the time of review, they were to come due during June 2010. It appears that additional personnel resources may be required to ensure that this inspection is conducted on schedule.

TIM-2: CTA's Track section should take positive and demonstrable steps to reemphasize thoroughness, quality, and defect identification/prioritization of turnout/switch inspections, especially during ongoing (weekly and twice-weekly) track inspections. As noted in a separate finding, the Track department's detailed turnout/switch inspections may lag their annual schedule due to manpower issues. Part of the identified mitigation for this issue is the ongoing (weekly/twice-weekly) walking inspection. The Track department verbally and in its standards identifies that switches and turnouts are to be inspected as part of regular walking inspections. An examination of records and field sites indicates that such ongoing track inspections may not put enough emphasis on turnouts and switches.

During this assessment, several switches and turnouts were visually inspected. CTA's annual, detailed switch inspection records and its MOWIS database entries show fewer and less severe defects versus what this assessment saw in the field. This may indicate that Track Maintainers are not paying enough attention to turnouts and switches, especially during the weekly/twice-weekly walking inspections. It may also indicate that they are not assigning appropriate priorities to turnout/switch defects and maintenance items.

For example, switches at Howard and Jarvis showed many hardware problems (loose bolts, etc.) and frog condition problems (point wear, wing/tread wear) that did not seem to be fully described in weekly/twice-weekly MOWIS inspection records.

In some instances, inspection personnel do not seem to appropriately prioritize turnout/switch defects. On the annual switch inspection form, for example, CTA inspection personnel described several frogs as having measurable horizontal cracks or chipping in the point area, or loose hardware. Still, these same frogs were assigned the highest condition rating (G, or Good).

CTA should review the importance and fundamental aspects of turnout and switch inspections with its Track Maintainers and ensure that such equipment is receiving a thorough inspection during both weekly/twice-weekly track inspections and annual detailed switch inspections.

TIM-3: CTA should reemphasize general defect descriptions and prioritizations as entered by Track Maintainers in MOWIS. CTA's Track section internal audit process includes a (valuable) check of defect descriptions and categorizations. This program should be continued and expanded to ensure a greater and more universal understanding of CTA's track defects and priorities. CTA should continue to ensure uniformity among Track Maintainers' defect descriptions. For example, some defects reviewed were "wide gauge" or "wide gauge, 10 feet" but a gauge measurement was not given in the comments. CTA's Track Maintainers should be encouraged to provide more detailed information about their findings and inspection results.

TIM-4: CTA Track Section should develop a corrective action log or similar tracking mechanism to ensure that issues raised in Engineers' audits are corrected and closed out. CTA's Track section has an excellent internal audit process, and provides a model for how other transit agencies could audit their maintenance processes. During these audits, occasional maintenance or administrative issues are identified. It is important that these issues be tracked and closed out, so that they do not get overlooked or forgotten.

10.5 Bibliography

Persons interviewed

- James Blatz – Manager, Track
- Scott Brown – Sr. Track Engineer
- Adrian Cabral – System Safety Engineer
- Erin Carsele – Project Manager, Power & Way
- David Ellsworth – Sr. Track Engineer
- William Mooney, Jr. – General Manager, Power & Way
- Ife Oklukolade – System Safety
- Carrie Wagener – Manager II, Power & Way
- Colleen Zinck – Sr. Track Engineer

Several Track section personnel who were interviewed are not included in this list by name. Their names were not recorded in order to ensure they felt free to discuss management and workplace issues that affect safety.

Personnel interviewed included:

- An entire shift of Track Maintainers responsible for inspections at one reporting location
- Several personnel from work gangs and maintenance crews encountered during the field portion of this audit
- One Track Maintainer and Inspection Roadmaster for a track segment inspected during this review

Documents reviewed:

- CTA Switch Inspection & Test Report – completed inspections for all switches from spring/summer 2009 interval
- Report of Patrol Inspections (MOWIS database output) for
  - Ravenswood Connector, both tracks, calendar 2010 to date
  - Pink Line Douglas Branch, both tracks, calendar 2010 to date
  - Red Line State Street Subway, both tracks, calendar 2010 to date
- Report of Open Defects on 05/06/2010 (MOWIS database output) for
  - Orange Line Grand Junction
  - Red line North Main, Track 1 and 2, Belmont to Howard
  - Blue Line Track 1 Rosemont – Cumberland
- Overall MOWIS database structure and operation
- MOWIS handheld device menus, usage, and implementation
- Power & Way Maintenance Bulletin No. TM 06-08: Sections, Inspection Territories, and Schedules
- Power & Way Maintenance Bulletin No. TM 05-08: Scheduled Regular and Overtime Work
- Power & Way Maintenance Bulletin No. TM 07-08: Track Maintenance at Interlocking Locations
- Power & Way Maintenance Bulletin No. TM 08-08: Track Lubrication, Inspection, and Repair Guidelines
- Power & Way Maintenance Bulletin No. TM 01-09: Verizon Cell Phones and Field Force Manager
- Power & Way Maintenance Bulletin No. TM 04-09: Additional Track Maintenance Standards
- Power & Way Maintenance Bulletin No. TM 05-09: Awarding Overtime
- Power & Way Maintenance Bulletin No. TM 06-09: Construction Site Project Controls
- Power & Way Maintenance Bulletin No. TM 07-09: Removal of Bulletins TM 08-07 & TM 03-08

- Power & Way Maintenance Bulletin No. TM 08-09: Track Engineer-IV Vacation and Illness Coverage
- Power & Way Maintenance Bulletin No. TM 09-09: Roadmaster Territory Inspections
- ID-SOP-P0001: Preparation and Control of Bulletins and SOPs Issued by the Infrastructure Division
- Infrastructure Division Bulletin No. ID-02-10: Disciplinary Policy for Red Light Camera Violations
- Infrastructure Division Bulletin No. ID-01-09: Personal Protective Equipment Requirements
- Power & Way Maintenance Bulletin No. PWM 01-07: Business Casual Dress Policy
- Power & Way Maintenance Bulletin No. PWM 01-08: Fire Extinguisher Monthly Inspections
- Power & Way Maintenance Bulletin No. PWM 01-09: Slow Zone Requests, Implementation, and Removal
- Power & Way Maintenance Bulletin No. PWM 02-09: Work by Area
- Power & Way Maintenance Bulletin No. PWM 03-09: Tracks Out of Service for Railborne Non-Revenue Equipment Storage
- William R. Mooney Jr., July 13, 2007 Memo to Track Personnel re. "Right-of-Way Safety Defects"
- William R. Mooney Jr., July 13, 2007 Memo to Track Personnel re. "Transit Operations SOP 8130"
- William R. Mooney Jr., July 13, 2007 Memo to Track Personnel re. "Transmission of Memos"
- William R. Mooney Jr., June 14, 2007 Memo to Track Personnel re. "Work Day Requirements"
- Track Maintenance Bulletin No. TM 01-07: Employee Responsibilities for Sickbook Entries
- Track Maintenance Bulletin No. TM 02-07: Employee Violation Slip
- Track Maintenance Bulletin No. TM 03-07: Unauthorized Overtime
- Track Maintenance Bulletin No. TM 04-07: Transit Operations SOP 8130
- Track Maintenance Bulletin No. TM 05-07: Right-of-Way Safety Defects
- Track Maintenance Bulletin No. TM 06-07: Response to Incidents
- Track Maintenance Bulletin No. TM 07-07: Work Day Requirements
- Track Maintenance Bulletin No. TM 09-07: Excessive Absenteeism – Tardy Procedures
- Track Maintenance Bulletin No. TM 10-07: Over-the-Counter and Prescription Drugs
- Track Maintenance Bulletin No. TM 13-07: Issuance of Handhelds for Inspections
- Track Maintenance Bulletin No. TM 14-07: Implementation and Removal of Slow Zones

- Track Maintenance Bulletin No. TM 01-08: Annual Trackman Reviews
- 2009 (CTA) Engineering Track Audit Report
- Track Maintenance Bulletin No. TM 02-08: Quarterly Review of Inspection & Maintenance Territory Scope and Length
- Joint Switch Inspection Schedule (for calendar 2008)
- Track Inspection Audit: April 20, 2010 (D. Ellsworth)
- Power & Way Maintenance Audit No. CW 13-08 August 18-22, 2008

The CTA-authored documents listed below, under References, were also assessed under this review. The following track segments were inspected (on foot, alongside CTA personnel) during this assessment:

- Blue Line, Rosemont to Cumberland
- Red Line/Mainline North, Belmont to Howard
- Orange Line/Green Line, Roosevelt through Tower 17 to Ashland
- Red Line, State Street Subway, select segments

All line segments were also visually checked from railcars.

10.6 References

- CTA System Safety Program Plan, March 30, 2010 revision
- CTA Track Maintenance Standards Manual (December 4, 2008)
- Federal Railroad Administration Track Safety Standards, 49 CFR Part 213
- American Public Transportation Association, guidelines and recommended practices Volume 5 - Fixed Structures APTA RT-S-FS-002-02, Standard for Rail Transit Track Inspection and Maintenance (as approved June 25, 2002)

11. Maintenance Audits & Inspections: Signals

11.1 Description/Overview

CTA's Signals section, within the Power & Way Department, is responsible for testing, maintenance, and in-house construction of train signaling equipment, signals-related warning devices, and related equipment. The group is responsible for fixed signals, cab signal equipment both on railcars and wayside, switch machines, switch heaters, interlockings, relays, trip stops, bridge interlocks, control towers, and other critical train separation and routing systems.

11.2 Responsibility and Current Situation

The Signals section is headed by Manager Ghassan Nouti. The group also includes three Senior Signals Engineers, two responsible for wayside maintenance – Mike Lowder and Stan Rusin – and one responsible for shop testing and carborne cab signal systems – John Lennon. The primary personnel responsible for signals testing and maintenance are the Signal Maintainers, Signals Specialists, and Relay Testers. The Signals section reports to Power & Way General Manager William Mooney, Jr., and works closely with Manager II of Power & Way Carrie Wagener.

The Signals section has worked to develop and publish a very effective set of standard operating procedures. The department is also working on updating SOPs for several maintenance areas currently described on checklists, such as switch maintenance, trip stop testing, and similar areas. Several SOPs are particularly helpful, such as the one dictating the blue book audit process. The group is also subject to several Power & Way Department-wide SOPs, such as those related to personal protective equipment. The development and implementation of these SOPs has had a significant positive impact on the department and its effectiveness.

Shop and bench testing is regulated by a relatively new schedule process and is tracked using a relay database. Some of the finer points of this process are still being perfected (e.g., a printout of the 2009 schedule needed to be amended to reflect actual test completion dates). Still, the process seems sound, and should be a significant help in regulating and tracking relay testing activities.

In the field, each signal maintenance territory has a "blue book," which contains Maintainers' schedules for the calendar year, their test and inspection records, and reference materials, such as procedures. The blue book process seems to be an excellent tool for regulating signal equipment maintenance across many diverse territories, equipment types, and employees. CTA's plan to possibly issue an SOP or instruction on blue book contents and order seems like a very good idea, and it should be considered for implementation.

Engineers in both shop and field areas perform periodic audits of maintenance and test schedule compliance. These blue book audits have become a critical tool in evaluating and ensuring the consistency of signal maintenance activities. To its credit, the Signals section continues to improve the audit process and increase its audit expectations. And critically, the department's Maintainers and Specialists have responded by increasing their schedule and SOP adherence.

The Signals section also recently put substantial effort into decreasing trouble calls related to its equipment. Many maintenance departments throughout the transit industry find it very difficult to make a significant shift from response-based maintenance to preventive maintenance. CTA Signals section's efforts in this area are commendable. The department posted a very significant decrease in trouble calls in recent months after concentrating more on preventive and corrective maintenance.

RTA's 2007 triennial review of CTA Signals produced several functional and management findings. CTA and RTA worked closely together to analyze and address these findings and issues. The two groups conducted a special follow-up session including extensive discussions, records reviews, and field inspections and verification during January 2009. Of the more than 30 separate issues identified during the 2007 RTA triennial review, nearly all have been addressed to closure or substantial completion. Only one major area – the issue of non-vital timers that silence grade crossing warning bells after a certain time of evening – is still open. CTA's willingness to review and address these issues with RTA is greatly appreciated, and the results are reflected in this most recent triennial review.

11.3 Assessment

This Signals assessment was conducted with the help of CTA Signals and Power & Way personnel. The assessment included detailed interviews with department managers, several Signal Maintainers, and foremen. This effort also included observation of several preventive maintenance activities as conducted by CTA personnel. Tests observed included switch machine, trip stop, carborne cab signals, and bridge lock maintenance.

CTA's Signals section personnel seem knowledgeable (and willing to share that knowledge) and conscientious. Their efforts, including at the Manager, Engineer, Signal Maintainer/Specialist, and Foreman level were critical in completing this review, and are most appreciated.

11.4 Findings

SIG-1: CTA Signals needs to ensure that completion dates in its relay schedule are kept up to date throughout the testing cycle. During this assessment, CTA Signals personnel were very helpful in providing their schedule spreadsheet for relay testing. The first copy provided during this assessment had complete schedule information for calendar year 2009, but did not have up-to-date information for actual completion dates.

CTA should ensure that it uses this spreadsheet, or some other equivalent scheduling tool, to ensure that the relay testing program is on schedule throughout the year.

SIG-2: CTA Signals should expand its SOPs and blue book audit process to ensure that SOPs, instructions, and reference materials are consistent across territories. The blue book audit process is an excellent practice. Likewise, the group's SOPs are very valuable in ensuring consistency and high quality across the department. Both blue book audits and SOPs should be expanded to include regulation and checks of overall blue book content. This is important for two reasons. One is that it will help to ensure that Signal Maintainers have appropriate blue book content for their territories, based on their particular equipment inventories and operating situations. It would also help ensure that older instructions and SOPs are replaced by the latest guidance as appropriate. As an example of the latter situation, one blue book checked during this audit had audio frequency track circuit testing instructions that may be out of date versus current CTA practice. Increasing SOP and audit expectations for blue book format, contents, and order would help to identify these types of issues where they might exist.

SIG-3: CTA Signals should assess the need for additional equipment-specific maintenance and testing SOPs and continue its efforts to develop and update such SOPs for switch machines, trip stops, and other signals equipment. CTA Signals management expressed plans to develop additional SOPs for testing and maintenance of critical components such as switch machines, trip stops, and other equipment. These equipment types are currently covered by brief instructions on CTA Signals forms (typically five to seven basic maintenance steps). More detailed information on maintenance practices, tolerances, methods of operation, etc. should be presented in an SOP format and distributed to Signal Maintainers. CTA should also assess its equipment inventory overall, and identify other areas where SOPs may be needed, perhaps including relay testing, grade crossing inspections, etc.

11.5 Related Open Findings from Previous Triennial Reviews

SIG-7: This section of the report contains confidential security sensitive information; therefore it has been redacted from the public version of the report.

SIG-26: This section of the report contains confidential security sensitive information; therefore it has been redacted from the public report.

11.6 Bibliography

Persons interviewed included:

- Adrian Cabral – System Safety Engineer
- Erin Carsele – Project Manager, Power & Way
- John Lennon – Sr. Signals Engineer
- Mike Lowder – Sr. Signals Engineer

- Ghassan Nouti – Manager, Signals
- Ife Oklukolade – System Safety
- Stan Rusin – St. Signals Engineer
- Carrie Wagener – Manager II, Power & Way

Several personnel who were interviewed are not included in this list by name. Their names were not recorded in order to ensure they felt free to discuss management and workplace issues that affect safety. These personnel included:

- One carborne cab signal testing crew
- Large crew, with maintenance and construction members, replacing switch machine
- Teams of Signal Maintainers from four separate locations

Documents reviewed included:

- CTA Slow Zone Database and associated paper communications/documentation
- Blue Book maintenance/test records for 2009 and/or 2010 for locations including Kimball, 13th Street, Jefferson Park, Tower 18, and others
- Signal Maintenance Standard Relay Testing Procedure SIGMSOP – P0008: Relay Testing
- Signal Maintenance Standard Maintenance Procedure SIGNSOP – P002: Signal Wayside Maintenance
- Power & Way Maintenance Bulletin No. SM01-09: Maximum Safe Speed Track Circuit Line Rides and Audits
- Power & Way Maintenance Bulletin No. SM03-09: 10-35 Signal Maintainer Working Call Code
- Power & Way Maintenance Bulletin No. SM03-09: Quality Assurance/Quality Control Audits
- Power & Way Maintenance Bulletin No. SM04-09: Audio Track Circuit Equipment
- Signal Maintenance Standard Maintenance Procedure SIGMSOP-P0001: Maintainer Daily Duties
- Signal Maintenance Standard Maintenance Procedure SIGMSOP-P0003: Blue Book
- Signal Maintenance Standard Maintenance Procedure SIGMSOP-P0004: Event Recorders
- Signal Maintenance Standard Maintenance Procedure SIGMSOP-P0005: Wayside Signals
- Signal Maintenance Standard Maintenance Procedure SIGMSOP-P0006: Incident Investigation Checklist

- Signal Maintenance Standard Maintenance Procedure SIGMSOP-P0009: Verizon GPS PTT Phones
- Signal Maintenance Standard Maintenance Procedure SIGMSOP-P0010: Slow Zone Policy
- Signal Maintenance Standard Maintenance Procedure SIGMSOP-P0014: Interlocking Operation Controls
- Blue Book Review Sheets for Jefferson Park, March 22, 2010; 61st (both reviewing second half of 2009)
- Audit Reports Carborne, December 2009 through April 2010
- Field Audit Forms, 17th Tower, April 2010
- Relay testing schedule/spreadsheet for 2009, 2010

11.7 References

- CTA System Safety Program Plan, March 30, 2010 revision
- CTA Signals sections of Power & Way Maintenance Plan (April 2006 revision)
- CTA Signals test standards, procedures, and checksheets as found in blue books
- Federal Railroad Administration signals testing-related standards as found in 49 CFR 200-series documents
- American Public Transportation Association signals testing-related guidelines as found in APTA standards Volume 6 – Signals and Communications Equipment Inspection and Maintenance

12. Maintenance Audits & Inspections: Traction Power

12.1 Description/Overview

This review consisted of an assessment of the appropriate section of CTA's SSPP, Facilities Maintenance Plan, SOPs, Traction power station master logs and other documents to ensure that the process is prescribed properly; a review of documentation of inspections performed; interviews with the Power & Way maintenance General Manager, Testing Engineer, Traction Power Station foreman, and Electrician.

12.2 Responsibility and Current Situation

The Power & Way Maintenance force includes one Manager, one senior engineer, four foremen, 22 "B" electricians, and nine attendants. This force is responsible for inspection and maintenance of substation and distribution equipment throughout the entire CTA system.

The manager creates work orders using EAM information system for a scheduled PM for particular equipment. The foremen log in to their accounts to see lists of overdues and assign Electricians to do the PMs based on the long overdue-first served basis. The Electrician, after completing the PM, signs off on the test card and reports the completion of the work to the foreman. The foreman logs in to EAM and closes out the work order. As soon as the work order is closed, EAM automatically schedules the next PM date for the equipment. This cycle repeats. If there is any problem in the day-to-day activity inside the substation, the designated foreman will report it to the senior engineer.

The system is sound; however, from the routine operation procedures point of view, there are some concerns. One concern is that there is only verbal communication between the Electrician and the foreman. There is no space on the test card for the foreman approval signature that verifies that all items associated with the type inspection have been properly inspected. Hence, the quality of the work is judged solely on the verbal confirmation from the Electrician. The other concern is the test card format is the same for all equipments from different manufacturers. As a result of this, not all the PM measurements are reflected on the test card. CTA needs to develop different test card formats that are unique to particular devices from specific manufacturers. It was also noticed that throughout the CTA system, all the maintenance is recorded in pencil, both on test cards and in the maintenance log. Pen marks would be preferable, as they can last longer on paper and cannot be easily removed.

12.3 Assessment

The assessment was conducted by interviewing the Power & Way Maintenance General Manager, one Testing Engineer V, one Manager II (who is also responsible for administering the EAM information system), one foreman, one Electrician, and one representative from the Safety Department, by a walk-around tour of Traction Power substations, and by reviewing the maintenance plan, maintenance checklists, and PM

records. As learned from the sampled seven substations, overall, the substations appear to be well-maintained and in good shape. However, there were some discrepancies with the design and use of the PM checklists and the scheduling of PM inspections.

12.4 Findings

TPS-1: CTA's eyewash manufacturer recommends a weekly inspection, but this interval is not included in CTA's current practices. For Bradley eye wash equipment, the manufacturer recommends a weekly inspection. Based on field records, it appears that this equipment is receiving an inspection on roughly a monthly basis.

TPS-2: This section of the report contains confidential security sensitive information; therefore it has been redacted from the public version of the report.

TPS-3: Some of the substation drawings are in poor condition or incomplete. Calvary, for example, has drawings that are in poor shape. East Lake has both torn and missing sheets.

TPS-4: CTA practice for working in high voltage (600 VDC) cubicles appears to be out of keeping with current industry thinking, with regards to personal protective equipment. At East Lake Substation, two technicians were observed doing a PM on a DC breaker, where the 600VDC bus is energized, without wearing PPE commensurate with the voltage and exposure at hand.

TPS-5: This section of the report contains confidential security sensitive information; therefore it has been redacted from the public version of the report.

12.5 Bibliography

Persons Interviewed

- William Mooney, Jr –General Manager
- Carrie Wagener-Manager II
- Mike Perez- Testing Engineer V
- Robert Long-Substation Foreman
- Fillipe Santillam-"B" Electrician

Documents Reviewed

- CTA SSPP Manual
- Facilities Maintenance Plan
- Test Cards for Equipment Maintenance
- Weekly Attendant checklists
- CTA's SOP Manual

- EAM information system data

Substations Visited

- Springfield
- Calvary
- Skokie
- 10 East Lake
- Harding
- Pulaski
- 18th Street Substation.

12.6 References

- Facilities Maintenance Plan-Section 4 (Power and Maintenance Plan)
- CTA's SOPs
- CTA's SSPP Manual
- DC breaker Maintenance Training document

13. Maintenance Audits & Inspections: Vehicle

13.1 Description/Overview

CTA's rail passenger service is provided by an active fleet of 1,180 railcars (there are also ten cars on long-term hold) varying in age from 13 to 38 years old. One hundred forty-two 2200-series cars were built by the Budd Company in 1969-1970; 190 2400-series cars, by Boeing-Vertol in 1976-1978; 590 2600-series cars, by the Budd Company in 1981-1987; and 258 3200-series cars, by Morrison-Knudsen in 1992-1994. The 2200s were rebuilt by New York Rail Car in 1990-1992; the 2400s were rehabilitated by Skokie Shop in 1987-1995; and the 2600s were rebuilt by Alstom in 1999-2002.

The cars range in weight from 45,500 pounds each (2200-series) to 54,600 pounds each (3200-series). 2200-series cars are powered by four 100-horsepower DC traction motors each; the remainder, by four 110-horsepower DC motors; all are General Electric. The first two series use GE SCM cam controllers; the other two, GE CCM cam controllers. All friction brakes are spring applied and power released; the 2200s are electrically powered, and the rest are hydraulically powered. In addition, all cars are equipped with magnetic track brakes for emergency braking.

All cars are 48' long, 9'4" wide, and 12' high. They are semi-permanently coupled in married pairs. The number of seats varies 39 to 46 per car. Each car has two double doors per side; 2200-series cars have folding (blinker) doors; all others have sliding doors. All cars are equipped with cab signals (maintained by the signals department). They also have air conditioning, fluorescent lights, and passenger intercom.

CTA is also currently testing new prototype railcars manufactured by Bombardier. At the time of this assessment, CTA had 10 of the new railcars on site and was testing them in passenger service.

Preventive Maintenance and light repairs are performed at eight shops: Howard, Kimball, Rosemont, Harlem, Des Plaines, 54th Street, Midway, and 98th Street. Heavy repairs are performed at Skokie Shop. Wheel truing machines are located at Skokie and 54th Street; a third has been purchased and will be installed at Midway.

13.2 Responsibility and Current Situation

Maintenance of CTA's fleet of revenue railcars is the responsibility of the Rail Maintenance Department. The Director reports to the Chief Operating Officer. Reporting to the director are East and West Maintenance General Managers (four maintenance shops each), the General Manager of Heavy Maintenance (Skokie Shop) and the General Manager of Rail Engineering and Technical Service.

Preventive maintenance consists of Periodic Inspections and Annual Inspections. Periodic Inspection intervals are mileage intervals and are based on car type and route.

There is a 90-day maximum to ensure that a car accumulating mileage at a low rate (e.g., out of service) does not go too long without an inspection. This disagrees with the SSPP which states a maximum time between inspections of 60 days; the reviewer was told that the 60 days is incorrect. The Rail Maintenance Department is currently refining the intervals. They say that the data is good enough to show the mileage since inspection at which the Mean Distance Before Failure (MDBF) begins to fall.

One unique practice of CTA is the practice of spinning the wheels on each inspection. Each truck is lifted off the track, and propulsion power is applied to spin the axle set so that the inspector can listen for unusual noises. On one inspection that the reviewer observed, the inspector found a noisy journal bearing which was scheduled for immediate replacement. While other agencies do not seem to feel that this practice is necessary, CTA is happy with it, and the reviewer sees benefit from it.

CTA has a wheel truing machine at Midway Shop that compromises productivity of the wheel truing machine until phase 3 is complete. After phase 1 is complete, the machine will be functional, but access to the machine will be via a track with a hoist (with potential for the hoist to be in use when access to the machine is required) and the pair of cars will have to be turned in order to true the wheels on the second car (requiring moving the pair out of the shop past the hoist, turning (Y-ing) the pair in the yard, and moving the pair back into the shop past the hoist). Phase 2 consists of installing track to provide direct access to the machine form the yard, but the pair will still have to be turned in the yard. It is recommended that CTA perform an analysis to determine the required output of the wheel truing machine and the potential output before the completion of phase 2 and before the completion of phase 3, taking into account the expected interference resulting from the use of the hoist and the time necessary to turn pairs of cars.

Also reviewed were inspections records to check inspection intervals and disposition of defects.

Currently, the department uses hard-copy OEM maintenance manuals. When changes are made, the manuals are not updated, but the changes are disseminated by bulletins. Thus, it is the responsibility of the employee to check for relevant bulletins before performing maintenance according to the OEM manuals. While this system is not optimal, it does not seem feasible to bring the OEM manuals up to date at this time. With the 5000-series cars, the OEM manuals will be electronic, and the Rail Maintenance Department intends to make changes to the electronic documents to keep them up to date.

13.3 Assessment

The assessment consisted of three parts. The first part was an interview with the department head and his immediate staff. Discussed were the checklist items (except field-specific items) and the philosophy of the Railcar Maintenance Department.

The second part was the observation of inspections and the interviewing of inspection managers and inspectors. The reviewer observed inspections at Howard and Midway Shops and interviewed inspectors and found the inspection to have been performed well. Inspectors were asked if they had the documentation and tools and equipment to perform their jobs and also if they had any safety concerns about their jobs.

The third part was a review of inspection data from the past year for a sample of railcars. The reviewer examined inspection intervals, both mileage and days, for a sample of railcars. Follow-up on defects found on inspections was also reviewed.

13.4 Findings

VH-1: Current Rail Maintenance practice is in conflict with the interval published in CTA's SSPP. As noted above, Rail Maintenance upholds a 90-day maximum between inspections, whereas the SSPP indicates a 60-day maximum.

VH-2: There was little familiarity with the SSPP within Rail Maintenance. Some Rail Maintenance department managers had read and filed the SSPP, but some of the managers in the shop were not familiar with the document, and had not heard of it.

VH-3: Change Control and Configuration Management are described in a 1½-page bulletin that does not provide sufficient detail to ensure the process will operate smoothly. While the bulletin provides a good summary of the process and though CTA uses the process well, it does not include sufficient detail to ensure that in the future those less familiar with the process or less interested in following the process will get it right. The process should include every step in detail beginning with who may submit a proposed change and how proposed changes are chosen for implementation.

VH-4: The mileage intervals between inspections of any given car vary greatly over a year's time. While the goal is to optimize the inspection interval mileage for car type and route, the great variation (for each car the longest interval in the past year is usually at least 50 percent greater than the shortest) means that these optimized intervals are not being met.

VH-5: Many trains were observed to have wheels with flat spots. The frequency of occurrences of flat spots on CTA trains seems to be greater than other properties the reviewer has visited. This review did not attempt to characterize these flat spots or survey them overall as compared to CTA's wheel measurement standards. Rather, this finding is submitted to draw CTA's attention to the overall need to reexamine current inspection standards, inspection frequencies, and/or maintenance practices to reduce observed flat spots. RTA is concerned that flat spots are detrimental for the following reasons:

- They increase the probability of wheels locking when emergency brakes are applied, thus increasing stopping distance.

- The longer flat spots are tolerated, the larger they become, and the more metal (i.e., wheel diameter) must be removed from the wheels to remove the flat spots. This reduces the life of the wheels.
- They impart impacts and vibrations to the equipment on the cars, thus increasing the probability of failure and reducing the life of certain components.

13.5 Related Open Findings from Previous Triennial Reviews

VH-2: Many trains were observed to have wheels with flat spots. CTA's two wheel truing machines may not have the capacity to maintain the fleet properly.

This open finding from the 2007 triennial review was incorporated into the above 2010 findings VH-5 and VH-6.

13.6 Bibliography

Documents Reviewed

- Preventive maintenance manuals (sample review)
- Preventive maintenance checklists (sample review)
- Preventive maintenance histories for about 10 percent of the fleets assigned to Howard and Midway Shops
- Bulletin: Engineering Change Procedures
- General Bulletin: Unusual Occurrence Guidelines 10/14/94
- Memorandum Re: Handling rail [car] defects; a procedure for standardizing decision making, documentation, and repair March 12, 2009
- Rail Car Assignment April 4, 2010
- 2009 Unusual Tracker

Persons Interviewed

- David Kowalski – Director, Maintenance – Rail
- Philip Lamont – General Manager, Rail Car Heavy Maintenance
- James Layman – General Manager, Rail Terminal Maintenance
- George Cavelle – General Manager, Rail Terminal Maintenance
- Christopher N. Hegarty – Manager, Rail Engineering Technical Services
- Thomas Dietrich – Manager II, Maintenance, Rail Engineering & Technical Services
- Frank Suthers – Manager, Maintenance, Rail Engineering & Technical Services
- Robert Kielba – assistant chief Rail Equipment Engineer, Rail Engineering & Technical Services
- Don Miller - Manager II, Howard/Linden Shop

- Dwayne Woods - Manager I, Annual Inspection Howard Shop
- Ed Wilson - Manager II, Midway Shop
- Thomas Conley - Manager I, Inspection Midway Shop
- Gabriel Lopez - Car Repairer A
- David Sanchez - Car Repairer A
- Hugo Padilla - Car Repairer A
- Theresa Craig - Car Repairer A

Locations Visited

- Skokie Shop
- Howard Shop
- Midway Shop

13.7 References

- CTA System Safety Program Plan
- CTA Rail Car Maintenance Plan
- CTA Rail Car Maintenance
- APTA Standards, Rail Vehicle Maintenance

14. Training

14.1 Description/Overview

Employee training is critical to system safety. The provision of appropriate levels of training for rail transit employees is necessary to ensure that employees are equipped with the means to understand the rules, regulations, and requirements associated with their specific jobs. While some training is directly related to safety – such as how to walk safely on the right of way – other training may not be specific to safety, but is nonetheless critical to safety – such as how to read signals or simply how to operate a train. Additionally, system security and preparedness for emergency situations are both critical in the transit environment, since transit employees are responsible for the safety and security of the public. Therefore, it is necessary to provide employees with the appropriate tools to respond to a security threat or emergency situation in a consistent and coordinated manner that will protect human life. This task reviews safety and/or security training and recertification programs in place for the following CTA employee classifications:

- **Rail Transit Operations**
  - Rail Transit Operators (RTOs)
  - Rail Supervisors
  - Switchmen
  - Flagmen
  - Towermen
  - Yard Leader
  - Yard Master
  - Customer Assistants
  - Clerks
- **Control Center**
  - Rail Controller
  - Power Controller
  - Customer Agent/Security Control
- **Rail Maintenance**
  - Railcar Repairmen
  - Railcar Services
  - Railcar Apprentices
  - Specific Craft Personnel at Skokie Shops
- **Equipment/Infrastructure Maintenance**
  - Facilities Personnel
  - Power & Way Personnel
  - Signals
- **Management Personnel**
  - Chiefs

- General Managers
- Managers

The purpose of this task is to assess the administration of CTA's myriad training programs to make sure employees currently performing their duties have received their appropriate training on-time, that the training is recorded to provide evidence thereof, and that the training programs are organized in a fashion that ensures training can be provided as needed and required.

14.2 Responsibility and Current Situation

Rail Instruction/Training Development provides Rail Transit Operations training. The Control Center provides training for its own staff. Rail Maintenance Training also provides its own training. The Safety Department provides safety training to Facilities and Power & Way Personnel, and also to CTA executive and managerial staff. Each group that provides the training is responsible for developing training programs and keeping records of the training provided. There is not overlap in the responsibilities for what training is provided; and therefore, there is not a need for groups to cross train. In some instances, individuals responsible for training, for example, train operators, may be in touch with other department personnel to highlight some aspect of train operations that is impacted by railcar maintenance or the control center.

Rail Instruction/Training Development administers a very comprehensive program of training for the staff listed above. It consists of initial training and classification, retraining and recertification (both retraining for employees who have exhibited some sort of problem or who have been away from the job and recertification of train operators on a biannual basis), and training-for-change (e.g., new policies, new equipment, etc.). Rail Instruction/Training Development also administers special programs, such as the Rail Safety Tours for contractors. Training programs all have detailed curricula and testing materials, as well as detailed plans for line/field instruction and qualification. All operations personnel will train as an RTO and may receive additional training to qualify for the other positions listed. This training is administered by Dorothy Bester and Kenneth Hughes, Managers of Rail Instruction, along with Carol Taylor, Manager, Instruction Programs Development. Edward Cook, Vice President, Rail Transit Operations oversees this training program. Jocelyn Howard, the Coordinator of Administration, is leading the development of a centralized database to track employee training records. There are 34 instructors, one coordinator, and one clerk.

RTO and related rail operating position training is extremely detailed and comprehensive. All existing rules and procedures are included in appropriate training modules. Programs are regularly updated to incorporate all new General Bulletins, Trainlines, and other information that is developed on an ongoing basis. Procedures guide the administration of the training program. Training-for-change is offered to all employees whenever some change in practice requires more than just distribution of a bulletin. Specific components

of the operations training relate to safety and to security. Security components are incorporated into initial and recertification training and are based on National Transit Institute and FTA guidance.

"Record Cards" are used to track employee training and certification. A separate "record card" is kept for each operating employee. One copy is maintained at the terminals, and another is maintained by Rail Instruction/Training. It lists initial dates of qualification, all dates of recertification/requalification, as well as dates of other training that has been provided. It also lists the dates on which a trainer conducted a ride check. This information will eventually be retained in the database so that information can be analyzed to evaluate the effectiveness of training programs across all operating employees. Currently, the database includes information on dates of certification so that employee recertification can be scheduled on-time.

The Control Center administers its own comprehensive training program for Rail Controllers, Power Controllers, and Customer Agents/Security Control. The Control Center is managed by Kelley Brookins, General Manager, Control Center. Control Center personnel, including controllers and managers, provide training "in-house." Several years ago, controller training was administered by the Rail Instruction group. Currently, the program consists of initial training/certification and biannual retraining/recertification. Both programs include classroom and practical components, including observation of performance in the Control Center. Curricula and testing have been developed and are used in the administration of the training program. Controllers must be certified as an RTO when hired, but are not required to keep that certification while serving as a controller. They must, however, keep their Rail Safety Certification (track safety) current. The Control Center uses an excel spreadsheet to keep track of its training dates and due dates.

Rail Maintenance Training is responsible for providing training to railcar repairmen and to others involved in servicing the railcars. Training is overseen by Chris Hegarty, Acting General Manager of Rail Engineering & Technical Services. Larrice Taylor, Manager II Training & Instruction leads the Rail Maintenance training program, which includes two Training Specialist Is and nine Training Specialist IIs. Four Instructor I positions are vacant. Recent staffing changes have eliminated railcar services personnel. Specialists of specific crafts at Skokie shops (home of heavy maintenance) are hired with the necessary skills, such as training/qualification to be an electrician or a welder. This training is required via union contract.

Rail Maintenance Training for the railcar repairmen is detailed and consists of a multi-step program in which additional qualifications must be achieved over several years. This program is known as the Rail Maintenance Excel Program. In addition to an initial or basic technician qualification on railcar maintenance, railcar maintainers must take detailed coursework and be certified in (1) Truck Shop, (2) Carbody, (3) Controls, and

(4) HVAC. Program materials are detailed and describe every aspect of inspecting and maintaining all of CTA's railcar fleets. Program materials include separate familiarization modules for specific railcars and specific components of the railcars. There are instructor notes for the different courses, as well as student handouts for classroom and on-the-job portions of the training. There are detailed documents used for student performance summaries and evaluations. Initial training coursework also includes a detailed compilation of assorted safety and rail bulletins. Upon hiring, employees receive the initial qualification and then certify for the next four aspects of railcar maintenance at a rate of approximately one category per year. Rail Maintenance keeps track of all Excel Training certifications via the "Excel Tracking Log," which is an electronic spreadsheet that lists the due dates and actual completion dates of Excel training. Paper copies of exams and certificates of completion are also kept in the individual employee files.

Equipment/Infrastructure Maintenance Safety Training. The Safety Department is responsible for providing ongoing safety-related training to all individuals involved in equipment and infrastructure maintenance, including Facilities personnel, Power & Way personnel, and Signals personnel. New hire training for Power and Signals personnel is performed by the union and mandated in the union contract. Similarly, facilities maintenance personnel are hired as journeymen laborers, carpenters, plumbers, etc. with the requisite union certification. They are paired with an established tradesman for on the job training. Initial certification records are held by the union. No formal recertifications or retraining programs are in place for Signalmen, Facilities personnel, or Power & Way personnel.

Safety-specific training is provided by CTA. The myriad safety training programs are administered by Robert Burns, Manager, Training and Safety Observations. He is supported by four training specialists and one clerk. Specific courses in safety-related topics are offered and required based on job classifications, according to a job matrix spreadsheet. Courses include: Arc Flash, Bloodborne Pathogens, Confined Space, HazMat Refresher, Incident Command, Respirator Testing, Fork Truck, Aerial Work Platforms, and Mobile Cranes. The Safety Department also teaches National Incident Management System (NIMS) courses and other safety and security related courses. Courses are offered on a rolling basis, and employees may take courses when their schedules permit. If nobody signs up for a specific course, the class is not held. A summary of all courses held in a month, along with levels of participation is provided on a monthly basis. This is known as a "Presidential Brief." Records of training are stored in an excel spreadsheet, kept by the Manager of Training and Safety Observations. When required, paper copies of certifications are also kept in separate employee files.

Management Personnel receive training in the various National Incident Management System (NIMS) courses, which is the Federal Emergency Management Agency's (FEMA) "systematic, proactive approach to guide departments and agencies at all levels

of government, nongovernmental organizations, and the private sector to work seamlessly to prevent, protect against, respond to, recover from, and mitigate the effects of incidents, regardless of cause, size, location, or complexity, in order to reduce the loss of life and property and harm to the environment." The Safety Department is responsible for administering the different levels of coursework to CTA Managers, General Managers and senior staff, in accordance with CTA's goals for completion. Records of completed training are kept in electronic spreadsheets.

14.3 Assessment

The review of **Rail Instruction/Training Development** consisted of interviewing the above-listed individuals regarding their administration of the training programs and a detailed review of the training materials, including curricula, exams, Trainlines, General Bulletins, training handouts, and other operating documents. The entire training program is well organized, and records are well kept to indicate that initial training and recertifications are being performed. Training materials are comprehensive and exceed APTA standards and other industry practices.

The review also included an examination of the Record Cards of 53 individuals, including RTOs, switchmen, towermen, customer assistants, and flagmen. The review found that all fifty-three individuals had received their appropriate recertifications within the past two years and were currently certified to perform their duties. However, the review also indicated that some individuals had not received the refresher training on the new door operating procedures or announcements. The following chart indicates the number of individuals who received training, according to the Record Cards reviewed. It is not clear if individuals may have received training and not had this information recorded on the Record Card, but for important training such as this, the information should be recorded on the Record Card.

Classification	# Persons/ Records Reviewed by RTA	# Receiving Biannual Recertification / Compliance	# Receiving Door & Announcement Refresher	# Receiving Door Refresher Only	# Receiving Announcement Refresher Only	# Receiving Neither Refresher
RTO	31	31 (100%)	10	6	8	7
Tower	5	5 (100%)	0	2	0	3
Switchman	13	13 (100%)	2	1	2	8
Flagger Fulltime	3	3 (100%)	0	0	1	2
Customer Assistant	1	1 (100%)	0	0	0	1

Additionally, trainers are required to conduct two Ride Checks of all RTOs every calendar year. Other positions also get checked, but this may be limited due to the fact that those persons do not operate trains regularly. Of the 31 RTOs reviewed, records from 2008 and 2009 indicate that nine did not receive a trainer ride check. Seven RTOs

received at least one ride check in one of the two years, but zero in the other year. Fourteen RTOs received ride checks at least once in each of the two years reviewed, and three RTOs were checked more than once each year. More ride checks, overall, were performed in 2009. Also, it should be noted that this information may be incomplete. Some ride checks may not have been performed if an RTO was working in a different capacity (e.g. Switchman) in 2008. Also, personnel files were reviewed for all personnel for whom zero trainer ride checks were recorded, and in all cases, numerous records indicated that Operations Supervisor checks had been performed. Therefore, of the 53 records checked, all had undergone one type of ride check or another during 2008 and 2009.

The review of **Rail Control Center Training** consisted of interviews with the General Manager of the Control Center and a review of recertification records, as well as a review of the curricula and materials used for training and retraining rail controllers. Records of training that has been performed are kept and documented at the Control Center. The review of rail controller recertification records indicated that half of the sixteen rail controllers and ten of the nineteen Customer Assistant/Security controllers were due for recertification in 2008 and 2009, but that they did not receive training on time. This deficiency was corrected in early 2010, and all overdue individuals underwent retraining and recertification, which was offered by the Control Center manager.

The review of **Rail Maintenance Training** consisted of interviews with the Acting General Manager, Rail Engineering & Technical Services, the General Manager Rail Car Heavy Maintenance; the General Manager, Rail Maintenance East; the General Manager, Rail Maintenance West; the Director of Maintenance – Rail; a Manager II of Maintenance; and the Manager II of Training and Instruction and a review of Excel Training records. This included a review of 58 maintainers' Excel training qualification dates on the Excel Tracking Log, and a detailed review of the paper personnel files of 12 individuals. The review of certification and recertification records indicated that all Excel initial training was complete and that certifications for each of the separate classifications were performed on time according to the Rail Maintenance training schedule. Some individuals were found to still be in the process of certifying, with categories expected for completion in 2011. Seven of the files were missing the certification forms, but successfully completed exams indicated that the person was certified and this was corroborated with the information contained in the spreadsheet.

The **Equipment/Infrastructure Maintenance Safety Training** review consisted of interviews with the Manager, Training and Safety Observations, two Safety trainers, and representatives from Power & Way, Facilities Maintenance, and Signals. This included a review of the detailed spreadsheets listing individual employee courses completed (a spreadsheet that listed detailed information on the person taking the different courses, the course subject, exam completion status, instructor name, date of training, and other pertinent information. It also included a review of training courses offered over the

course of the past two years and the attendance records of those courses. While training records indicate that employees are receiving ongoing safety training, the excel spreadsheet is large and difficult to use for the purposes of easily reviewing an individual employee's current training status. It was reported that CTA is developing an Oracle database to track training, which should assist in the tracking of training status. It was reported that cuts in staffing (of those being trained) have resulted in challenges in pulling people away from work and making them available for some training courses.

The **Management Personnel** review consisted of interviews with the Manager, Training and Safety Observations and two Safety trainers, as well as a review of electronic records of coursework completed by CTA Chiefs, General Managers, and Managers. CTA has begun providing different levels of NIMS training to its senior executives (Chiefs), General Managers, and other Managers. Records indicate that training has not been completed by numerous individuals in each of these categories. It is not clear if there is an internal policy that requires training to be complete by a certain date or states which levels of training must be completed by each type of employee. However, the inconsistency in completion levels indicates that some individuals still must undergo training.

14.4 Findings

T&I-1: CTA's two annual Train Operator observational ride checks are often tracked in separate locations, and therefore difficult to verify in CTA records; further, training personnel conduct anywhere from zero to four reviews on some Operators, diluting the value of the training ride checks. There is no apparent unified system for tracking train operator ride checks. As such, it can be difficult for an auditor (or presumably CTA) to determine if the two required checks have been completed in a given year. A review of training records in 2008 and 2009 indicated that train operators received anywhere from zero to four ride checks in a given year from training personnel. (2010 was not reviewed since the lack of ride checks in 2010 may simply indicate that they are scheduled for later in the year.) Separate records of supervisors performing one or more of the required checks were often evident; however, these are kept separate from training records. Given that some operators received more than the minimum two ride checks by training personnel, and others received no ride checks by trainers, Operations Training should reevaluate how it schedules ride checks. This review appreciates that checks may also be conducted by supervision, but Operations Training should consider whether its own personnel should see each Operator at least once annually. Given the current number of checks, it seems possible that better scheduling and tracking would allow training personnel to see each operator more than zero times per year. Also, it should be noted that while some train operators' records indicated that they did not receive ride checks from trainers, each of these individuals had received multiple ride checks from operations supervisors.

T&I-2: Refresher training is periodically provided to train operators, but records indicate that some train operators did not receive this training. Periodically, CTA may develop a refresher training or familiarization session relating to an important issue. In 2009 and 2010, CTA developed a session relating to the safe operation of train doors and another related to the performance of announcements to passengers. These programs were intended to enhance safety, and as such, all train operators were required to be briefed on the information. Records indicated that some train operators did not receive one or both of the familiarization sessions. It is not clear if the employee received the familiarization and this was not recorded or if the familiarization did not take place. CTA should review employee records to determine who needs to receive this familiarization training and ensure that it is provided to those individuals. Additionally, CTA should consider developing a policy that indicates which interim training or familiarization programs are *required* and keeps a summary record of individuals taking the course to ensure that all required employees have been trained and/or familiarized.

T&I-3: A number of rail, power, and customer assistant controllers did not receive recertification on time in 2009. This was corrected for all individuals in 2010. CTA reports that part of the reason why Operations Control Center (OCC) training did not take place on time in 2009 is because of the unavailability of training personnel to provide the required two-year recertification course for the different OCC staff described above. Another reason provided for this lapse was the current staffing levels. CTA personnel stated that they sometimes encounter difficulty putting OCC personnel into training sessions because the personnel are needed to work and there are no other personnel available to backfill their positions while in training. CTA should investigate if appropriate plans are in place to ensure that these training lapses do not occur in the future and that adequate resources are available to provide all required positions with CTA-required training.

T&I-4: The SSPP does not detail what training programs are offered to rail controllers or to rail maintenance personnel. The SSPP also does not explain who administers these training programs. The SSPP should include a description of the rail controller (and related positions) and the rail maintenance training, certification, and recertification programs.

T&I-5: Records indicate that senior CTA staff have not all completed required National Incident Management (NIMS) training. CTA has begun providing different levels of NIMS training to its senior executives (Chiefs), General Managers, and other Managers. Records indicate numerous individuals in each of these categories have not completed training. It is not clear if there is an internal policy that requires training to be complete by a certain date or states which levels of training must be completed by each type of employee. CTA should develop a policy that indicates what training is required and what deadlines exist for its completion and should then work to complete all of the required training.

14.5 Related Open Findings from Previous Triennial Reviews

T&I-2: After examining RTO training records, it is also not clear how training records are to be kept. CTA should decide which of these two filing areas (or another document – perhaps the electronic spreadsheet currently in use) is the master record, and ensure that it is kept up to date with all pertinent training information.

T&I-4: Maintenance Instruction management indicated that in the future CTA will have an ongoing program for recertification (or decertification, if a student fails) which should be implemented as soon as practicable. CTA does not currently have a maintenance recertification requirement. Implementing a recertification program would require an agreement with ATU Local 308 in the next round of contract negotiations. In addition to the cost of providing the training, CTA would need to identify funding to cover the wages of the participants for 1 to 2 days of training

14.6 Bibliography

Rail Maintenance Training Documents – Excel

- CTA Rail Maintenance Training Course Catalogue
- Excel Tracking Log – New Hire Qualifications Timeline Tracker
- 2400/2600/3200 Series Brake Inspection Procedures training Module – Students' OJT Handout (5/2009)
- 2400/2600/3200 Series Brake Period Inspection Procedures Qualification Evaluation Summary Report (5/2009)
- Budd/Pioneer III Truck Periodic Inspection Training Module – Trainee Reference Handout
- Exterior/Interior yard Inspection Procedures Qualification – Students' OJT Training Handout 5/09
- All Series Brakes Training Course Instructors' Notes
- Rail Light Maintenance Familiarization Module – 3200 Series Rail Cars General Information Handout 3/2006
- Rail Light Maintenance Familiarization Module – 2600 Series General Information handout 3/2006
- Budd/Pioneer III Truck Periodic Inspection Qualification Training – Students' Qualification Evaluation Summary Reports
- Car Repairer Initial Training Course – Intro & Course Familiarization – Training Manual – Student Handout – 6/2008
- Wegman/Duewag Truck Periodic Inspection Qualification Training Trainee Reference Handout

- Rail Light Maintenance Familiarization Module – 2200 Series Rail Cars – General Information Handout (3/2006)
- Wegman/Duewag Truck Periodic Inspection Qualification Students' Evaluation Summary Reports 5/09
- Rail Light Maintenance Familiarization Module 2400 Series Rail Cars General Information Handout (3/2006)
- Car Repairer Initial training Course – Assorted Safety & Rail Bulletins Training Booklet – Student Handout (1/09)
- Exterior/Interior Yard Inspection Procedures Qualification – Student's OJT Qualification Evaluation Summary Reports – 5/2009
- Rail Maintenance Job Descriptions
- Individual Employee Record Folders, including Excel Certification Exams & Certificates

Rail Operations Training Programs

- Slow Zone Flagging Pocket Guide
- Rule R6.4 Pocket Guide
- Train Evacuation Pocket Guide
- Troubleshooting Door Problems – Quick Reference Guide
- 5000 Series Railcars – Operator Familiarization and Reference Guide
- Vehicle Accident Guidelines 9/23/04
- Corrective Action Guidelines 9/23/04
- Rail Equipment Troubleshooting Guide
- NTI Terrorist Activity Recognition and Reaction Pocket Guide
- FTA/NTI Employee Guide to System Security
- *Training Materials (Below)*
  - Rail Safety (Tour)
  - Full Time Temporary Flagman
  - Customer Assistant
  - Rapid Transit Operator
  - Switchman
  - Towerman
  - Universal Supervisor Training Program
  - Yard Master/Leader
  - Universal Rail Clerk
- Rail Transit Operator (and related positions) Record Cards
- Bus & Security Controller Recertification Summary Sheets & Records
- Power Controller Training Schedule
- Power Controller Exams
- CTA Controller Certification/Recertification Program Documentation (Program Description & Employee Records)

- Controller Training Agenda

Safety & Security Training

- January 2009- May 2010 Safety, Training & Observations Monthly Calendar Schedules
- NIMS Training Summary Spreadsheet
- Station Observations Checklists 2009-2010
- 2009 & 2010 Monthly Safety Training Schedule Spreadsheets
- 2009 & 2010 Monthly "Presidential Briefs" (Training Program Summaries)
- Master Student Records 4-30-10 Excel Spreadsheets
- Facilities Training Course Catalogue
- (Required) Training Matrix March 2010
- CTA Safety Training Course PowerPoint Presentations

Personnel interviewed

Rail Transit Operations

- Carol Stewart Taylor, Manager, Instruction Programs Development
- Kenneth Hughes, Transportation Manager, Rail Instruction
- Dorothy Bester, Transportation Manager, Rail Instruction
- Jocelyn Howard, Coordinator of Administration

Rail Maintenance (Vehicles) Training

- David Kowalski, Director, Maintenance – Rail
- Thomas Dietrich, Manager II, Maintenance
- George Cavelle, General Manager, Rail Maintenance West
- James Layman, General Manager, Rail Maintenance East
- Christopher Hegarty, Manager, Rail Engineering Technical Services
- Larrice Taylor, Manager II, training & Instruction
- Philip Lamont, General Manager, Rail Car Heavy Maintenance

Power & Way; Facilities; Safety Training

- Robert Burns, Manager, Training and Safety Observations
- Vince Genna, CTA Safety Training
- Robert Stucko, CTA Safety Training
- Sara Schwanke
- Peter Gnof, Jr.
- Ghassan Nouti
- Erin Carsele

- Gus Nouti
- Pete Graf

Emergency Operations Plan

- John Plante, Senior Manager, System Safety & Environmental Affairs

Rail Control Center

- Kelley Brookins, General Manager, Control Center

14.7 References

- APTA RT-S-OP-13-03 Standard for Training of Rail Operations & Station Operations Personnel
- APTA RT-RP-VIM-011-03 Recommended Practice for Rail Transit Vehicle Inspection and Maintenance Training and Qualifications
- APTA RT-RP-SC-031-03 Recommended Practice for Signal Maintenance Personnel Hiring Qualifications, Training, and Competencies
- System Safety Program Standard and Procedures
- CTA Training Documentation Listed Above
- CTA System Safety Program Plan
- CTA System Security Program Plan

15. Drug and Alcohol Program

15.1 Description/Overview

Employee Fitness for Duty encompasses the policies and procedures that CTA has in place to ensure that its safety-sensitive employees are physically capable of safely performing their duties. Fitness for Duty primarily focuses on the drug and alcohol program but also covers medical qualifications, hours of service (HOS) requirements, and the ability of CTA to ensure that its RTOs are "fit for duty" when first reporting for their shifts.

With respect to the drug and alcohol program, this review is not intended to be an exhaustive audit of all of the provisions of 49 CFR Parts 40 and 655 – FTA conducts its own in-depth audits of drug and alcohol program compliance. Rather, the purpose of this review is to evaluate whether the drug and alcohol program is being administered appropriately with respect to the safe operation of the rail system.

15.2 Responsibility and Current Situation

CTA's drug and alcohol program is administered by Denise Rosado, the Drug/Alcohol Program Compliance Manager. Ms. Rosado is assisted by Kevin Andeway, Manger of Information Systems. CTA employs its own Substance Abuse Professional, Mr. Mark Ketterson. Specimen collection is contracted to an outside vendor, MEE International. MEE employees conduct mobile collections for random, post-incident, and reasonable-suspicion testing, generally on-site at the terminals along the rail system. For return to duty and follow-up testing, CTA contracts with Advanced Occupational Medicine Specialists (AOMS). AOMS also employs CTA's Medical Review Officer (MRO). Employee drug and alcohol test records are kept at the rail terminals by Administrative Managers.

CTA requires all new safety-sensitive employees to receive a physical examination when initially hired. Though CTA does not require ongoing and regular physical examinations, any safety-sensitive employee absent for eight or more days must receive a physical examination to return to work. CTA also employs a voluntary wellness program encouraging employees to live healthy lifestyles.

CTA works to ensure that safety-sensitive front line employees are fit for duty upon reporting for work by having the Clerks at the rail Terminals conduct a "fit for duty" check. Though this process is appropriate, CTA has not provided the required training in reasonable suspicion to all of the Clerks performing such checks, and currently lacks a policy requiring such training.

CTA managers are aware of the new APTA Standard for Hours of Service. This Standard specifies that RTOs will work no more than 14 consecutive hours, and will receive a minimum of ten hours off between shifts to allow for the opportunity to receive

eight hours of uninterrupted sleep. CTA's current agreement with its union specifies a minimum of eight hours between shifts, and employees cannot pick a start time less than eight hours after the end of a previous shift. Schedule Clerks are directly responsible for assigning work to RTOs, while the Labor Relations Department is addressing the larger issue of HOS at CTA on a moving-forward basis (particularly regarding the adoption and implementation of the APTA Standard).

15.3 Assessment

The assessment of employee fitness for duty at CTA consisted of interviews with CTA managers, a review of a sample of Medical Information System (MIS) reports from the past three years, and a sample of employee drug and alcohol testing records.

15.4 Findings

EFD-1: Not all of the Clerks at each of the rail terminals have received the required training in 'reasonable suspicion.' The Clerks at each of the rail terminals are responsible for performing a "fitness for duty" check of RTOs as they report for their shifts. Not all of these Clerks have received the required training in 'reasonable suspicion' to be fully qualified to make such judgments. RTA recognizes that many of the Clerks have already received this training; however, all Clerks who perform this function must receive training in reasonable suspicion. As such, CTA should work to ensure that all Clerks who have not yet done so receive training in reasonable suspicion, and develop a formal plan, policy, or procedure that specifies that employees responsible for making fit for duty checks receive appropriate training in reasonable suspicion. CTA should provide a copy of such a plan, policy, or procedure to RTA.

EFD-2: The reviewers noted some minor Drug & Alcohol program recordkeeping issues. According to a sample of records reviewed from 2008, 2009, and 2010 at three rail terminals, the vast majority of records appeared to be correct. However, the reviewers noted a few stray notification forms that did not have an accompanying "Chain of Custody" form. These forms are required to be part of each test record, according to 49 CFR Part 655. CTA should work with its collection and testing vendors (MEE International and AOMS), as well as the Administrative Managers to better ensure that all chain of custody forms are kept with each record. CTA should provide evidence of such efforts to RTA.

EFD-3: The reviewers found a few instances of the notification and 'condition of employee' forms that were not fully completed with all the specified information (i.e., the type of test, reason for the test, etc.) Though the vast majority of records reviewed had these forms completed, we recommend CTA work with Transportation Managers to ensure that all forms are completely filled out for every testing record to ensure their validity. CTA should provide evidence of such efforts to RTA.

15.5 Related Open Findings from Previous Triennial Reviews

EFD-7: There is currently no requirement for ongoing medical examinations of safety-sensitive rail employees. CTA used to have such a requirement in place, but it is no longer in effect. This finding is a repeat of a finding from the previous two RTA triennial reviews.

15.6 Bibliography

Documents Reviewed

- CTA Drug and Alcohol Policy
- Employee Relations/Contract Administration, Policy, and Compliance Section Procedures
- CTA Standard Operating Procedure for Applicants
- Medical Services Standard Operating Procedures – Fitness for Duty Categories
- CTA Standard Operating Procedures – Periodic Medical Evaluations for Operating Personnel
- CTA Standard Operating Procedures – Required Urine Drug Screening
- Sample 2010 Spreadsheet for AOMS and Consulting Services
- CTA General Bulletin – Assessing an Employee's Fitness for Duty
- CTA Transit Operations SOP – Employees Reporting for and Completing Tours of Duty
- CTA General Bulletin – Employee Fatigue
- CTA – ATU Collective Bargaining Agreement
- CTA Wellness Program materials

Personnel Interviewed

- Denise Rosado, Manager, Drug/Alcohol Program Compliance
- Kevin Andeway, Manager, Information Systems
- Mark Ketterson, LCSW, CTA Substance Abuse Professional
- Carey Morgen, General Manager, Labor Relations
- Diane Traxler, General Manager, Contract Interpretation & Compliance
- Larry Wall, General Manager, Benefit Services
- Johanna Benavides, Executive Director, Advanced Occupational Medicine Specialists (CTA Contractor)
- Christina Bravi, Manager II, Risk Compliance, Safety, Security & Risk Compliance

Locations Visited

- Howard Terminal
- Kimball Terminal

- O'Hare Terminal
- CTA Headquarters

15.7 References

- CTA System Safety Program Plan
- 49 CFR Parts 655 and 40
- CTA Drug and Alcohol Policy
- APTA Standard for Hours of Service

Regional Transportation Authority

Three Year Safety & Security Reviews of Chicago Transit Authority

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U.S. Department
of Transportation
**Federal Transit
Administration**

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June 15, 2011

Mr. Joe Costello
Executive Director
Regional Transportation Authority
175 W. Jackson Boulevard
Suite 1500
Chicago, IL 60604

Re: FY 2011 Triennial Review - Final Report

Dear Mr. Costello:

This report documents the Federal Transit Administration's (FTA) triennial review of the of the Regional Transportation Authority (RTA), as required by Chapter 53 of Title 49, United States Code, Section 5307. Although less exacting than an audit, the triennial review is the FTA's assessment of grantee compliance with the Federal requirements determined by examining a sample of management and program implementation practices. As such, the triennial review is not intended as, nor does it constitute a comprehensive and final review of compliance with grant requirements.

The report documents the 24 areas that were reviewed. Ten of the 24 areas, Satisfactory Continuing Control, Maintenance, Public Comments Process for Fare Increases and Service Changes, Half Fare, Charter Bus, School Bus, National Transit Database, Safety and Security, Drug and Alcohol Program, and ARRA did not apply to RTA. No deficiencies were found with the FTA requirements in the 12 of the remaining 14 areas. Deficiencies were found in the other two areas, Technical and Planning/POP. Contingent upon our receipt of a satisfactory response to the corrective actions, RTA remains eligible for Federal assistance. The deficiencies and corrective actions that must be taken to attain full compliance are detailed in the report.

We greatly appreciate your continued commitment to making public transportation America's mode of choice. Thank you for your personal contribution, cooperation and assistance during this Triennial Review since we realize that the review has involved effort, time and planning. If you need any technical assistance or have any questions, please do not hesitate to contact Melody Hopson at melody.hopson@dot.gov or (312) 886-1611 or me.

Sincerely,

Dominick J. Gatto, P.E.
Director, Office of Program Management and Oversight

Enclosure

FINAL REPORT

FY2011 TRIENNIAL REVIEW

of the

Regional Transportation Authority (RTA)

Recipient ID: 1888

Chicago, Illinois

Desk Review: April 1, 2011
Site Visit: June 7-8, 2011

June 2011

Prepared for the
Federal Transit Administration
Region 5
Chicago, Illinois

by

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I. TRIENNIAL REVIEW BACKGROUND

The United States Code, chapter 53 of title 49, requires the Federal Transit Administration (FTA) of the United States Department of Transportation (USDOT) to perform reviews and evaluations of Urbanized Area Formula Grant activities at least every three years. This requirement is contained in 49 U.S.C. 5307(i).

> (2) At least once every 3 years, the Secretary shall review and evaluate completely the performance of a recipient in carrying out the recipient's program, specifically referring to compliance with statutory and administrative requirements and the extent to which actual program activities are consistent with the activities proposed under subsection (d) of this section and the planning process required under sections 5303-5306 of this title.
>
> (3) The Secretary may take appropriate action consistent with the review, audit and evaluation under this subsection, including making an appropriate adjustment in the amount of a grant or withdrawing the grant.

The Triennial Review includes a review of the grantee's compliance in 24 different areas. The basic requirements for each of these areas are summarized below.

This report presents the findings from the Triennial Review of the Regional Transportation Authority (RTA) of Chicago, Illinois. This review was performed in accordance with FTA procedures (published in FTA Order 9010.1B, April 5, 1993) and included preliminary reviews of documents on file at the Region 5 Office in Chicago and on-site discussions and review of the procedures, practices, and records of the RTA as deemed necessary. The review concentrated primarily on procedures and practices employed during the past three years; however, coverage was extended to earlier periods as needed to assess the policies in place and the management of grants. During the visit, administrative and statutory requirements were discussed, documents were reviewed, and facilities were toured. Specific documents examined during the Triennial Review are available in FTA's and RTA's files.

II. REVIEW PROCESS

The desk review was conducted in the Region 5 Office on April 1, 2011. Following the desk review, an agenda package was sent to RTA advising it of the site visit and indicating additional information that would be needed and issues that would be discussed.

The site visit to Chicago occurred on June 7-8, 2011. The individuals participating in the review are listed in Section VII of this report.

At the entrance conference, the purpose of the Triennial Review and the review process were discussed. During the site visit, urbanized area formula grant program administrative and statutory requirements were discussed and documents were reviewed.

On completion of the review, an exit conference was held with RTA staff to discuss findings, corrective actions and schedules. This information is summarized in the table in Section V of this report. A draft copy of this report was provided to RTA at the exit conference.

III. DESCRIPTION OF THE GRANTEE

The RTA was created in 1974 with the approval of a referendum by Cook, DuPage, Kane, Lake, McHenry and Will counties in northeastern Illinois. The RTA is a local government special purpose unit and a municipal corporation of the State of Illinois. The RTA's initial purpose was to provide financial assistance to the then-existing public transit operators. RTA's role subsequently expanded to include the acquisition and operation of public transportation carriers as well as contracting to provide service.

The RTA Act was amended in 1983, and again in 2008, resulting in substantial changes in the RTA's organization, funding and operations. The amended Act placed all operating and fare responsibilities in three "Service Boards" (the Chicago Transit Authority, or CTA, Metra, the commuter rail division, and Pace, the suburban bus division) and gave the RTA increased oversight powers concerning budgets and the responsibility of overseeing the financial condition of the Service Boards. RTA also was given responsibility for coordination of regional transportation planning activities and market development.

Governing the activities and future initiatives of the RTA is a 16-member group of professionals that compose the Board of Directors. For diverse perspectives, the fifteen directors are appointed from within the six-county region: five from the Mayor of the City of Chicago; four by the suburban members of the Cook County Board; one director is appointed by the President of the Cook County Board (from Suburban Cook County); and one director each is from DuPage, Kane, Lake, McHenry and Will counties who is appointed by the Chairman of their respective county board. The Chairman of the Board, its 16th member, is elected by at least 11 of the 15 appointed members, with at least 2 affirmative votes from directors who reside in the City of Chicago, at least 2 affirmative votes from directors who reside in Cook County outside of the City of Chicago, and at least 2 affirmative votes from among the directors who reside in the Counties of DuPage, Lake, Will, Kane or McHenry.

To guide the RTA's financial oversight, the RTA Board of Directors is required to approve an Annual Budget, a Two-Year Financial Plan and is required annually to review and approve a Five-Year Capital Plan, which is a blueprint of the capital activities to be funded by the RTA and executed by the CTA, Metra and Pace. The Act requires that half of the operating expenses of the entire RTA system must be covered by system generated revenue.

IV. RESULTS OF THE REVIEW

The Triennial Review focused on RTA's compliance in 24 different areas. This section provides a discussion of the basic requirements and findings in each area. Ten of the 24 areas did not apply to RTA, Satisfactory Continuing Control, Maintenance, Public Comments Process for Fare Increases and Service Reductions, Half Fare, Charter Bus, School Bus, National Transit Database, Safety and Security, Drug and Alcohol Program, and ARRA. No deficiencies were found with the FTA requirements in the 12 of the remaining 14 areas. Deficiencies were found in the other two areas, Technical and Planning/POP.

1. Legal

Basic Requirement: The grantee must be eligible and authorized under state and local law to request, receive, and dispense FTA funds and to execute and administer FTA funded projects. The authority to take all necessary action and responsibility on behalf of the grantee must be properly delegated and executed.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for legal.

2. Financial

Basic Requirement: The grantee must demonstrate the ability to match and manage FTA grant funds, to cover cost overruns, to cover operating deficits through long-term stable and reliable sources of revenue, to maintain and operate federally funded facilities and equipment, and to conduct an annual independent organization-wide audit in accordance with the provisions of OMB C A-133.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for financial.

3. Technical

Basic Requirement: The grantee must be able to implement the Urbanized Area Formula Grant Program of Projects in accordance with the grant application, Master Agreement, and all applicable laws and regulations, using sound management practices.

Findings: During this Triennial Review of RTA, deficiencies were found with the FTA requirements for technical.

A review of RTA open grants find that the RTA does not include sufficient detail about schedule delays or revised estimated completion dates when original estimated completion dates

are not met along with a narrative on why milestones were not met and how problem will be solved.

A review of RTA open grants finds that the RTA has a lack of activity for grants IL-90-X470 and IL-90- X556. The last draw on these grants was 10/16/2008 and 7/6/2009 respectively.

RTA is not reporting unliquidated obligations correctly to grant IL-37-X002-00.

Corrective Actions and Schedule: By August 11, 2011, RTA must submit to FTA Region V office procedures for including all required information, including missing narrative information in future reports.

Corrective Actions and Schedule: By August 11, 2011, RTA must submit to FTA Region V office procedures for spending older funds first, tracking projects, identifying project balances, reprogramming the unused project funds to other projects, and closing out the projects.

Corrective Actions and Schedule: By August 11, 2011, RTA must submit to FTA Region V office procedures for including all required information including missing information in future reports.

4. Satisfactory Continuing Control

Basic Requirement: The grantee must maintain control over real property, facilities and equipment and ensure that they are used in transit service.

Findings: This area of the Triennial Review is not applicable to the RTA.

5. Maintenance

Basic Requirement: The grantee must keep federally funded equipment and facilities in good operating order.

Findings: This area of the Triennial Review is not applicable to the RTA.

6. Procurement

Basic Requirement: FTA grantees will use their own procurement procedures that reflect applicable state and local laws and regulations, provided that the process ensures competitive procurement and that the procedures conform to applicable federal law including 49 CFR Part 18, specifically Section 18.36 and FTA C 4220.1E, "Third Party Contracting Requirements." Grantees will maintain a contract administration system that ensures that contractors perform in accordance with terms, conditions, and specifications of their contracts or purchase orders.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for procurement.

7. Disadvantaged Business Enterprise (DBE)

Basic Requirement: The grantee must comply with the policy of USDOT that DBEs, as defined in 49 CFR Part 26, are ensured nondiscrimination in the award and administration of USDOT-assisted contracts. Grantees also must create a level playing field on which DBEs can compete fairly for USDOT-assisted contracts; ensure that only firms that fully meet eligibility standards are permitted to participate as DBEs; help remove barriers to the participation of DBEs; and assist the development of firms that can compete successfully in the marketplace outside the DBE program.

Findings: During this Triennial Review of RTA, no deficiencies were found with USDOT requirements for DBE.

8. Buy America

Basic Requirement: Per Buy America law, federal funds may not be obligated unless steel, iron, and manufactured products used in FTA-funded projects are produced in the United States, unless FTA has granted a waiver, or the product is subject to a general waiver. Rolling stock must have a 60 percent domestic content and final assembly must take place in the United States.

Findings: During this Triennial Review of RTA, no deficiencies were found with USDOT requirements for Buy America.

9. Suspension/Debarment

Basic Requirement: To protect the public interest and prevent fraud, waste, and abuse in federal transactions, persons or entities, which by defined events or behavior, potentially threaten the integrity of federally administered programs, are excluded from participating in FTA assisted programs. Federal agencies use the government-wide nonprocurement debarment and suspension system to exclude from Federal programs persons who are not presently responsible. Grantees are required to ensure to the best of their knowledge and belief that none of the grantee's "principals" (as defined in the governing regulation 49 CFR Part 29), subrecipients, and third-party contractors and subcontractors is debarred, suspended, ineligible, or voluntarily excluded from participation in federally assisted transactions or procurements. Grantees are required to review the Excluded Parties Listing System (http://epls.arnet.gov/) before entering into any third party contracts.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for suspension/debarment.

10. Lobbying

Basic Requirement: Recipients of federal grants and contracts exceeding $100,000 must certify compliance with Restrictions on Lobbying before they can receive funds. In addition, grantees are required to impose the lobbying restriction provisions on their contractors.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for lobbying.

11. Planning/Program of Projects

Basic Requirement: The grantee must participate in the transportation planning process in accordance with FTA requirements, SAFETEA-LU, and the Metropolitan and Statewide Planning Regulations.

Each recipient of a grant shall have complied with the public participation requirements of Section 5307(c) (1) through (7). Each recipient is required to develop, publish, afford an opportunity for a public hearing on, and submit for approval a Program of Projects (POP).

Findings: During this Triennial Review of RTA, deficiencies were found with the FTA requirements for planning/POP.

RTA relies on the public participation process developed by the Chicago Metropolitan Agency for Planning (CMAP) to obtain input on the proposed TIP and Program of Projects. Review of CMAP's Public Participation Plan indicated that it did not explicitly state that the public notice will satisfy the Program of Projects requirements.

Corrective Actions and Schedule: By September 9, 2011, RTA must have CMAP include an explicit statement in their Public Participation Plan that CMAP's public notice for the TIP will satisfy the RTA's Program of Projects requirements.

12. Title VI

Basic Requirement: The grantee must ensure that no person in the United States shall, on the ground of race, color, or national origin, be excluded from participating in, or denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance. The grantee must ensure that federally supported transit service and related benefits are distributed in an equitable manner.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for Title VI.

13. Public Comment Process for Fare Increases and Service Reductions

Basic Requirement: The grantee must have a locally developed process to solicit and consider public comment before raising a fare or carrying out a major reduction of transportation services.

Findings: This area of the Triennial Review is not applicable to the RTA.

14. Half Fare

Basic Requirement: Grantees must ensure that elderly persons and persons with disabilities, or an individual presenting a Medicare card, will be charged during non-peak hours for transportation using or involving a facility or equipment of a project financed under Section 5307 not more than 50 percent of the peak hour fare.

Findings: This area of the Triennial Review is not applicable to the RTA.

15. ADA

Basic Requirement: Titles II and III of the Americans with Disabilities Act of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of complementary paratransit service.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for ADA.

16. Charter Bus

Basic Requirement: Grantees are prohibited from using federally funded equipment and facilities to provide charter service except on an incidental basis and when one or more of applicable exceptions for urban areas set forth in the charter service regulation at 49 CFR 604.9 (b) applies.

Findings: This area of the Triennial Review is not applicable to the RTA.

17. School Bus

Basic Requirement: Grantees are prohibited from providing exclusive school bus service unless the grantee qualifies under specified exceptions. In no case can federally funded equipment or facilities be used.

Findings: This area of the Triennial Review is not applicable to the RTA.

18. National Transit Database (NTD)

Basic Requirement: The grantee must collect, record, and report financial and non-financial data in accordance with the Uniform System of Accounts (USOA) and updated with the *National Transit Database (NTD) Reporting Manual* as required by 49 USC 5335(a).

Findings: This area of the Triennial Review is not applicable to the RTA.

19. Safety and Security

Basic Requirement: Any recipient of Urbanized Area Formula Grant Program funds must annually certify that it is spending at least one percent of such funds for transit security projects or that such expenditures for security systems are not necessary.

Under the safety authority provisions of the Federal transit laws, the Secretary has the authority to investigate the operations of the grantee for any conditions that appear to create a serious hazard of death or injury, especially to patrons of the transit service. However, FTA has no specific requirements for transit safety. States are required to oversee the safety of rail fixed guideway systems through a designated oversight agency.

Under security, a list of 17 Security and Emergency Management Action Items has been developed by FTA and the Department of Homeland Security's Transportation Security Administration (TSA). This list of 17 items, an update to the original FTA Top 20 security action items list, was developed in consultation with the public transportation industry through the Mass Transit Sector Coordinating Council, for which the American Public Transportation Association (APTA) serves as Executive Chair. Security and Emergency Management Action Items for Transit Agencies aim to elevate security readiness throughout the public transportation industry by establishing baseline measures that transit agencies should employ.

Findings: This area of the Triennial Review is not applicable to the RTA.

20. Drug-Free Workplace

Basic Requirement: Grantees are required to maintain a drug-free workplace for all employees and to have an ongoing drug-free awareness program.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for drug-free workplace.

21. Drug and Alcohol Program

Basic Requirement: Grantees receiving FTA funds under Capital Grant, Urbanized Area Formula Grant, or Non-Urbanized Area Formula Grant Programs must have a drug and alcohol testing program in place for all safety-sensitive employees.

Findings: This area of the Triennial Review is not applicable to the RTA.

22. Equal Employment Opportunity (EEO)

Basic Requirement: The grantee must ensure that no person in the United States shall, on the ground of race, color, creed, national origin, sex, age, or disability be excluded from participating in, denied the benefits of, or be subject to discrimination in employment under any project, program or activity receiving federal financial assistance from the federal transit laws.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for EEO.

23. ITS Architecture

Basic Requirement: Intelligent Transportation Systems (ITS) projects funded by the Highway Trust Fund and the Mass Transit Account must conform to the National ITS Architecture, as well as to U. S. Department of Transportation (USDOT) adopted ITS standards.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for ITS architecture.

24. American Recovery and Reinvestment Act (ARRA)

Basic Requirement: Grantees must have the legal, financial and technical capacity to carry out the proposed program of projects and meet the additional reporting requirements for its ARRA-funded grant activities.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for ARRA.

V. SUMMARY OF FINDINGS AND CORRECTIVE ACTIONS

Review Area	Finding	Deficiency	Corrective Action	Response Days/Date	Date Closed
1. Legal	ND				
2. Financial	ND				
3. Technical	D-03	Progress reports lack required information	RTA must submit to FTA Region V office procedures for including all required information, including missing narrative information in future reports.	August 11, 2011	
	D-04	Inactive grants/untimely closeouts	RTA must submit to FTA Region V office procedures for spending older funds first, tracking projects, identifying project balances, reprogramming the unused project funds to other projects, and closing out the projects.	August 11, 2011	
	D-12	Incorrect FFR reporting	RTA must submit to FTA Region V office procedures for including all required information including missing information in future reports.	August 11, 2011	
4. Satisfactory Continuing Control	NA				
5. Maintenance	NA				
6. Procurement	ND				
7. Disadvantaged Business Enterprise	ND				
8. Buy America	ND				
9. Suspension/ Debarment	ND				
10. Lobbying	ND				
11. Planning/POP	D-03	Elements missing in public participation procedures.	RTA must have CMAP include an explicit statement in their Public Participation Plan that CMAP's public notice for the TIP will satisfy the RTA's Program of Projects requirements.	September 9, 2011	
12. Title VI	ND				
13. Public Comment for Fare Increases and Service Reductions	NA				
14. Half Fare	NA				
15. ADA	ND				
16. Charter Bus	NA				
17. School Bus	NA				
18. National Transit Database	NA				

Review Area	Finding	Deficiency	Corrective Action	Response Days/Date	Date Closed
19. Safety and Security	NA				
20. Drug-Free Workplace	ND				
21. Drug and Alcohol Program	NA				
22. Equal Employment Opportunity	ND				
23. ITS Architecture	ND				
24. ARRA	ND				

Findings: ND = No Deficiencies; D = Deficient; AC = Advisory Comment; NA = Not Applicable; NR = Not Reviewed

VI. TRANSIT SECURITY EXPENDITURES

Does the grantee expend one percent or more of its Section 5307 Urbanized Area Formula Grant funds for transit security? Yes___ No__X__ Not Applicable: **RTA does not receive Section 5307 funds.**

If no, why does the grantee consider such expenditure unnecessary (check all that apply):
_____ No deficiency found from a threat and vulnerability assessment
_____ TSA/FTA Security and Emergency Management Action Items met or exceeded
_____ Other (please describe): _____

Security Funding	FTA Section 5307 Funds (in Dollars)		
	FY 2005	FY 2006	FY 2007
Total amount of 5307 Funds expended			
Amount of 5307 Funds expended on security			
Percent of 5307 Funds expended on security	%	%	%
Infrastructure/Capital Improvement Security Projects:			
Lighting, Fencing & Perimeter Control			
CCTV and Surveillance Technology			
Communications Systems			
Security Planning*			
Drills & Tabletop Exercises*			
Employee Security Training*			
Other Security-Related Infrastructure & Capital Improvements (please list): _____			
Operating/Personnel Expenditures (can only be used by agencies in areas with populations UNDER 200,000):			
Contracted Security Force			
In-house Security Force			
Other Security-Related Operating Expenditures (please list): _____			

* SAFETEA-LU amended the definition of a capital project to include:
- projects to refine and develop security and emergency response plans;
- the conduct of emergency response drills with public transportation agencies and local first response agencies; and
- security training for public transportation employees.

VII. ATTENDEES

Name	Title	Phone Number	e-mail address
RTA			
Joe Costello	Executive Director	(312) 913-3166	costelloj@rtachicago.org
Ed Gronkowski	Manager, Procurement and Contracting	(312) 793-3228	gronkowskie@rtachicago.org
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FTA			
Melody Hopson, P.E.	General Engineer	(312) 886-1611	Melody.Hopson@dot.gov
Reviewer			
Walter Carter	Interactive Elements Inc.	(773) 391-0976	wcc@ieitransit.com

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MAR 2 8 2008

EXECUTIVE DIRECTOR'S OFFICE

U.S. Department
of Transportation
**Federal Transit
Administration**

REGION V
Illinois, Indiana,
Michigan, Minnesota,
Ohio, Wisconsin

200 West Adams Street
Suite 320
Chicago, IL 60606-5253
312-353-2789
312-886-0351 (fax)

March 26, 2008

Mr. Stephen E. Schlickman
Executive Director
Regional Transportation Authority
175 W. Jackson Boulevard, Suite 1500
Chicago, IL 60604

Re: FY 2008 Triennial Review - Final Report

Dear Mr. Schlickman:

This report documents the Federal Transit Administration's (FTA) triennial review of the of the Regional Transportation Authority (RTA), as required by Chapter 53 of Title 49, United States Code, Section 5307. Although less exacting than an audit, the triennial review is the FTA's assessment of grantee compliance with the Federal requirements determined by examining a sample of management and program implementation practices. As such, the triennial review is not intended as, nor does it constitute a comprehensive and final review of compliance with grant requirements.

The report documents the 23 areas that were reviewed. Nine of the 23 areas, Satisfactory Continuing Control, Maintenance, Public Comments Process for Fare Increases and Service Reductions, Half Fare, Charter Bus, School Bus, National Transit Database, Safety and Security, and Drug and Alcohol Program, did not apply to RTA. No deficiencies were found with the FTA requirements in the 12 of the remaining 14 areas. Deficiencies were found in the other two areas, Planning/POP and Drug-free Workplace. Contingent upon our receipt of a satisfactory response to the corrective actions, RTA remains eligible for Federal assistance. The deficiencies and corrective actions that must be taken to attain full compliance are detailed in the report.

We greatly appreciate your continued commitment to making public transportation America's mode of choice. Thank you for your personal contribution, cooperation and assistance during this Triennial Review since we realize that the review has involved effort, time and planning. If you need any technical assistance or have any questions, please do not hesitate to contact Ms. Duana Love of my staff at (312) 353-3882 or me at (312) 353-1653.

Sincerely,

Dominick J. Gatto, P.E.
Director, Office of Program Management and Oversight

Enclosure

RECEIVED

MAR 2 8 2008

EXECUTIVE DIRECTOR'S OFFICE

FINAL REPORT

FY2008 TRIENNIAL REVIEW

of the

Regional Transportation Authority
(RTA)
Chicago, Illinois

Desk Review: December 10-12, 2007
Site Visit: March 4-5, 2008

March 2008

Prepared for the
Federal Transit Administration
Region 5
Chicago, Illinois

by

Mundle & Associates, Inc.
under subcontract to
AdSTM, Inc.

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I. TRIENNIAL REVIEW BACKGROUND

The United States Code, chapter 53 of title 49, requires the Federal Transit Administration (FTA) of the United States Department of Transportation (USDOT) to perform reviews and evaluations of Urbanized Area Formula Grant activities at least every three years. This requirement is contained in 49 U.S.C. 5307(i).

> (2) At least once every 3 years, the Secretary shall review and evaluate completely the performance of a recipient in carrying out the recipient's program, specifically referring to compliance with statutory and administrative requirements and the extent to which actual program activities are consistent with the activities proposed under subsection (d) of this section and the planning process required under sections 5303-5306 of this title.
>
> (3) The Secretary may take appropriate action consistent with the review, audit and evaluation under this subsection, including making an appropriate adjustment in the amount of a grant or withdrawing the grant.

The Triennial Review includes a review of the grantee's compliance in 23 different areas. The basic requirements for each of these areas are summarized below.

This report presents the findings from the Triennial Review of the Regional Transportation Authority (RTA) of Chicago, Illinois. This review was performed in accordance with FTA procedures (published in FTA Order 9010.1B, April 5, 1993) and included preliminary reviews of documents on file at the Region 5 Office in Chicago and on-site discussions and review of the procedures, practices, and records of the RTA as deemed necessary. The review concentrated primarily on procedures and practices employed during the past three years; however, coverage was extended to earlier periods as needed to assess the policies in place and the management of grants. During the visit, administrative and statutory requirements were discussed, documents were reviewed, and facilities were toured. Specific documents examined during the Triennial Review are available in FTA's and RTA's files.

II. REVIEW PROCESS

The desk review was conducted in the Region 5 Office on December 10-12, 2007. Following the desk review, an agenda package was sent to RTA advising it of the site visit and indicating additional information that would be needed and issues that would be discussed.

The site visit to Chicago occurred on March 4-5, 2008. The individuals participating in the review are listed in Section VII of this report.

At the entrance conference, the purpose of the Triennial Review and the review process were discussed. During the site visit, urbanized area formula grant program administrative and statutory requirements were discussed and documents were reviewed.

On completion of the review, an exit conference was held with RTA staff to discuss findings, corrective actions and schedules. This information is summarized in the table in Section V of this report. A draft copy of this report was provided to RTA at the exit conference.

III. DESCRIPTION OF THE GRANTEE

The RTA was created in 1974 with the approval of a referendum by Cook, DuPage, Kane, Lake, McHenry and Will counties in northeastern Illinois. The RTA is a local government special purpose unit and a municipal corporation of the State of Illinois. The RTA's initial purpose was to provide financial assistance to the then-existing public transit operators. RTA's role subsequently expanded to include the acquisition and operation of public transportation carriers as well as contracting to provide service.

The RTA Act was amended in 1983, and again in 2008, resulting in substantial changes in the RTA's organization, funding and operations. The amended Act placed all operating and fare responsibilities in three "Service Boards" (the Chicago Transit Authority, or CTA, Metra, the commuter rail division, and Pace, the suburban bus division) and gave the RTA increased oversight powers concerning budgets and the responsibility of overseeing the financial condition of the Service Boards. RTA also was given responsibility for coordination of regional transportation planning activities and market development.

RTA is governed by a 13-member Board of Directors appointed from within the six-county region. The Board hires officers and staff, including the Executive Director, to administer RTA's statutory requirements. The Board of Directors will expand to 16 members as of April 1, 2008. The current composition of the Board of Directors includes:

- 5 members appointed by the Mayor of Chicago (one is Chairman of the CTA);
- 4 appointed by the suburban members of the Cook County Board;
- 2 appointed by the Chairman of the County Boards of Kane, Lake, McHenry and Will counties; and
- 1 by the Chairman of the DuPage County Board.
- The Chairman of the Board (13th member) is elected by a vote of at least nine of the 12 appointed members.

To guide the RTA's financial oversight, the RTA Board of Directors is required to approve an Annual Budget, a Two-Year Financial Plan and is required annually to review and approve a Five-Year Capital Plan, which is a blueprint of the capital activities to be funded by the RTA and executed by the CTA, Metra and Pace. The Act requires that half of the operating expenses of the entire RTA system must be covered by system generated revenue.

Over the past three years, RTA has completed the following projects using federal funding:

- CHA Job Access Program;
- Regional Transportation Clearinghouse;
- DuPage County Job Access Program; and
- MOWD Job Access Program.

On-going RTA projects using federal funding include:

- JARC and New Freedom administration;
- Development of a Human Services Transportation Plan;
- Regional Implementation of Transit Signal Priority (planning and engineering and design);
- Regional Transit Coordination Plan;
- Multimodal Trip Planner System; and
- Bus Arrival Information: Public Display and Web Access project.

During the next three to five years, RTA expects to apply for and receive grants related to on-going JARC and New Freedom projects, depending upon the projects selected.

IV. RESULTS OF THE REVIEW

The Triennial Review focused on RTA's compliance in 23 different areas. This section provides a discussion of the basic requirements and findings in each area. Nine of the 23 areas did not apply to RTA, Satisfactory Continuing Control, Maintenance, Public Comments Process for Fare Increases and Service Reductions, Half Fare, Charter Bus, School Bus, National Transit Database, Safety and Security, and Drug and Alcohol Program. No deficiencies were found with the FTA requirements in the 12 of the remaining 14 areas. Deficiencies were found in the other two areas, Planning/POP and Drug-free Workplace.

1. Legal

Basic Requirement: The grantee must be eligible and authorized under state and local law to request, receive, and dispense FTA funds and to execute and administer FTA funded projects. The authority to take all necessary action and responsibility on behalf of the grantee must be properly delegated and executed.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for legal.

2. Financial

Basic Requirement: The grantee must demonstrate the ability to match and manage FTA grant funds, to cover cost overruns, to cover operating deficits through long-term stable and reliable sources of revenue, to maintain and operate federally funded facilities and equipment,

and to conduct an annual independent organization-wide audit in accordance with the provisions of OMB C A-133.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for financial.

3. Technical

Basic Requirement: The grantee must be able to implement the Urbanized Area Formula Grant Program of Projects in accordance with the grant application, Master Agreement, and all applicable laws and regulations, using sound management practices.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for technical.

4. Satisfactory Continuing Control

Basic Requirement: The grantee must maintain control over real property, facilities and equipment and ensure that they are used in transit service.

Findings: This area of the Triennial Review is not applicable to the RTA.

5. Maintenance

Basic Requirement: The grantee must keep federally funded equipment and facilities in good operating order.

Findings: This area of the Triennial Review is not applicable to the RTA.

6. Procurement

Basic Requirement: FTA grantees will use their own procurement procedures that reflect applicable state and local laws and regulations, provided that the process ensures competitive procurement and that the procedures conform to applicable federal law including 49 CFR Part 18, specifically Section 18.36 and FTA C 4220.1E, "Third Party Contracting Requirements." Grantees will maintain a contract administration system that ensures that contractors perform in accordance with terms, conditions, and specifications of their contracts or purchase orders.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for procurement.

7. Disadvantaged Business Enterprise (DBE)

Basic Requirement: The grantee must comply with the policy of USDOT that DBEs, as defined in 49 CFR Part 26, are ensured nondiscrimination in the award and administration of USDOT-assisted contracts. Grantees also must create a level playing field on which DBEs can compete fairly for USDOT-assisted contracts; ensure that only firms that fully meet eligibility standards are permitted to participate as DBEs; help remove barriers to the participation of DBEs; and assist the development of firms that can compete successfully in the marketplace outside the DBE program.

Findings: During this Triennial Review of RTA, no deficiencies were found with USDOT requirements for DBE.

8. Buy America

Basic Requirement: Per Buy America law, federal funds may not be obligated unless steel, iron, and manufactured products used in FTA-funded projects are produced in the United States, unless FTA has granted a waiver, or the product is subject to a general waiver. Rolling stock must have a 60 percent domestic content and final assembly must take place in the United States.

Findings: During this Triennial Review of RTA, no deficiencies were found with USDOT requirements for Buy America.

9. Suspension/Debarment

Basic Requirement: To protect the public interest and prevent fraud, waste, and abuse in federal transactions, persons or entities, which by defined events or behavior, potentially threaten the integrity of federally administered programs, are excluded from participating in FTA assisted programs. Federal agencies use the government-wide nonprocurement debarment and suspension system to exclude from Federal programs persons who are not presently responsible. Grantees are required to ensure to the best of their knowledge and belief that none of the grantee's "principals" (as defined in the governing regulation 49 CFR Part 29), subrecipients, and third-party contractors and subcontractors is debarred, suspended, ineligible, or voluntarily excluded from participation in federally assisted transactions or procurements. Grantees are required to review the Excluded Parties Listing System (http://epls.arnet.gov/) before entering into any third party contracts.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for suspension/debarment.

10. Lobbying

Basic Requirement: Recipients of federal grants and contracts exceeding $100,000 must certify compliance with Restrictions on Lobbying before they can receive funds. In addition, grantees are required to impose the lobbying restriction provisions on their contractors.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for lobbying.

11. Planning/Program of Projects

Basic Requirement: The grantee must participate in the transportation planning process in accordance with FTA requirements, SAFETEA-LU, and the Metropolitan and Statewide Planning Regulations.

Each recipient of a grant shall have complied with the public participation requirements of Section 5307(c) (1) through (7). Each recipient is required to develop, publish, afford an opportunity for a public hearing on, and submit for approval a Program of Projects (POP).

Findings: During this Triennial Review of RTA, deficiencies were found with the FTA requirements for planning/POP.

RTA relies on the public participation process developed by the Chicago Metropolitan Agency for Planning (CMAP) to obtain input on the proposed TIP and Program of Projects. Review of CMAP's notice indicated that it did not explicitly state that the public notice will satisfy the Program of Projects requirements. By July 3, 2008, in cooperation with CMAP, RTA needs to ensure that the public notice is revised to include an explicit statement that CMAP's public notice for the TIP will satisfy the Program of Projects requirements. RTA needs to provide documentation to the Regional Office when the corrective action is completed.

12. Title VI

Basic Requirement: The grantee must ensure that no person in the United States shall, on the ground of race, color, or national origin, be excluded from participating in, or denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance. The grantee must ensure that federally supported transit service and related benefits are distributed in an equitable manner.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for Title VI.

13. Public Comment Process for Fare Increases and Service Reductions

Basic Requirement: The grantee must have a locally developed process to solicit and consider public comment before raising a fare or carrying out a major reduction of transportation services.

Findings: This area of the Triennial Review is not applicable to the RTA.

14. Half Fare

Basic Requirement: Grantees must ensure that elderly persons and persons with disabilities, or an individual presenting a Medicare card, will be charged during non-peak hours for transportation using or involving a facility or equipment of a project financed under Section 5307 not more than 50 percent of the peak hour fare.

Findings: This area of the Triennial Review is not applicable to the RTA.

15. ADA

Basic Requirement: Titles II and III of the Americans with Disabilities Act of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of complementary paratransit service.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for ADA.

16. Charter Bus

Basic Requirement: Grantees are prohibited from using federally funded equipment and facilities to provide charter service except on an incidental basis and when one or more of applicable exceptions for urban areas set forth in the charter service regulation at 49 CFR 604.9 (b) applies.

Findings: This area of the Triennial Review is not applicable to the RTA.

17. School Bus

Basic Requirement: Grantees are prohibited from providing exclusive school bus service unless the grantee qualifies under specified exceptions. In no case can federally funded equipment or facilities be used.

Findings: This area of the Triennial Review is not applicable to the RTA.

18. National Transit Database (NTD)

Basic Requirement: The grantee must collect, record, and report financial and non-financial data in accordance with the Uniform System of Accounts (USOA) and updated with the *National Transit Database (NTD) Reporting Manual* as required by 49 USC 5335(a).

Findings: This area of the Triennial Review is not applicable to the RTA.

19. Safety and Security

Basic Requirement: Any recipient of Urbanized Area Formula Grant Program funds must annually certify that it is spending at least one percent of such funds for transit security projects or that such expenditures for security systems are not necessary.

Under the safety authority provisions of the Federal transit laws, the Secretary has the authority to investigate the operations of the grantee for any conditions that appear to create a serious hazard of death or injury, especially to patrons of the transit service. However, FTA has no specific requirements for transit safety. States are required to oversee the safety of rail fixed guideway systems through a designated oversight agency.

Under security, a list of 17 Security and Emergency Management Action Items has been developed by FTA and the Department of Homeland Security's Transportation Security Administration (TSA). This list of 17 items, an update to the original FTA Top 20 security action items list, was developed in consultation with the public transportation industry through the Mass Transit Sector Coordinating Council, for which the American Public Transportation Association (APTA) serves as Executive Chair. Security and Emergency Management Action Items for Transit Agencies aim to elevate security readiness throughout the public transportation industry by establishing baseline measures that transit agencies should employ.

Findings: This area of the Triennial Review is not applicable to the RTA.

20. Drug-Free Workplace

Basic Requirement: Grantees are required to maintain a drug-free workplace for all employees and to have an ongoing drug-free awareness program.

Findings: During this Triennial Review of RTA, deficiencies were found with the FTA requirements for drug-free workplace.

The current drug-free workplace policy is missing one of the three required elements, notify employees that they must abide by the terms of the policy statement as a condition of employment. By May 3, 2008, RTA needs to develop a policy that includes all required elements

and recommunicate the policy to all affected employees. RTA needs to provide documentation to the Regional Office when the corrective action is completed.

21. Drug and Alcohol Program

Basic Requirement: Grantees receiving FTA funds under Capital Grant, Urbanized Area Formula Grant, or Non-Urbanized Area Formula Grant Programs must have a drug and alcohol testing program in place for all safety-sensitive employees.

Findings: This area of the Triennial Review is not applicable to the RTA.

22. Equal Employment Opportunity (EEO)

Basic Requirement: The grantee must ensure that no person in the United States shall, on the ground of race, color, creed, national origin, sex, age, or disability be excluded from participating in, denied the benefits of, or be subject to discrimination in employment under any project, program or activity receiving federal financial assistance from the federal transit laws.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for EEO.

23. ITS Architecture

Basic Requirement: Intelligent Transportation Systems (ITS) projects funded by the Highway Trust Fund and the Mass Transit Account must conform to the National ITS Architecture, as well as to U. S. Department of Transportation (USDOT) adopted ITS standards.

Findings: During this Triennial Review of RTA, no deficiencies were found with the FTA requirements for ITS architecture.

V. SUMMARY OF FINDINGS AND CORRECTIVE ACTIONS

Review Area	Finding	Deficiency	Corrective Action	Response Days/Date	Date Closed
1. Legal	ND				
2. Financial	ND				
3. Technical	ND				
4. Satisfactory Continuing Control	NA				
5. Maintenance	NA				
6. Procurement	ND				
7. Disadvantaged Business Enterprise	ND				
8. Buy America	ND				
9. Suspension/ Debarment	ND				
10. Lobbying	ND				
11. Planning/POP	D-04	Public notice deficiencies	Include an explicit statement that CMAP's public notice for the TIP will satisfy the Program of Projects requirements.	07/03/08	
12. Title VI	ND				
13. Public Comment for Fare Increases and Service Reductions	NA				
14. Half Fare	NA				
15. ADA	ND				
16. Charter Bus	NA				
17. School Bus	NA				
18. National Transit Database	NA				
19. Safety and Security	NA				
20. Drug-Free Workplace	D-03	Drug-free Workplace Policy lacking required elements	Develop a policy that includes all of the required elements; provide documentation to the Regional Office	05/05/08	
21. Drug and Alcohol Program	NA				
22. Equal Employment Opportunity	ND				
23. ITS Architecture	ND				

Findings: ND = No Deficiencies; D = Deficient; AC = Advisory Comment; NA = Not Applicable; NR = Not Reviewed

VI. TRANSIT SECURITY EXPENDITURES

Does the grantee expend one percent or more of its Section 5307 Urbanized Area Formula Grant funds for transit security? Yes____ No_____ Not Applicable: RTA does not receive Section 5307 funds.

If no, why does the grantee consider such expenditure unnecessary (check all that apply):
_____ No deficiency found from a threat and vulnerability assessment
_____ TSA/FTA Security and Emergency Management Action Items met or exceeded
_____ Other (please describe): _____

Security Funding	FTA Section 5307 Funds (in Dollars)		
	FY 2005	FY 2006	FY 2007
Total amount of 5307 Funds expended			
Amount of 5307 Funds expended on security			
Percent of 5307 Funds expended on security	%	%	%
Infrastructure/Capital Improvement Security Projects:			
Lighting, Fencing & Perimeter Control			
CCTV and Surveillance Technology			
Communications Systems			
Security Planning*			
Drills & Tabletop Exercises*			
Employee Security Training*			
Other Security-Related Infrastructure & Capital Improvements (please list): _____			
Operating/Personnel Expenditures (can only be used by agencies in areas with populations UNDER 200,000):			
Contracted Security Force			
In-house Security Force			
Other Security-Related Operating Expenditures (please list): _____			

* SAFETEA-LU amended the definition of a capital project to include:
- projects to refine and develop security and emergency response plans;
- the conduct of emergency response drills with public transportation agencies and local first response agencies; and
- security training for public transportation employees.

VII. ATTENDEES

Name	Title	Phone Number	e-mail address
RTA			
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Ed Gronkowski	Manager, Procurement and Contracting	(312) 793-3228	gronkowskie@rtachicago.org
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John Yu	Controller	(312) 913-3161	yuj@rtachicago.org
Phil Shayne	Director, Regional Services	(312) 913-3147	shaynep@rtachicago.org
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Hershell Montgomery-Scott	Procurement Specialist	(312) 913-3154	scotth@rtachicago.org
Shannon Kelly	Outside Counsel to RTA, Mayer Brown LLP	(312) 701-7617	skelly@mayerbrown.com
Lillian Wallace	Paralegal and DBE Program Coordinator	(312) 913-3213	wallacel@rtachicago.org
FTA			
Melody Hopson, P.E.	General Engineer	(312) 886-1611	Melody.Hopson@dot.gov
Reviewer			
Subhash Mundle	Mundle & Associates, Inc	215-731-9350	mundle@aol.com

118a

Regional Transportation Authority Pension Plan (A Pension Trust Fund of the Regional Transportation Authority)

Financial Report
Years Ended December 31, 2009 and 2008

Regional Transportation Authority
Pension Plan

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McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

To the Plan Administrator, the Trustees, and Retirement
Committee of the Regional Transportation Authority
Pension Plan, and the Board of Directors of the
Regional Transportation Authority
Chicago, Illinois

We have audited the accompanying financial statements of the Regional Transportation Authority Pension Plan ("Plan"), a pension trust fund of the Regional Transportation Authority ("RTA"), as of and for the years ended December 31, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Plan and do not purport to, and do not, present fairly the financial position of the Regional Transportation Authority, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan of the Regional Transportation Authority, as of December 31, 2009 and 2008, and the changes in the financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 2 through 4 and the pension related information on pages 14 through 16 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit such information and we do not express an opinion on it.

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Plan. The schedule of return on assets listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we express no opinion on it.

McGladrey & Pullen, LLP

Schaumburg, Illinois
June 29, 2010

McGladrey & Pullen, LLP is a member firm of RSM International –
an affiliation of separate and independent legal entities.

Regional Transportation Authority
Pension Plan

Management's Discussion and Analysis

This section provides an overview and analysis of the basic financial statements of the Regional Transportation Authority ("RTA") Pension Plan ("Plan") for the year ended December 31, 2009. We encourage readers to consider information in the financial statements and required supplementary information that follow this document.

Overview and Analysis of the Financial Statements

The RTA Pension Plan annual financial report consists of four parts – the independent auditor's report; management's discussion and analysis (this section); the financial statements, including notes to financial statements; and the required supplementary information. The basic financial statements of the Plan are the Statement of Plan Net Assets and the Statement of Changes in Plan Net Assets. These statements provide information about the nature and amount of investments available to pay the pension benefits of the Plan. The Statement of Changes in Plan Net Assets accounts for all additions to and deductions from the net assets held in trust for pension benefits. This statement measures the success of the Plan in increasing the net assets available for pension benefits during the year.

2009

The Statement of Plan Net Assets and Statement of Changes in Plan Net Assets measure the value of plan net assets and the changes to them. As of December 31, 2009, the plan net assets increased to $119.9 million. The increase in net assets of $22.4 million resulted primarily from investment gain of $21.1 million and employer contributions of $10.8 million offset by benefits paid of $9.1 million and administrative expenses of $403 thousand. Employer contributions were recorded as receivables at December 31, 2009 and are required to be paid in 2010.

2008

The Statement of Plan Net Assets and Statement of Changes in Plan Net Assets measure the value of plan net assets and the changes to them. As of December 31, 2008, the plan net assets decreased to $97.5 million. The decrease in net assets of $26.1 million resulted primarily from investment loss of $25.7 million, benefits paid of $9.2 million and administrative expenses of $336 thousand, offset by addition of employer contributions of $9.2 million. Employer contributions were recorded as receivables at December 31, 2008 and are required to be paid in 2009.

Management's Discussion and Analysis

Plan Net Assets — The following table summarizes the Plan's Statement of Net Assets:

	2009	2008	2007
Assets			
Cash and investments	$ 109,210,234	$ 88,350,999	$ 114,469,433
Contribution receivables	10,827,000	9,195,000	9,137,000
Other receivables	14,713	20,005	21,229
Total assets	120,051,947	97,566,004	123,627,662
Liabilities			
Accrued expenses	133,819	95,318	114,111
Plan net assets held in trust for pension benefits	$ 119,918,128	$ 97,470,686	$ 123,513,551

2009

In 2009, the plan net assets increased by 23% ($22.4 million). The increase is due to investment gains of $21.1 million and employer contributions of $10.8 million, offset by benefit payments and administrative expenses of $9.5 million.

2008

In 2008, the plan net assets decreased by 21% ($26.0 million). The decrease is due to investment losses of $25.7 million and benefit payments and administrative expenses of $9.5 million, offset by employer contributions of $9.2 million.

Management's Discussion and Analysis

Changes in Plan Net Assets — The following table summarizes the Plan's Statement of Changes in Plan Net Assets:

Summary of Changes in Plan Net Assets
December 31, 2009, 2008 and 2007

	2009	2008	2007
Additions:			
Employer contributions	$ 10,827,000	$ 9,195,000	$ 9,137,000
Net investment gains (losses)	21,105,120	(25,717,293)	5,374,079
Total net additions	31,932,120	(16,522,293)	14,511,079
Deductions:			
Benefit payments	9,080,871	9,184,416	7,134,465
Administrative expenses	403,807	336,156	298,134
Total deductions	9,484,678	9,520,572	7,432,599
Net increase (decrease) in plan net assets held in trust for pension benefits	$ 22,447,442	$ (26,042,865)	$ 7,078,480

Return on investments provides additional funds to pay benefits. In 2009, the Plan incurred a gain of $21.1 million, compared to a loss of $25.7 million in 2008. In 2009, the net investment income increased by $46.8 million from 2008. The increase in investment income in 2009 was due primarily to the increase in the net appreciation in fair value of plan investments from market conditions.

Return on investments provides additional funds to pay benefits. In 2008, the Plan incurred a loss of $25.7 million, compared to a gain of $5.4 million in 2007. In 2008, the net investment income decreased by $31.1 million from 2007. The decrease in investment income in 2008 was due primarily to the decrease in the net appreciation in fair value of plan investments from market conditions.

CONTACTING THE FINANCIAL MANAGEMENT OF THE RTA PENSION PLAN

This financial report provides a general overview of the finances of the Regional Transportation Authority Pension Plan. Users of this report should address questions concerning the information contained herein, or requests for additional financial information, to the Regional Transportation Authority, 175 West Jackson Blvd., Suite 1550, Chicago, Illinois 60604.

Regional Transportation Authority
Pension Plan

Statements of Plan Net Assets
December 31, 2009 and 2008

	2009	2008
Assets		
Cash and cash equivalents	$ 3,063,300	$ 2,893,655
Investments, at fair value		
Corporate fixed income mutual fund	37,832,156	36,074,915
Equity mutual funds	47,131,996	33,353,541
Common stocks	21,182,781	16,028,888
Total investments	106,146,934	85,457,344
Receivables		
Accrued interest	125	9,195
Accrued dividends	14,188	10,810
Due from RTA	400	-
Pension contribution - Metra	5,652,000	4,733,557
Pension contribution - Pace	4,038,000	3,466,041
Pension contribution - RTA	1,137,000	995,402
Total receivables	10,841,713	9,215,005
Total assets	120,051,947	97,566,004
Liabilities		
Due to RTA	-	19,300
Accrued expenses	133,819	76,018
Total liabilities	133,819	95,318
Plan net assets held in trust for pension benefits	$ 119,918,128	$ 97,470,686

See Notes to Financial Statements.

Regional Transportation Authority
Pension Plan

Statements of Changes in Plan Net Assets
Years Ended December 31, 2009 and 2008

	2009	2008
Additions:		
Investment gain		
Net appreciation (depreciation) in fair value of investments	$ 19,263,575	$ (27,805,406)
Interest and dividends	2,208,450	2,425,641
Total investment return	21,472,025	(25,379,765)
Less investment expenses		
Investment managers	255,494	239,336
Trust fees	33,411	44,192
Investment advisor	78,000	54,000
Total investment expenses	366,905	337,528
Net investment gain (loss)	21,105,120	(25,717,293)
Contributions:		
METRA pension contributions	5,652,000	4,733,557
PACE pension contributions	4,038,000	3,466,041
RTA pension contributions	1,137,000	995,402
Total contributions	10,827,000	9,195,000
Total net additions	31,932,120	(16,522,293)
Deductions:		
Benefit payments	9,080,871	9,184,416
Administrative expenses	403,807	336,156
Total deductions	9,484,678	9,520,572
Net increase (decrease) in plan net assets held in trust for pension benefits	22,447,442	(26,042,865)
Plan net assets held in trust for pension benefits		
Beginning of year	97,470,686	123,513,551
End of year	$ 119,918,128	$ 97,470,686

See Notes to Financial Statements.

Note 1. Description of the Plan

The following description of the Regional Transportation Authority ("RTA") Pension Plan ("Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General—The Plan, which became effective July 1, 1976, is a multiple-employer, defined benefit pension plan. The Plan covers substantially all employees of the RTA and its Commuter Rail and Suburban Bus Divisions (Metra and Pace, respectively), collectively referred to hereinafter as the Employer, who are not otherwise covered by a union pension plan. The responsibilities for administering the Plan are divided among a Board of Trustees, a Retirement Committee, a Plan Administrator, and the RTA Board of Directors ("RTA Board").

The Plan is a pension trust fund of the RTA and has no component units.

The Plan is classified as a "governmental plan" and is, therefore, exempt from the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Participation—Employees are eligible for participation on the first day of the month coinciding with or next following their date of employment. At January 1, 2009, the number of participants was:

Participants:	
Retirees, disabled participants and beneficiaries of deceased retirees, currently receiving benefits	390
Terminated employees entitled to but not yet receiving benefits	443
Current employees:	
Vested	733
Nonvested	285
Total	1,851

Pension Benefits— Participants are entitled to annual pension benefits upon normal retirement at age 65, generally a percentage of the average annual compensation in the highest three years of service, whether consecutive or not, multiplied by the number of years of credited service.

The Plan provides that, upon retirement, benefits will be reduced by a defined percentage for participants who received credit for prior service with an eligible employer.

The Plan permits early retirement with reduced benefits at age 55 after completing ten years of credited service. As a result of the August 1, 1999 amendment to the Plan, participants may receive their full vested benefits if they are at least 55 years of age and their combined age at retirement and credited years of service equals eighty-five or higher (known as "Rule of Eighty Five Early Retirement").

Note 1. Description of the Plan (Continued)

The Plan provides for benefit payments to beneficiaries subject to the election of the participant.

Disability Benefits—An employee is eligible for a disability pension if he or she becomes disabled after the completion of ten years of credited service, and is no longer receiving long-term disability benefits under a separate RTA benefit plan, or after reaching age 65, whichever is later.

Contributions and Vesting—The Plan is funded solely by employer contributions, which are actuarially determined under the projected unit credit method.

For the purpose of determining contributions, the Plan uses an asset smoothing method which smoothes asset gains and losses over a 5-year period. The minimum contribution is the sum of the normal cost and the 30-year amortization of the unfunded liability.

As of December 31, 2009, $10,827,000 had not been funded and was reported as contribution receivable in the Statement of Plan Net Assets. The 2009 contribution level was within the actuarially determined range.

Significant actuarial assumptions used to compute contribution requirements are the same as those used to determine the actuarial accrued liability presented in the note to the Required Supplementary Information.

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.

Annual Pension Cost—For 2009, annual pension cost of $10,827,000 for the Plan was equal to required and actual contributions.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	$ 10,827,000 (1)	N/A	$ -
12/31/08	9,195,000	100%	-
12/31/07	9,137,000	100%	-

(1) Contributions for the plan year ended December 31, 2009 will be paid in 2010.

Note 1. Description of the Plan (Continued)

The required contribution was determined as part of the December 31, 2008 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions at December 31, 2008 included (a) 8.5 percent investment rate of return (net of administrative and direct investment expenses) and, (b) projected salary increases ranging from 3.5% to 7.5% per year depending on age and service, attributable to seniority/merit. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009 was 30 years.

Funded Status and Funding Progress—As of December 31, 2009, the most recent actuarial valuation date, the Plan was 69.17 percent funded. The actuarial accrued liability for benefits was $153,284,576 and the actuarial value of assets was $106,021,198, resulting in an underfunded actuarial accrued liability (UAAL) of ($47,263,378). The covered payroll (annual payroll of active employees covered by the Plan) was $66,010,613 and the ratio of the UAAL to the covered payroll was 71.60 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Related-Party Transactions—There were no securities of the RTA, Metra, Pace or related parties included in the Plan's assets.

Subsequent events—The Authority has evaluated subsequent events for potential recognition and/or disclosure through June 29, 2010, the date the financial statements were available to be issued.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation—The accompanying financial statements have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America.

Cash Equivalents—Cash equivalents consist of money market accounts with original maturities of three months or less.

Investments—Investments are stated at fair value. The fair value of equity securities and mutual fund units traded on national securities exchanges is the last reported sales price on the last business day of the fiscal year of the Plan. U.S. Government and U.S. Government agency securities are valued at the latest bid price.

Purchases and sales of securities are accounted for on the trade dates. For purposes of determining realized gains or losses on the disposal of investments, the average cost of investments sold, determined at the time of sale, is used.

Administrative Expenses—The RTA provides the Plan with certain administrative services, such as accounting and office facilities, at no cost to the Plan. Further detail relative to the Plan's administrative expenses is provided in Note 5.

Note 2. Summary of Significant Accounting Policies (Continued)

Income Tax Status—The Internal Revenue Service has issued a letter of determination dated June 18, 2003, stating that the Plan was designed in compliance with Section 401(a) of the Internal Revenue Code ("Code"). The Plan has been amended since receiving the determination letter; however the Plan Administrator believes the Plan is currently designed and operated in compliance with the applicable requirements of the Code and is therefore exempt from federal income taxes under the provisions of Section 501(a) of the Code.

Management's Use of Estimates— The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of Plan assets available for benefits and the actuarial present value of accumulated plan benefits as of the date of the financial statements. Actual results could differ from those estimates. The Plan uses an actuary to determine the actuarial present value of accumulated plan benefits. A change in the actuarial assumptions used could significantly change the amount of the actuarial present value of accumulated plan benefits reported in the accompanying financial statements.

Note 3. Investments

Risk Posture - The RTA evaluated the assets and liabilities of the Pension Plan in order to determine an asset allocation that provides a high likelihood of achieving the responsibilities noted above. The obligations of current and future beneficiaries were evaluated under various market scenarios to develop an allocation that can be expected to generate a solid rate of return without incurring undue risk. In general, the risk posture of the Pension Plan is such that the portfolio is structured to maintain funding requirements and modestly grow assets through a low to moderate level of risk.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the RTA's pension deposits may not be returned to it. The RTA's Pension Plan policy does not explicitly indicate custodial credit risk. As of December 31, 2009 and 2008, none of the Plan's cash and investments was at risk.

Interest Rate Risk — Per the RTA's Pension Plan investment policy, the duration of the fixed income portfolio should be within 20% of the duration of the benchmark index.

Note 3. Investments (Continued)

As of December 31, 2009, the RTA's pension investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Months)
Corporate fixed income mutual fund	$ 37,832,156	81
Money market fund	3,063,300	1
Total fair value	$ 40,895,456	
Portfolio weighted average maturity		75

As of December 31, 2008, the RTA's pension investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Months)
Corporate fixed income mutual fund	$ 36,074,915	67
Money market fund	2,893,655	1
Total fair value	$ 38,968,570	
Portfolio weighted average maturity		62

Credit Risk — The RTA's pension policy for credit risk states at least 85% of the fixed income investments should be limited to securities with ratings of at least investment grade as defined by both Moody's and Standard & Poor's. Split rated bonds are to be governed by the lower rating. Unrated securities of the U.S. Treasury and government agencies are a permissible investment. No more than 15% of the portfolio may be invested in investment-grade securities of foreign entities domiciled in countries included in the Salomon Brothers World Government Bond Index.

Note 3. Investments (Continued)

As of December 31, 2009, the credit ratings for RTA pension investments were as follows:

Investment Type		Total Fair Value	Credit Rating (where available) Moody's	Standard & Poor's	Fitch
Corporate fixed income mutual fund	$	37,832,156	Aa	Aa	*
Money market fund		3,063,300	Aa2	*	AA
Total	$	40,895,456			

* Not available

As of December 31, 2008, the credit ratings for RTA pension investments were as follows:

Investment Type		Total Fair Value	Credit Rating (where available) Moody's	Standard & Poor's	Fitch
Corporate fixed income mutual fund	$	36,074,915	Aa	Aa	*
Money market fund		2,893,655	Aa1	*	AA+
Total	$	38,968,570			

* Not available

Note 3. Investments (Continued)

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The RTA's pension investment policy states that fixed income securities of a single issuer (excluding obligations of the United States Government and its agencies) should be limited to 5% of the fixed income portfolio, measured at market value. The RTA's pension policy states the asset allocation policy has been developed based on the objectives and characteristics of the pension liabilities, capital market expectations and asset-liability projections. This policy is long-term oriented and consistent with the risk posture. The pension fund did not have any investments in a single issuer which were greater than 5% of the total Plan's net assets.

Note 4. Plan Termination

While it is the intent to maintain the Plan permanently, in the event the Plan terminates, the rights of all participants affected by such termination and their beneficiaries become vested to the extent of the assets then remaining.

Note 5. Administrative Expenses

The Plan's administrative expenses for the years ended December 31, 2009 and 2008 consist of the following:

	2009	2008
Actuarial	$ 135,352	$ 133,855
Legal	76,150	27,050
Audit	20,150	19,300
Other	172,155	155,951
Total administrative expenses	$ 403,807	$ 336,156

REQUIRED SUPPLEMENTARY INFORMATION

Regional Transportation Authority
Pension Plan

Schedule of Funding Progress
Six Years Ended December 31, 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Assets in Excess of AAL/ (AAL in Excess of Assets) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
				%		%
January 1, 2004	$ 87,998,878	$ 97,275,818	$ (9,276,940)	90.46	$ 54,983,472	16.9
January 1, 2005	90,334,371	105,976,209	(15,641,838)	85.24	56,417,461	27.7
January 1, 2006	94,697,937	124,521,129	(29,823,192)	76.05	58,883,678	50.6
January 1, 2007	102,523,735	133,905,851	(31,382,116)	76.56	61,357,214	51.1
January 1, 2008	114,031,540	146,417,404	(32,385,864)	77.88	61,364,198	52.8
January 1, 2009	106,021,198	153,284,576	(47,263,378)	69.17	66,010,613	71.6

Regional Transportation Authority
Pension Plan

Schedule of Employer Contributions
Six Years Ended December 31, 2009

Year Ended:	Annual Required Contribution		Percentage Contributed
2004	$ 6,022,000		100%
2005	6,800,000		100
2006	8,777,000		100
2007	9,137,000		100
2008	9,195,000		100
2009	10,827,000	(1)	100

(1) Contributions for the plan year ended December 31, 2009 will be paid in 2010.

Regional Transportation Authority
Pension Plan

Note to Required Supplementary Information
Years Ended December 31, 2009, 2008 and 2007

The actuarial assumptions presented in the required supplementary schedules were determined as part of the actuarial valuations at the dates indicated. Additional information relating to the actuarial valuations follows:

	January 1, 2009	January 1, 2008	January 1, 2007
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Straight-line, open	Straight-line, open	Straight-line, open
Remaining amortization period	30 years	30 years	30 years
Asset valuation method	Smoothed market value	Smoothed market value	Smoothed market value
Actuarial assumptions:			
Investment rate of return	8.5%	8.5%	8.5%
Projected salary increases:			
Inflation	*	*	4.0%
Merit	*	*	0.5%
Age graded scale	Range of 3.5% to 7.5% based on attained age.	Range of 3.5% to 7.5% based on attained age.	
Mortality	RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.	RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.	RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.
Withdrawals from service	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47% at age 20 to 0.39% at age 60 for males.	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47% at age 20 to 0.39% at age 60 for males.	Termination rates range from 9.94% at age 20 to 0.15% at age 60 for females, and from 7.94% at age 20 to 0.09% at age 60 for males.

* The actuarial assumption changed from a flat rate to rates based on an age scale.

SUPPLEMENTARY INFORMATION

Regional Transportation Authority
Pension Plan

Schedule of Return on Assets (Unaudited)
Ten Years Ended December 31, 2009

Year Ended:	Average Total Assets	Annual Rate of Return
2009	$ 98,780,617	21.37 %
2008	101,410,216	(25.68)
2007	111,113,035	6.37
2006	100,988,509	14.61
2005	90,213,844	6.17
2004	83,639,854	11.03
2003	74,263,751	19.96
2002	71,975,307	(8.12)
2001	79,231,284	(1.42)
2000	84,344,978	(1.14)

Regional Transportation Authority Pension Plan
(A Pension Trust Fund of the Regional Transportation Authority)

Financial Report
Years Ended December 31, 2010 and 2009

Regional Transportation Authority
Pension Plan

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McGladrey

Independent Auditor's Report

To the Plan Administrator, the Trustees, and Retirement
Committee of the Regional Transportation Authority
Pension Plan, and the Board of Directors of the
Regional Transportation Authority
Chicago, Illinois

We have audited the accompanying financial statements of the Regional Transportation Authority Pension Plan ("Plan"), a pension trust fund of the Regional Transportation Authority ("RTA"), as of and for the years ended December 31, 2010 and 2009, as listed in the table of contents. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Plan and do not purport to, and do not, present fairly the financial position of the Regional Transportation Authority, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan of the Regional Transportation Authority, as of December 31, 2010 and 2009, and the changes in the financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 2 through 4 and the pension related information on pages 14 through 16 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit such information and we do not express an opinion on it.

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Plan. The schedule of return on assets listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we express no opinion on it.

McGladrey & Pullen, LLP

Schaumburg, Illinois
June 29, 2011

McGladrey is the brand under which RSM McGladrey, Inc. and McGladrey & Pullen, LLP serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure.

Member of RSM International network, a network of independent accounting, tax and consulting firms.

Management's Discussion and Analysis

This section provides an overview and analysis of the basic financial statements of the Regional Transportation Authority ("RTA") Pension Plan ("Plan") for the year ended December 31, 2010. We encourage readers to consider information in the financial statements and required supplementary information that follow this document.

Overview and Analysis of the Financial Statements

The RTA Pension Plan annual financial report consists of four parts – the independent auditor's report; management's discussion and analysis (this section); the financial statements, including notes to financial statements; and the required supplementary information. The basic financial statements of the Plan are the Statement of Plan Net Assets and the Statement of Changes in Plan Net Assets. These statements provide information about the nature and amount of investments available to pay the pension benefits of the Plan. The Statement of Changes in Plan Net Assets accounts for all additions to and deductions from the net assets held in trust for pension benefits. This statement measures the success of the Plan in increasing the net assets available for pension benefits during the year.

2010

The Statement of Plan Net Assets and Statement of Changes in Plan Net Assets measure the value of plan net assets and the changes to them. As of December 31, 2010, the plan net assets increased to $135.1 million. The increase in net assets of $15.2 million resulted primarily from investment gain of $12.0 million and employer contributions of $11.3 million offset by benefits paid of $7.5 million and administrative expenses of $629 thousand. Employer contributions were recorded as receivables at December 31, 2010 and are required to be paid in 2011.

2009

The Statement of Plan Net Assets and Statement of Changes in Plan Net Assets measure the value of plan net assets and the changes to them. As of December 31, 2009, the plan net assets increased to $119.9 million. The increase in net assets of $22.4 million resulted primarily from investment gain of $21.1 million and employer contributions of $10.8 million offset by benefits paid of $9.1 million and administrative expenses of $403 thousand. Employer contributions were recorded as receivables at December 31, 2009 and are required to be paid in 2010.

Management's Discussion and Analysis

Plan Net Assets — The following table summarizes the Plan's Statement of Net Assets:

	2010	2009	2008
Assets			
Cash and investments	$ 123,986,957	$109,210,234	$ 88,350,999
Contribution receivables	11,288,000	10,827,000	9,195,000
Other receivables	69,623	14,713	20,005
Total assets	135,344,580	120,051,947	97,566,004
Liabilities			
Accrued expenses	249,396	133,819	95,318
Plan net assets held in trust for pension benefits	$ 135,095,184	$119,918,128	$ 97,470,686

2010

In 2010, the plan net assets increased by 13% ($15.2 million). The increase is due to investment gains of $12.0 million and employer contributions of $11.3 million, offset by benefit payments and administrative expenses of $8.1 million.

2009

In 2009, the plan net assets increased by 23% ($22.4 million). The increase is due to investment gains of $21.1 million and employer contributions of $10.8 million, offset by benefit payments and administrative expenses of $9.5 million.

Management's Discussion and Analysis

Changes in Plan Net Assets — The following table summarizes the Plan's Statement of Changes in Plan Net Assets:

Summary of Changes in Plan Net Assets
December 31, 2010, 2009 and 2008

	2010	2009	2008
Additions:			
Employer contributions	$ 11,288,000	$ 10,827,000	$ 9,195,000
Net investment gains (losses)	11,967,559	21,105,120	(25,717,293)
Total net additions	23,255,559	31,932,120	(16,522,293)
Deductions:			
Benefit payments	7,449,076	9,080,871	9,184,416
Administrative expenses	629,427	403,807	336,156
Total deductions	8,078,503	9,484,678	9,520,572
Net increase (decrease) in plan net assets held in trust for pension benefits	$ 15,177,056	$ 22,447,442	$ (26,042,865)

Return on investments provides additional funds to pay benefits. In 2010 and 2009, the return on investments was $12.0 million and $21.0 million, respectively. The 2010 investment gain decreased by $9.0 million compared to 2009. The decrease in investment gain in 2010 was due primarily to the net appreciation in fair value of plan investments being approximately half of what is was in 2009. The increase in fair value of investments was $10.4 million and $19.3 million in 2010 and 2009, respectively.

CONTACTING THE FINANCIAL MANAGEMENT OF THE RTA PENSION PLAN

This financial report provides a general overview of the finances of the Regional Transportation Authority Pension Plan. Users of this report should address questions concerning the information contained herein, or requests for additional financial information, to the Regional Transportation Authority, 175 West Jackson Blvd., Suite 1550, Chicago, Illinois 60604.

Regional Transportation Authority
Pension Plan

Statements of Plan Net Assets
December 31, 2010 and 2009

	2010	2009
Assets		
Cash and cash equivalents	$ 12,266,185	$ 3,063,300
Investments, at fair value		
Corporate fixed income mutual fund	36,948,820	37,832,156
Equity mutual funds	39,292,363	47,131,996
Common stocks	24,652,881	21,182,781
Balanced funds	10,826,708	-
Total investments	111,720,772	106,146,934
Receivables		
Accrued interest	308	125
Accrued dividends	69,315	14,188
Due from RTA	-	400
Pension contribution - Metra	5,802,000	5,652,000
Pension contribution - Pace	4,210,000	4,038,000
Pension contribution - RTA	1,276,000	1,137,000
Total receivables	11,357,623	10,841,713
Total assets	135,344,580	120,051,947
Liabilities		
Due to RTA	21,000	-
Accrued expenses	228,396	133,819
Total liabilities	249,396	133,819
Plan net assets held in trust for pension benefits	$ 135,095,184	$ 119,918,128

See Notes to Financial Statements.

Regional Transportation Authority
Pension Plan

Statements of Changes in Plan Net Assets
Years Ended December 31, 2010 and 2009

	2010	2009
Additions:		
Investment gain		
Net appreciation in fair value of investments	$ 10,400,565	$ 19,263,575
Interest and dividends	1,961,973	2,208,450
Total investment return	12,362,538	21,472,025
Less investment expenses		
Investment managers	278,182	255,494
Trust fees	45,797	33,411
Investment advisor	71,000	78,000
Total investment expenses	394,979	366,905
Net investment gain	11,967,559	21,105,120
Contributions:		
METRA pension contributions	5,802,000	5,652,000
PACE pension contributions	4,210,000	4,038,000
RTA pension contributions	1,276,000	1,137,000
Total contributions	11,288,000	10,827,000
Total net additions	23,255,559	31,932,120
Deductions:		
Benefit payments	7,449,076	9,080,871
Administrative expenses	629,427	403,807
Total deductions	8,078,503	9,484,678
Net increase in plan net assets held in trust for pension benefits	15,177,056	22,447,442
Plan net assets held in trust for pension benefits		
Beginning of year	119,918,128	97,470,686
End of year	$ 135,095,184	$ 119,918,128

See Notes to Financial Statements.

Note 1. Description of the Plan

The following description of the Regional Transportation Authority ("RTA") Pension Plan ("Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General—The Plan, which became effective July 1, 1976, is a multiple-employer, defined benefit pension plan. The Plan covers substantially all employees of the RTA and its Commuter Rail and Suburban Bus Divisions (Metra and Pace, respectively), collectively referred to hereinafter as the Employer, who are not otherwise covered by a union pension plan. The responsibilities for administering the Plan are divided among a Board of Trustees, a Retirement Committee, a Plan Administrator, and the RTA Board of Directors ("RTA Board").

The Plan is a pension trust fund of the RTA and has no component units.

The Plan is classified as a "governmental plan" and is, therefore, exempt from the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Participation—Employees are eligible for participation on the first day of the month coincident with or next following their date of employment. At January 1, 2010, the number of participants was:

Participants:

Retirees, disabled participants and beneficiaries of deceased retirees, currently receiving benefits	436
Terminated employees entitled to but not yet receiving benefits	428
Current employees:	
Vested	752
Nonvested	308
Total	1,924

Pension Benefits— Participants are entitled to annual pension benefits upon normal retirement at age 65, generally a percentage of the average annual compensation in the highest three years of service, whether consecutive or not, multiplied by the number of years of credited service.

The Plan provides that, upon retirement, benefits will be reduced by a defined percentage for participants who received credit for prior service with an eligible employer.

The Plan permits early retirement with reduced benefits at age 55 after completing ten years of credited service. As a result of the August 1, 1999 amendment to the Plan, participants may receive their full vested benefits if they are at least 55 years of age and their combined age at retirement and credited years of service equals eighty-five or higher (known as "Rule of Eighty Five Early Retirement").

Note 1. Description of the Plan (Continued)

The Plan provides for benefit payments to beneficiaries subject to the election of the participant.

Disability Benefits—An employee is eligible for a disability pension if he or she becomes disabled after the completion of ten years of credited service, and is no longer receiving long-term disability benefits under a separate RTA benefit plan, or after reaching age 65, whichever is later.

Contributions and Vesting—The Plan is funded solely by employer contributions, which are actuarially determined under the projected unit credit method.

For the purpose of determining contributions, the Plan uses an asset smoothing method which smoothes asset gains and losses over a 5-year period. The minimum contribution is the sum of the normal cost and the 30-year amortization of the unfunded liability.

As of December 31, 2010, $11,288,000 had not been funded and was reported as contribution receivable in the Statement of Plan Net Assets. The 2010 contribution level was within the actuarially determined range.

Significant actuarial assumptions used to compute contribution requirements are the same as those used to determine the actuarial accrued liability presented in the note to the Required Supplementary Information.

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.

Annual Pension Cost—For 2010, annual pension cost of $11,288,000 for the Plan was equal to required and actual contributions.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	$ 11,288,000 (1)	N/A	$ -
12/31/09	10,827,000	100%	-
12/31/08	9,195,000	100%	-

(1) Contributions for the plan year ended December 31, 2010 are required to be paid in 2011.

Note 1. Description of the Plan (Continued)

The required contribution was determined as part of the December 31, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 8.5 percent investment rate of return (net of administrative and direct investment expenses) and, (b) projected salary increases ranging from 3.5% to 7.5% per year depending on age and service, attributable to seniority/merit. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2010 was 30 years.

Funded Status and Funding Progress—As of December 31, 2010, the most recent actuarial valuation date, the Plan was 71.28 percent funded. The actuarial accrued liability for benefits was $166,663,123 and the actuarial value of assets was $118,805,281, resulting in an underfunded actuarial accrued liability (UAAL) of $(47,857,842). The covered payroll (annual payroll of active employees covered by the Plan) was $68,389,409 and the ratio of the UAAL to the covered payroll was 69.9 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Related-Party Transactions—There were no securities of the RTA, Metra, Pace or related parties included in the Plan's assets.

Subsequent events—The Authority has evaluated subsequent events for potential recognition and/or disclosure through June 29, 2011, the date the financial statements were available to be issued.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation—The accompanying financial statements have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America.

Cash Equivalents—Cash equivalents consist of money market accounts with original maturities of three months or less.

Investments—Investments are stated at fair value. The fair value of equity securities and mutual fund units traded on national securities exchanges is the last reported sales price on the last business day of the fiscal year of the Plan. U.S. Government and U.S. Government agency securities are valued at the latest bid price.

Purchases and sales of securities are accounted for on the trade dates. For purposes of determining realized gains or losses on the disposal of investments, the average cost of investments sold, determined at the time of sale, is used.

Administrative Expenses—The RTA provides the Plan with certain administrative services, such as accounting and office facilities, at no cost to the Plan. Further detail relative to the Plan's administrative expenses is provided in Note 5.

Note 2. Summary of Significant Accounting Policies (Continued)

Income Tax Status—The Internal Revenue Service has issued a letter of determination dated June 18, 2003, stating that the Plan was designed in compliance with Section 401(a) of the Internal Revenue Code ("Code"). The Plan has been amended since receiving the determination letter; however the Plan Administrator believes the Plan is currently designed and operated in compliance with the applicable requirements of the Code and is therefore exempt from federal income taxes under the provisions of Section 501(a) of the Code.

Management's Use of Estimates— The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of Plan assets available for benefits and the actuarial present value of accumulated plan benefits as of the date of the financial statements. Actual results could differ from those estimates. The Plan uses an actuary to determine the actuarial present value of accumulated plan benefits. A change in the actuarial assumptions used could significantly change the amount of the actuarial present value of accumulated plan benefits reported in the accompanying financial statements.

Note 3. Investments

Risk Posture - The RTA evaluated the assets and liabilities of the Pension Plan in order to determine an asset allocation that provides a high likelihood of achieving the responsibilities noted above. The obligations of current and future beneficiaries were evaluated under various market scenarios to develop an allocation that can be expected to generate a solid rate of return without incurring undue risk. In general, the risk posture of the Pension Plan is such that the portfolio is structured to maintain funding requirements and modestly grow assets through a low to moderate level of risk.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the RTA's pension deposits may not be returned to it. The RTA's Pension Plan policy does not explicitly indicate custodial credit risk. As of December 31, 2010 and 2009, none of the Plan's cash and investments was at risk.

Interest Rate Risk — Per the RTA's Pension Plan investment policy, the duration of the fixed income portfolio should be within 20% of the duration of the benchmark index.

Note 3. Investments (Continued)

As of December 31, 2010, the RTA's pension investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Months)
Corporate fixed income mutual fund	$ 36,948,820	54
Money market fund	12,266,185	1
Total fair value	$ 49,215,005	
Portfolio weighted average maturity		53

As of December 31, 2009, the RTA's pension investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Months)
Corporate fixed income mutual fund	$ 37,832,156	81
Money market fund	3,063,300	1
Total fair value	$ 40,895,457	
Portfolio weighted average maturity		75

Credit Risk — The RTA's pension policy for credit risk states at least 85% of the fixed income investments should be limited to securities with ratings of at least investment grade as defined by both Moody's and Standard & Poor's. Split rated bonds are to be governed by the lower rating. Unrated securities of the U.S. Treasury and government agencies are a permissible investment. No more than 15% of the portfolio may be invested in investment-grade securities of foreign entities domiciled in countries included in the Salomon Brothers World Government Bond Index.

Note 3. Investments (Continued)

As of December 31, 2010, the credit ratings for RTA pension investments were as follows:

Investment Type	Total Fair Value	Credit Rating (where available) Moody's	Standard & Poor's	Fitch
Corporate fixed income mutual fund	$ 36,948,820	NR	NR	NR
Money market fund	12,266,185	Aa2	*	AA
Total	$ 49,215,005			

* Not available

As of December 31, 2009, the credit ratings for RTA pension investments were as follows:

Investment Type	Total Fair Value	Credit Rating (where available) Moody's	Standard & Poor's	Fitch
Corporate fixed income mutual fund	$ 37,832,156	NR	NR	NR
Money market fund	3,063,300	Aa2	*	AA
Total	$ 40,895,457			

* Not available

NR – Not rated

Note 3. Investments (Continued)

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The RTA's pension investment policy states that fixed income securities of a single issuer (excluding obligations of the United States Government and its agencies) should be limited to 5% of the fixed income portfolio, measured at market value. The RTA's pension policy states the asset allocation policy has been developed based on the objectives and characteristics of the pension liabilities, capital market expectations and asset-liability projections. This policy is long-term oriented and consistent with the risk posture. The pension fund did not have any investments in a single issuer which were greater than 5% of the total Plan's net assets.

Note 4. Plan Termination

While it is the intent to maintain the Plan permanently, in the event the Plan terminates, the rights of all participants affected by such termination and their beneficiaries become vested to the extent of the assets then remaining.

Note 5. Administrative Expenses

The Plan's administrative expenses for the years ended December 31, 2010 and 2009 consist of the following:

	2010	2009
Actuarial	$ 109,970	$ 135,352
Legal	274,972	76,150
Audit	21,000	20,150
Other	223,485	172,155
Total administrative expenses	$ 629,427	$ 403,807

REQUIRED SUPPLEMENTARY INFORMATION

Regional Transportation Authority
Pension Plan

Schedule of Funding Progress
Six Years Ended December 31, 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Assets in Excess of AAL/ (AAL in Excess of Assets) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2005	$ 90,334,371	$ 105,976,209	$ (15,641,838)	85.24 %	$ 56,417,461	27.7 %
January 1, 2006	94,697,937	124,521,129	(29,823,192)	76.05	58,883,678	50.6
January 1, 2007	102,523,735	133,905,851	(31,382,116)	76.56	61,357,214	51.1
January 1, 2008	114,031,540	146,417,404	(32,385,864)	77.88	61,364,198	52.8
January 1, 2009	106,021,198	153,284,576	(47,263,378)	69.17	66,010,613	71.6
January 1, 2010	118,805,281	166,663,123	(47,857,842)	71.28	68,389,409	69.9

Regional Transportation Authority

Pension Plan

Schedule of Employer Contributions
Six Years Ended December 31, 2009

Year Ended:	Annual Required Contribution		Percentage Contributed
2005	$ 6,800,000		100%
2006	8,777,000		100
2007	9,137,000		100
2008	9,195,000		100
2009	10,827,000		100
2010	11,288,000	(1)	100

(1) Contributions for the plan year ended December 31, 2010 will be paid in 2011.

Regional Transportation Authority
Pension Plan

Note to Required Supplementary Information
Years Ended December 31, 2010, 2009 and 2008

The actuarial assumptions presented in the required supplementary schedules were determined as part of the actuarial valuations at the dates indicated. Additional information relating to the actuarial valuations follows:

	January 1, 2010	January 1, 2009	January 1, 2008
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Straight-line, open	Straight-line, open	Straight-line, open
Remaining amortization period	30 years	30 years	30 years
Asset valuation method	Smoothed market value	Smoothed market value	Smoothed market value
Actuarial assumptions:			
Investment rate of return	8.5%	8.5%	8.5%
Projected salary increases:			
Age graded scale	Range of 3.5% to 7.5% based on attained age.	Range of 3.5% to 7.5% based on attained age.	Range of 3.5% to 7.5% based on attained age.
Mortality	RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.	RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.	RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.
Withdrawals from service	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47% at age 20 to 0.39% at age 60 for males.	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47% at age 20 to 0.39% at age 60 for males.	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47% at age 20 to 0.39% at age 60 for males.

SUPPLEMENTARY INFORMATION

Regional Transportation Authority
Pension Plan

Schedule of Return on Assets (Unaudited)
Ten Years Ended December 31, 2010

Year Ended:	Average Total Assets	Annual Rate of Return
2010	$ 116,598,596	10.26 %
2009	98,780,617	21.37
2008	101,410,216	(25.68)
2007	111,113,035	6.37
2006	100,988,509	14.61
2005	90,213,844	6.17
2004	83,639,854	11.03
2003	74,263,751	19.96
2002	71,975,307	(8.12)
2001	79,231,284	(1.42)

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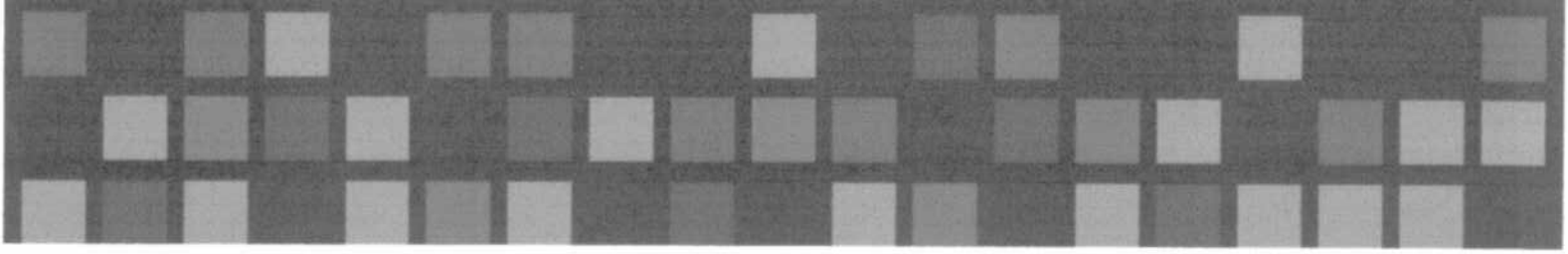
Regional Transportation Authority Pension Plan (A Pension Trust Fund of the Regional Transportation Authority)

Financial Report

Years Ended December 31, 2012 and 2011



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Regional Transportation Authority
Pension Plan

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McGladrey

Independent Auditor's Report

To the Plan Administrator, the Trustees, and Retirement
Committee of the Regional Transportation Authority
Pension Plan, and the Board of Directors of the
Regional Transportation Authority
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the Regional Transportation Authority Pension Plan ("Plan"), a pension trust fund of the Regional Transportation Authority ("RTA"), as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Member of the RSM International network of independent accounting, tax and consulting firms.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective plan net position of the Regional Transportation Authority Pension Plan, Illinois, as of December 31, 2012 and 2011, and the respective changes in plan net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As discussed in Note 1 to the financial statements, the financial statements present only the Regional Transportation Authority Pension Plan and do not purport to, and do not, present fairly the financial position of the Regional Transportation Authority as of December 31, 2012 and 2011, the changes in its financial position or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plan's basic financial statements. The supplementary information, consisting of the schedule of return on assets, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of return on assets is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

McGladrey LLP

Schaumburg, Illinois
May 14, 2013

Management's Discussion and Analysis

This section provides an overview and analysis of the basic financial statements of the Regional Transportation Authority ("RTA") Pension Plan ("Plan") for the year ended December 31, 2012. We encourage readers to consider information in the financial statements and required supplementary information that follow this document.

Overview and Analysis of the Financial Statements

The RTA Pension Plan annual financial report consists of four parts – the independent auditor's report; management's discussion and analysis (this section); the financial statements, including notes to financial statements; and the required supplementary information. The basic financial statements of the Plan are the Statements of Plan Net Position and the Statements of Changes in Plan Net Position. These statements provide information about the nature and amount of investments available to pay the pension benefits of the Plan. The Statements of Changes in Plan Net Position account for all additions to and deductions from the net position restricted for pension benefits. These statements measure the success of the Plan in increasing the net position available for pension benefits during the year.

Financial Highlights

- The RTA net assets at December 31, 2012 were $158.7 million
- Employer contributions of $20.2 million increased by $7.7 million from the prior year
- Benefit payments were $10.4 million, resulting in a $2.0 million decrease from FY 2011
- The total investment gain of $15.3 million is due to favorable market conditions

2012

The Statement of Plan Net Position and Statement of Changes in Plan Net Position measure the value of plan net position and the changes to them. As of December 31, 2012, the plan net position increased to $158.7 million. The increase in net position of $24.7 million resulted primarily from investment gain of $15.3 million and employer contributions of $20.2 million offset by benefits paid of $10.4 million and administrative expenses of $455 thousand. Employer contributions were recorded as receivables at December 31, 2012 and are required to be paid in 2013. There was an additional discretionary contribution made by the Board in the amount of $6,746,698.

2011

The Statement of Plan Net Position and Statement of Changes in Plan Net Position measure the value of plan net position and the changes to them. As of December 31, 2011, the plan net position decreased to $134.0 million. The decrease in net assets of $1.1 million resulted primarily from employer contributions of $12.5 offset by benefits paid of $12.3 million, insurance loss of $706k and administrative expenses of $586k. Employer contributions were recorded as receivables at December 31, 2011 and are required to be paid in 2012.

Plan Net Position — The following table summarizes the Plan's Statements of Net Position:

	2012	2011	2010
Assets			
Cash and investments	$ 145,357,418	$121,598,443	$ 123,986,957
Contribution receivables	13,493,395	12,547,000	11,288,000
Other receivables	11,779	14,296	69,623
Total assets	158,862,592	134,159,739	135,344,580
Liabilities			
Accrued expenses and due to RTA	132,524	134,264	249,396
Plan net position held in trust for pension benefits	$ 158,730,068	$134,025,475	$ 135,095,184

In 2012, the plan net position increased by 18% ($24.7 million). The increase is due to investment gain of $15.3 million and employer contributions of $20.2 million, offset by benefit payments and administrative expenses of $10.8 million. In 2011, the plan net position decreased by 1% ($1.1 million). The decrease is due to ER contributions of $12.5 million offset by insurance loss of $706k and benefits paid of $12.3 million and administrative expenses of $586 thousand.

Changes in Plan Net Position — The following table summarizes the Plan's Statements of Changes in Plan Net Position:

	2012	2011	2010
Additions:			
Employer contributions	$ 20,240,093	$ 12,547,000	$ 11,288,000
Net investment gains (losses)	15,278,892	(706,191)	11,967,559
Total net additions	35,518,985	11,840,809	23,255,559
Deductions:			
Benefit payments	10,359,396	12,324,267	7,449,076
Administrative expenses	454,996	586,251	629,427
Total deductions	10,814,392	12,910,518	8,078,503
Net increase (decrease) in plan net position held in trust for pension benefits	$ 24,704,593	$ (1,069,709)	$ 15,177,056

Return on investments provides additional funds to pay benefits. In 2012, the Plan incurred a gain of $15.3 million, compared to a loss of $706 thousand in 2011. In 2012, the net investment gain (loss) increased by $16.0 million from 2011. The increases in net investment income in 2012 were the result of upward movement in the securities market and higher investment balance compared to 2011. The continuing decrease in administrative expenses is due to continuing renegotiation of fees with various investment managers and close monitoring of expenses. Employer contributions are higher in 2012 due to a supplemental contribution to improve the funding ratio of the pension plan.

CONTACTING THE FINANCIAL MANAGEMENT OF THE RTA PENSION PLAN

This financial report provides a general overview of the net position of the Regional Transportation Authority Pension Plan. Users of this report should address questions concerning the information contained herein, or requests for additional financial information, to the Regional Transportation Authority, 175 West Jackson Blvd., Suite 1550, Chicago, Illinois 60604.

Regional Transportation Authority
Pension Plan

Statements of Plan Net Position
December 31, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 13,940,151	$ 10,866,791
Investments, at fair value		
Corporate fixed income mutual fund	40,301,803	38,071,115
Equity mutual funds	46,538,294	39,955,545
Common stocks	26,459,773	22,667,670
Balanced funds	18,117,397	10,037,322
Total investments	131,417,267	110,731,652
Receivables		
Accrued interest	514	401
Accrued dividends	11,265	13,895
Pension contribution - Metra	6,615,046	6,462,000
Pension contribution - Pace	5,299,812	4,605,000
Pension contribution - RTA	1,578,537	1,480,000
Total receivables	13,505,174	12,561,296
Total assets	158,862,592	134,159,739
Liabilities		
Due to RTA	17,600	-
Accrued expenses	114,924	134,264
Total liabilities	132,524	134,264
Net position - restricted for pension benefits	$ 158,730,068	$ 134,025,475

See Notes to Financial Statements.

Regional Transportation Authority
Pension Plan

Statements of Changes in Plan Net Position
Years Ended December 31, 2012 and 2011

	2012	2011
Additions:		
Investment gain		
Net appreciation (depreciation) in fair value of investments	$ 13,526,022	$ (2,426,347)
Interest and dividends	2,211,718	2,057,238
Total investment return (loss)	15,737,740	(369,109)
Less investment expenses		
Investment managers	294,878	236,402
Trust fees	41,470	10,680
Investment advisor	122,500	90,000
Total investment expenses	458,848	337,082
Net investment gain (loss)	15,278,892	(706,191)
Contributions:		
METRA pension contributions	9,920,928	6,462,000
PACE pension contributions	7,951,264	4,605,000
RTA pension contributions	2,367,901	1,480,000
Total contributions	20,240,093	12,547,000
Total net additions	35,518,985	11,840,809
Deductions:		
Benefit payments	10,359,396	12,324,267
Administrative expenses	454,996	586,251
Total deductions	10,814,392	12,910,518
Change in net position	24,704,593	(1,069,709)
Net position - beginning of year	134,025,475	135,095,184
Net position - end of year	$ 158,730,068	$ 134,025,475

See Notes to Financial Statements.

Note 1. Description of the Plan

The following description of the Regional Transportation Authority ("RTA") Pension Plan ("Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General— The Plan, which became effective July 1, 1976, is a multiple-employer, defined benefit pension plan. The Plan covers substantially all employees of the RTA and its Commuter Rail and Suburban Bus Divisions (Metra and Pace, respectively), collectively referred to hereinafter as the Employer, who are not otherwise covered by a union pension plan. The responsibilities for administering the Plan are divided among a Board of Trustees, a Retirement Committee, a Plan Administrator, and the RTA Board of Directors ("RTA Board").

The Plan is a pension trust fund of the RTA and has no component units.

The Plan is classified as a "governmental plan" and is, therefore, exempt from the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Participation—Employees are eligible for participation on the first day of the month coincident with or next following their date of employment. At January 1, 2012, the number of participants was:

Participants:

Retirees, disabled participants and beneficiaries of deceased retirees, currently receiving benefits	518
Terminated employees entitled to but not yet receiving benefits	442
Current employees:	
Vested	762
Nonvested	269
Total	1,991

Pension Benefits— Participants are entitled to annual pension benefits upon normal retirement at age 65, generally a percentage of the average annual compensation in the highest three years of service, whether consecutive or not, multiplied by the number of years of credited service.

The Plan provides that, upon retirement, benefits will be reduced by a defined percentage for participants who received credit for prior service with an eligible employer.

The Plan permits early retirement with reduced benefits at age 55 after completing ten years of credited service. As a result of the August 1, 1999 amendment to the Plan, participants may receive their full vested benefits if they are at least 55 years of age and their combined age at retirement and credited years of service equals eighty-five or higher (known as "Rule of Eighty Five Early Retirement").

Note 1. Description of the Plan (Continued)

The Plan provides for benefit payments to beneficiaries subject to the election of the participant. In addition, the lump sum payment form is no longer an optional form of payment for participants that have not earned credited service prior to January 1, 2011. This change did not affect the valuation results.

Disability Benefits—An employee is eligible for a disability pension if he or she becomes disabled after the completion of ten years of credited service, and is no longer receiving long-term disability benefits under a separate RTA benefit plan, or after reaching age 65, whichever is later.

Contributions and Vesting—The Plan is funded solely by employer contributions, which are actuarially determined under the projected unit credit method.

For the purpose of determining contributions, the Plan uses an asset smoothing method which smoothes asset gains and losses over a 5-year period. The minimum contribution is the sum of the normal cost and the 30-year amortization of the unfunded liability.

As of December 31, 2012 and 2011, $13,493,395 and $12,547,000 respectively, had not been funded and were reported as contributions receivable in the Statements of Plan Net Position. The 2012 contribution level was within the actuarially determined range.

Significant actuarial assumptions used to compute contribution requirements are the same as those used to determine the actuarial accrued liability presented in the note to the Required Supplementary Information.

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.

Annual Pension Cost—For 2012 and 2011, annual pension costs of $13,493,395 and $12,547,000, respectively, for the Plan was equal to required contributions. During fiscal year 2012, a discretionary contribution was made by the Board in the amount of $6,746,698.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	$ 13,493,395	100 %	$ -
12/31/11	12,547,000	100	-
12/31/10	11,288,000	100	-

Required contributions for the plan year ended December 31, 2012 are to be paid in 2013.

Note 1. Description of the Plan (Continued)

The 2012 and 2011 required contributions were determined as part of the January 1, 2012 and January 1, 2011 actuarial valuations, respectively, using the projected unit credit actuarial cost method. The actuarial assumptions at January 1, 2012 and 2011 included (a) 7.75% for 2012 and 8.25% for 2011 investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases ranging from 3.5% to 7.5% per year depending on age and service, attributable to seniority/merit, and (c) RP2000 Mortality Table. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis over 30 years.

The actuarial valuation was done by using the beginning of the year method. Therefore the funded status and funding progress as of December 31, 2011, is presented from information provided by the actuary as of January 1, 2012. There has been no significant change in the Plan's provisions or coverage from December 31, 2011 to January 1, 2012.

Funded Status and Funding Progress—As of January 1, 2012, the most recent actuarial valuation date, the Plan was 70.4% funded. The actuarial accrued liability for benefits was $200,844,966 and the actuarial value of assets was $141,387,904, resulting in an underfunded actuarial accrued liability (UAAL) of $(59,457,062). The covered payroll (annual payroll of active employees covered by the Plan) was $67,176,064 and the ratio of the UAAL to the covered payroll was 88.5 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Related-Party Transactions—There were no securities of the RTA, Metra, Pace or related parties included in the Plan's assets. As of December 31, 2012, due to RTA represents an allocation of administrative fees.

Subsequent Events—The Authority has evaluated subsequent events for potential recognition and/or disclosure through May 14, 2013, the date the financial statements were available to be issued.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation— The accompanying financial statements have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America.

Cash Equivalents—Cash equivalents consist of money market accounts with original maturities of three months or less.

Investments—Investments are stated at fair value. The fair value of equity securities and mutual fund units traded on national securities exchanges is the last reported sales price on the last business day of the fiscal year of the Plan.

Purchases and sales of securities are accounted for on the trade dates. For purposes of determining realized gains or losses on the disposal of investments, the average cost of investments sold, determined at the time of sale, is used.

Interest income is reported on the accrual basis. Dividends are recorded on the ex-dividend date.

Administrative Expenses—The RTA provides the Plan with certain administrative services, such as accounting and office facilities, at no cost to the Plan. Further detail relative to the Plan's administrative expenses is provided in Note 5.

Note 2. Summary of Significant Accounting Policies (Continued)

Income Tax Status—The Internal Revenue Service has issued a letter of determination dated September 19, 2011, stating that the Plan was designed in compliance with Section 401(a) of the Internal Revenue Code ("Code"). The Plan has been amended since receiving the determination letter; however the Plan Administrator believes the Plan is currently designed and operated in compliance with the applicable requirements of the Code and is therefore exempt from federal income taxes under the provisions of Section 501(a) of the Code.

Management's Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of Plan assets available for benefits and the actuarial present value of accumulated plan benefits as of the date of the financial statements. Actual results could differ from those estimates. The Plan uses an actuary to determine the actuarial present value of accumulated plan benefits. A change in the actuarial assumptions used could significantly change the amount of the actuarial present value of accumulated plan benefits reported in the accompanying financial statements.

Risks and Uncertainties—The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and those such changes could materially affect the amounts reported in the Statements of Plan Net Position.

Note 3. Investments

Risk Posture - The RTA evaluated the assets and liabilities of the Pension Plan in order to determine an asset allocation that provides a high likelihood of achieving the responsibilities noted above. The obligations of current and future beneficiaries were evaluated under various market scenarios to develop an allocation that can be expected to generate a solid rate of return without incurring undue risk. In general, the risk posture of the Pension Plan is such that the portfolio is structured to maintain funding requirements and modestly grow assets through a low to moderate level of risk.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the RTA's pension deposits may not be returned to it. The RTA's Pension Plan policy does not explicitly indicate custodial credit risk. As of December 31, 2012 and 2011, none of the Plan's cash and investments was at custodial risk.

Interest Rate Risk — Per the RTA's Pension Plan investment policy, the duration of the fixed income portfolio should be within 20% of the duration of the benchmark index.

Note 3. Investments (Continued)

As of December 31, 2012, the RTA's pension investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Months)
Corporate fixed income mutual fund	$ 40,301,803	54
Money market fund	13,940,151	1
Total fair value	$ 54,241,954	
Portfolio weighted average maturity		40

As of December 31, 2011, the RTA's pension investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Months)
Corporate fixed income mutual fund	$ 38,071,115	75
Money market fund	10,866,791	1
Total fair value	$ 48,937,906	
Portfolio weighted average maturity		59

Credit Risk — The RTA's pension policy for credit risk states at least 85% of the fixed income investments should be limited to securities with ratings of at least investment grade as defined by both Moody's and Standard & Poor's. Split rated bonds are to be governed by the lower rating. Unrated securities of the U.S. Treasury and government agencies are a permissible investment. No more than 15% of the portfolio may be invested in investment-grade securities of foreign entities domiciled in countries included in the Citigroup World Government Bond Index.

Note 3. Investments (Continued)

As of December 31, 2012, the credit ratings for RTA pension investments were as follows:

Investment Type	Total Fair Value	Credit Rating (where available) Moody's	Standard & Poor's	Fitch
Corporate fixed income mutual fund	$ 40,301,803	NR	NR	NR
Money market fund	13,940,151	Aa3	AA-	AA
Balanced mutual fund	6,369,708	NR	NR	NR
Total	$ 60,611,662			

As of December 31, 2011, the credit ratings for RTA pension investments were as follows:

Investment Type	Total Fair Value	Credit Rating (where available) Moody's	Standard & Poor's	Fitch
Corporate fixed income mutual fund	$ 38,071,115	NR	NR	NR
Money market fund	10,866,791	Aa3	*	AA
Total	$ 48,937,906			

* Not available

NR – Not rated

Note 3. Investments (Continued)

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The RTA's pension investment policy states that fixed income securities of a single issuer (excluding obligations of the United States Government and its agencies) should be limited to 5% of the fixed income portfolio, measured at market value. The RTA's pension policy states the asset allocation policy has been developed based on the objectives and characteristics of the pension liabilities, capital market expectations and asset-liability projections. This policy is long-term oriented and consistent with the risk posture. As of December 31, 2012 and 2011, the pension fund did not have any investments in a single issuer which were greater than 5% of the total Plan's net position.

Note 4. Plan Termination

While it is the intent to maintain the Plan permanently, in the event the Plan terminates, the rights of all participants affected by such termination and their beneficiaries become vested to the extent of the assets then remaining.

Note 5. Administrative Expenses

The Plan's administrative expenses for the years ended December 31, 2012 and 2011 consist of the following:

	2012	2011
Actuarial	$ 51,360	$ 150,156
Legal	106,791	150,403
Audit	17,600	21,900
Other	279,245	263,792
Total administrative expenses	$ 454,996	$ 586,251

Note 6. New Governmental Accounting Standards

GASB Statement No. 67, *Financial Reporting for Pension Plans,* will be effective for the Plan beginning with its year ended December 31, 2014. This statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This statement enhances note disclosures and RSI for both defined benefit and defined contribution pension plans and requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules.

Note 6. New Governmental Accounting Standards (Continued)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* will be effective for the Plan beginning with its year ended December 31, 2015. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

Management has not yet determined what impact, if any, these Statements may have on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Regional Transportation Authority
Pension Plan

Schedule of Funding Progress
Six Years Ended December 31, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Assets in Excess of AAL/ (AAL in Excess of Assets) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2007	$ 102,523,735	$ 133,905,851	$ (31,382,116)	76.56 %	61,357,214	51.1 %
January 1, 2008	114,031,540	146,417,404	(32,385,864)	77.88	61,364,198	52.8
January 1, 2009	106,021,198	153,284,576	(47,263,378)	69.17	66,010,613	71.6
January 1, 2010	118,805,281	166,663,123	(47,857,842)	71.28	68,389,409	69.9
January 1, 2011	127,343,037	185,373,843	(58,030,806)	68.70	66,490,058	87.3
January 1, 2012	141,387,904	200,844,966	(59,457,062)	70.40	67,176,064	88.5

Regional Transportation Authority

Pension Plan

Schedule of Employer Contributions
Six Years Ended December 31, 2012

Year Ended:	Annual Required Contribution	Percentage Contributed	
2007	$ 9,137,000	100	%
2008	9,195,000	100	
2009	10,827,000	100	
2010	11,288,000	100	
2011	12,547,000	100	
2012	13,493,395	N/A	(1)

(1) Required contributions for the plan year ended December 31, 2012 are to be paid in 2013.

Regional Transportation Authority
Pension Plan

Note to Required Supplementary Information
Years Ended December 31, 2012, 2011 and 2010

The actuarial assumptions presented in the required supplementary schedules were determined as part of the actuarial valuations at the dates indicated. Additional information relating to the actuarial valuations follows:

	January 1, 2012	January 1, 2011	January 1, 2010
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Straight-line, open	Straight-line, open	Straight-line, open
Remaining amortization period	30 years	30 years	30 years
Asset valuation method	Smoothed market value	Smoothed market value	Smoothed market value
Actuarial assumptions:			
Investment rate of return	7.75%	8.25%	8.5%
Projected salary increases:			
Age graded scale	Range of 3.5% to 7.5% based on attained age.	Range of 3.5% to 7.5% based on attained age.	Range of 3.5% to 7.5% based on attained age.
Mortality	RP2000 White Collar Mortality Table applied separately for males and females projected to 2018.	RP2000 White Collar Mortality Table applied separately for males and females projected to 2018.	RP2000 White Collar Mortality Table applied separately for males and females projected to 2011.
Withdrawals from service	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47% at age 20 to 0.39% at age 60 for males.	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47% at age 20 to 0.39% at age 60 for males.	Termination rates range from 5.47% at age 20 to 0.49% at age 60 for females, and from 5.47% at age 20 to 0.39% at age 60 for males.

SUPPLEMENTARY INFORMATION

Regional Transportation Authority
Pension Plan

Schedule of Return on Assets (Unaudited)
Ten Years Ended December 31, 2012

Year Ended:	Average Total Assets	Annual Rate of Return
2012	$ 133,477,931	11.45 %
2011	122,792,700	(0.58)
2010	116,598,596	10.26
2009	98,780,617	21.37
2008	101,410,216	(25.68)
2007	111,113,035	6.37
2006	100,988,509	14.61
2005	90,213,844	6.17
2004	83,639,854	11.03
2003	74,263,751	19.96

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REGIONAL TRANSPORTATION AUTHORITY
PENSION PLAN

PLAN ADMINISTRATION MANUAL

September, 2012

PLAN ADMINISTRATION MANUAL
REGIONAL TRANSPORTATION AUTHORITY
PENSION PLAN

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INTRODUCTION

This Manual is designed to outline procedures for processing transactions relating to Plan membership, termination of employment, retirement, disability or death of a Plan Participant.

This Manual is furnished as a guide to procedures that should be followed to effectively administer the Plan. The Manual should be used in conjunction with the Plan document and Summary Plan Description (SPD). In the event of any conflict between the instructions in this Manual and the actual terms of the Plan, the Plan document will control in all cases. Persons handling the administration of the Plan should be thoroughly familiar with all of the provisions.

The Manual is contained in a "loose-leaf" binder so that it can be updated periodically to incorporate new administrative decisions. In the lower right-hand corner of each page is the date of publication. Whenever the contents of any page change, it should be replaced with a revised page. A commitment to updating the manual is imperative if it is to remain a workable tool. This manual is divided into several sections which describe the actions that should be taken when various events occur.

References to specific provisions of the Plan document governing each transaction are included. In addition, a calendar of events is provided in Section I as a reminder of the dates that government reports are due and of various events requiring action on the part of the Plan Administrator.

PLAN ADMINISTRATION

The Regional Transportation Authority (the "Authority") sponsors the Regional Transportation Authority Pension Plan. The Northeast Illinois Regional Commuter Railroad Corporation (Metra) and Pace are participating employers. Final authority governing the operation of the Plan rests with the Pension Committee which is appointed by the Chairman and Chief Executive Officer of the Authority. The Pension Committee's primary responsibility is to establish the rules for the administration of the Plan and the transaction of its business.

The Committee's major areas of responsibility are:

1. enrolling Participants in the Plan;

2. determining the amount of benefits payable and the method of payment to Plan Participants;

3. authorizing the payment of benefits;

4. granting Participants the right to a hearing on any claim involving the payment of benefits;

5. furnishing information to Employers; and

6. reporting to the Board of Directors for the RTA on the administration of the Plan;.

7. hiring of non-fiduciary Third Party Administrator, Actuary, and Legal Counsel.

The members of the Committee are listed in the "Facts about the Plan" Section of the Summary Plan Description.

Any correspondence to the Committee should be addressed to:

Pension Committee
c/o Regional Transportation Authority
175 West Jackson Boulevard, Suite 1650
Chicago, IL 60604

The Pension Committee has appointed a non-fiduciaryThird Party Plan Administrator and the office of the Third Party Plan Administrator is responsible for day–to-day administration of the Plan, including monitoring, implementing and communicating Employee benefits provided under the Plan and providing ministerial services following policies established by the Pension Committee. For purposes of this document, the Plan Administrator means the non-fiduciary Third Party Administrator.

The responsibility of the Third Party Plan Administrator is to accomplish this purpose efficiently, accurately and in the most cost-effective manner.

To fulfill its purpose and objective, the Third Party Plan Administrator must assume a variety of responsibilities. These responsibilities are as follows:

- to be knowledgeable of the provisions in the Plan document;
- to maintain records on Employees in relation to the Retirement Plan, which includes: monitoring employee data in the Employer's computerized recordkeeping system, making timely data changes and corrections, coordinating data from the personnel and payroll systems, monitoring census data on all types of Participants, and establishing and maintaining any other records deemed necessary for the administration of the Plan;
- to coordinate the submission of the required data to the Actuary for the annual actuarial valuation;
- to calculate or obtain estimated, actual and projected retirement benefits as needed from the Actuary;
- to monitor the Plan and its administration for compliance with government regulations;
- to communicate Employee benefits to Employees;
- to assist Employees in retirement Planning;
- to assist in the preparation of reports to the Trustees; and
- to carry out procedures established by the Pension Committee for the effective administration of the Plan.

The address and telephone number of the **Plan Administrator** are listed in the "Facts about the Plan" Section of the Summary Plan Description.

By law, the Plan assets are required to be held in a fund for the benefit of Participants. Employer contributions are determined each year by the Actuary. The trust fund is held in a custodial account with the funding agent. The address and telephone number of the funding agent are listed in the "Facts about the Plan" Section of the Summary Plan Description.

The **Funding Agent** prepares monthly reports which show in detail the transactions involving trust assets, contributions, distributions and any gains or losses.

The **Trustees**, who are the named individuals responsible for the management of the trust fund, are listed in the "Facts about the Plan" Section of the Summary Plan Description. The Trustees have selected several Investment Managers to manage the investment of the trust funds. The current **Investment Managers** for the trust fund are listed in the "Facts about the Plan" Section of the Summary Plan Description.

Various other departments within the Authority as well as consultants outside the Authority play

very important roles in the administration of the Plan. The address and telephone number of the **Service Providers** to the plan are listed in the "Facts about the Plan" Section of the Summary Plan Description.

I. CALENDAR OF EVENTS

This section of the Manual is organized in three parts, as follows:

1. Reporting, disclosure or Plan administration required on a regular or annual basis;

2. Reporting, disclosure or Plan administration required by routine events;

3. Reporting, disclosure or Plan administration required by nonroutine events;

The Plan Administrator and its delegates should refer to this section to ensure that the Plan is in compliance with the various reporting and disclosure requirements under ERISA and the Internal Revenue Code. The following abbreviations are used:

IRS	(Internal Revenue Service)
DOL	(Department of Labor)*
RRB	(Railroad Retirement Board)
SSA	(Social Security Administration)

*Generally not applicable to governmental Plans.

REPORTING, DISCLOSURE OR PLAN ADMINISTRATION

REQUIRED ON A REGULAR OR ANNUAL BASIS

Due Date *	Form or Other Documentation	Action to Be Taken	By Whom
January 31	IRS Form 1099-R (Distribution from Pensions, Annuities, Retirement or Profit Sharing Plans)	Mail to Trustees and Participants who received distributions during the previous calendar year	Funding Agent
January 31	Form 945 (Report federal taxes withheld from distributions made during prior year)	File with IRS	Funding Agent
February 28	IRS Forms 1099-R and 1096 (Distribution from Pensions, Annuities, Retirement or Profit Sharing Plans)	File with IRS and SSA	Funding Agent
March 31	Annual Data Update	Submit to Actuary from HR and Payroll areas of Metra, RTA and Pace	Plan Administrator/Metra/RTA/ Pace
May 31	Actuarial Valuation	Valuation Completed and report sent to Plan Administrator	Actuary
August 1	Benefit Statements	Benefit statements mailed to Participants	Plan Administrator Actuary
August 15	Trustee Meeting	Arrange Trustee Meeting Provide management report to Trustees including contribution estimate	Plan Administrator Actuary
August 30	Record Cards/Access Database	Update record cards/Access Database	Actuary
September 15	Vested Participant Notices	Determine benefits for prior year terminated Participants including small lump sums and mail out notices	Plan Administrator Actuary

** If Due Date falls on a Saturday, Sunday or holiday, Due Date is next business day.*

REPORTING, DISCLOSURE OR PLAN ADMINISTRATION
REQUIRED BY ROUTINE EVENTS

Event	Due Date	Form	Action to be Taken by Plan Administrator
New Participants	Within 90 days after Plan participation	Provide copy of Summary of Plan Description (SPD)	Distribute SPD Booklets to Human Resource Departments. Facilitate distribution of SPD to new hires.
Request by Participant for estimate of accrued benefit	Within a reasonable time of request (limited to twice per year)	Retirement or Early Retirement Letter	Distribute to Participant
Employee approaching normal retirement	Between 90 and 120 days prior to reaching eligibility for normal retirement	Application Form and Certification of Evidence ofDate of Birth Form	Distribute to Participant
Retirees and beneficiaries about to receive distribution of benefits	Between 30 and 90 days before first payment	Retirement Packet	Early Retirement Normal, Late Retirement

REPORTING, DISCLOSURE OR PLAN ADMINISTRATION
REQUIRED BY NON-ROUTINE EVENTS

Event	Due Date	Form	Action to be Taken by Plan Administrator or Other
Material Plan modification – amendment	Within a reasonable time after modification adopted	Notice of Material Modification to Plan Provisions	Coordinate with HR Departments to Distribute to active Participants or post in a conspicuous place; distribute to terminated vested Participants, retirees and beneficiaries only if modification affects their benefits or rights under the Plan
Determination letter request	As Needed	IRS Form 5300– Application for Determination	File with IRS, Coordinate with Legal Counsel and Actuary
	7 to 21 days (10 to 24 days if mailed) prior to filing with IRS	Notice to Interested Parties	Coordinate with HR Departments to mail to active Participants or post on bulletin boards
Denial of Participant's claim	Within 90 days after receipt of appeal (180 days if special circumstances warrant)	Notice to Plan Participant of Denial of Claim	Distribute to Participant
Final decision on appeal of claim denial by Participant	Within 60 days after receipt of appeal (120 days if special circumstances warrant)	Notice to Plan Participant of Results of Final Review	Distribute to Participant

II. BENEFIT CALCULATION SECTION

A. HOW TO CALCULATE SERVICE

Credited Service is determined in two pieces as described in the "How Your Credited Service is Determined" section of the Summary Plan Description (SPD).

Credited Service = Continuous Service + Prior Service Credit

Credited Service is used for two purposes:

1) to determine the benefit amount (referred to in this manual as ***Benefit Service***)
2) to determine whether someone is eligible for vesting, disability or early retirement (referred to in this manual as ***Vesting Service***).

Although the same word is used in the SPD and plan document for both purposes, a person's Credited Service for benefit amount purposes is often different from his Credited Service for vesting, disability and early retirement eligibility purposes. When we refer to Credited Service for purposes of this Administration Manual, we distinguish between the two purposes of Credited Service by referring to ***Benefit Service*** or ***Vesting Service***.

As described in Article II of the plan document, Continuous Service begins with an Employee's date of hire.

Continuous Service prior to June 30, 1984 is calculated as the months of service counted under the plan as it existed prior to July 1, 1984. With respect to the period prior to July 1, 1976, an employee's Continuous service is the total number of months of uninterrupted service with the Authority. For the period from July 1, 1976 to June 30, 1984, an employee is credited with 12 months of Continuous Service for each Plan Year (where the Plan year is the period from July 1 to June 30) in which he completes 1,000 hours of service. If he did not complete 1,000 Hours of Service in his Plan Year of hire or termination, he earns one month of Continuous Service for each month in which he completes at least 83 Hours of Service.

During the ***transition period from July 1, 1984 to December 31, 1984***:

Benefit Service is calculated by crediting one month for each month with 83 hours of service.

Vesting Service is calculated by crediting one month for each month with 83 hours of service. If the participant worked 1,000 hours during the period July 1, 1984 to June 30, 1985, he is credited with an additional twelve months of vesting service reduced by the number of months during the transition period that he earned 83 hours of service.

An employee who worked continuously through the period July 1, 1984 to December 31, 1984 would receive 6 months of Benefit Service for that transition period and 12 months of Vesting Service.

For Continuous Service after December 31, 1984, the Employee will earn twelve months of Continuous Service for each calendar year he completes 1,000 Hours of Service. If he does not complete 1,000 Hours of Service in his calendar year of hire or termination, he will earn one month of Continuous Service for each month in which he completes at least 83 Hours of Service.

Hours of service are determined by assuming a 10 hour per day of service equivalency method. The number of days of service is first determined and then multiplied by 10 to obtain the hours worked.

The following dates are used as a proxy to determine whether someone meets the 1,000 hours requirement in their year of hire and year of termination:

- For dates of hire prior to June 30, 1984, a full year of vesting and Benefit Service is earned in the plan year of hire if hired before **February 11**.

- For dates of hire after December 31, 1984, a full year of Continuous Service is earned in the calendar year if hired before **August 14**.

- For dates of termination, a full year of Continuous Service is earned in the calendar year if terminated after **May 20**.

For dates of hire or termination that fall very close to the proxy dates, the Plan Administrator should count actual days worked to ensure that the correct determination is made.

Example One:

	Hours of Service	**Months of Benefit Service**	**Months of Vesting Service**
Hire date: June 15, 1982			
Plan Year Ending June 30, 1982	> 83 Hours	1	1
Plan Years July 1, 1982 to June 30, 1984	> 1,000 hours in both years	24	24
Period July 1, 1984 to December 31, 1984	> 83 hours in all six months	6	12
Calendar years 1985 – 2001	> 1,000 hours in 17 years	204	204
Termination Date: April 7, 2002			
January 1 – March 30	< 1,000 hours, > 83 hours in 3 months	3	3
April	< 83 hours	0	0
Total Months of Service		238	244

As discussed in Article II of the plan document, Hours of Service are given to Employees for certain paid periods of time even though the Employee did not perform services for RTA, Metra, or Pace. These include:

- leave of absence, including family and medical leave,
- vacation,
- holidays,
- illnesses,
- certified disability (which includes short-term disability, long-term disability and Workers' Compensation),
- jury duty, and
- military leave (to the extent covered by law)

In addition, as described in the section of the SPD titled "How Your Continuous Service Is Determined" for purposes of determining Vesting Service (but not for determining Benefit Service), the following periods of employment are taken into account:

- Periods of employment with a predecessor organization which is acquired by RTA, Metra, or Pace through a stock or asset purchase; provided such service would qualify as Continuous Service if the predecessor organization had been an Employer at that time and the Employee commences employment after June 1, 1984; or

- Periods of employment with an Employer during which the Employee is otherwise covered under a collective bargaining agreement.

Special rule for interim or permanent members of the board of directors of the RTA, Metra, or Pace: Each such Employee will be credited with Continuous Service for the entire period during which he serves in such capacity, beginning on the date the Employee is nominated to serve as a director. Refer to the definition of Continuous Service in Article II of the Plan document for these provisions.

Prior Service Credit: Please see the section titled "Prior Service Credit" in the SPD for the circumstances in which an Employee whose Continuous Service began prior to June 2, 1984 will receive Prior Service Credit. In addition, any Employee who was hired after June 1, 1984 and terminated after March 1, 1991 shall receive Prior Service Credit for the period of time he was employed on a full-time basis by the Chicago Transit Authority.

Generally, an employee commencing employment as a non-union employee for the Authority, Metra or Pace prior to June 2, 1984 will receive Prior Service Credit for work performed on a full-time basis for the following: (1) the United States, (2) any state or local government, (3) a state agency created under an interstate compact approved by the US Congress, and (4) any entity which provides public transportation of freight services by bus or rail within the US.

The SPD describes the formula used for earning Prior Service Credit. All terminated - participants should have had their Prior Service Credit calculated at the time of their

termination from employment. The Plan Administrator provides a copy of the Prior Service Credit Acknowlegement form at the time retirement benefits are calculated. All currently active participants who are eligible to earn Prior Credit Service have worked more than 48 months and have earned 100% of prior service. The Access database and Record Cards show the Prior Credited Service Amounts earned for each eligible participant.

If the Employee qualified for this special additional credit, it will be reflected on the Access Database and on the Record Card. No further information is required to calculate Credited Service.

B. When Vesting Occurs

A Participant becomes vested under the following circumstances.

1. If he meets the Vesting requirements in effect on his termination date. Vesting is 100% after meeting the Vesting Service Requirement and 0% prior to meeting the Vesting Service requirement:

Termination Date	Vesting Service Requirement
Prior to January 1, 1989	10 Years
January 1, 1989 and later	5 Years

2. Automatically upon reaching Normal Retirement Age (i.e., age 65) provided the Participant is an active Employee.

C. Breaks in Service

A One-Year Break in Service means a Plan Year where the Participant has not completed more than 500 Hours of Service. For purposes of determining whether a participant has incurred a One-Year Break in Service, the Participant is given 8 Hours of Service per day (to a maximum of 40 Hours of Service per week) for any period during which he is absent because he is Disabled, is on an unpaid approved leave of absence, or is on an unpaid Maternity or Paternity leave.

If a Break in Service occurs and a Participant is subsequently reemployed, Credited Service is reinstated under these circumstances:

1. If a Participant leaves and is vested at that time, his Credited Service and vested status will be reinstated upon his reemployment date. The length of his break is not relevant.

2. If a Participant leaves and is not vested at that time, his Credited Service will be reinstated if:
   - rehire date is after December 31, 1984, the total number of consecutive One-Year Breaks in Service is less than five.
   - rehire date is prior to January 1, 1985, the total number of consecutive One-Year Breaks in Service is greater than the aggregate period of Continuous Service prior to the Break in Service.

Refer to the SPD section, "A Break in Service Can Affect Your Benefit" for a description of a Break in Service year. Where the Break in Service years equals or exceeds five full years, and the Participant is not vested, ALL prior Credited Service is lost.

Example Two:

	Hours of Service	Months of Vesting Service	Break Years
Hire date: June 15, 1982			
Plan Year Ending June 30, 1982	> 83 Hours	1	
Plan Years July 1, 1982 to June 20, 1984	> 1,000 hours in both years	24	
Period July 1, 1984 to December 31, 1984	> 83 hours in all six months	12	
Term Date: October 21, 1985			
Calendar 1985	> 1,000 hours	12	
Total Months of Service		49	
Calendar 1986 – 1991	< 500 hours		6
Rehire Date: November 29, 1992			
November 1992	< 83 Hours	0	
December 1992	> 83 Hours	1	

All prior Credited Service is lost because the Participant had more than five consecutive One-Year Breaks in Service and was not vested at the time of termination. Since prior Credited Service was lost, 1992 is treated as a hire year and the Participant is eligible to receive 1 month of Continuous Service for each month in which he completes at least 83 Hours of Service. If the Participant had not lost his prior Credited Service (either because of being vested or because he returned prior to completing five consecutive One-Year Breaks in Service, service is the rehire year is determined according to the 1,000 rule. Service during the rehire year would not be given for months in which the Participant completed at least 83 Hours of Service.

D. Reemployment

If a Participant whose employment has been terminated is reemployed, any pension payments under the Plan in payment status at the time of reemployment will be suspended, except as described in Article XI of this manual. At subsequent termination, the Particicipant's benefit will be redetermined using the Plan provisions in effect at subsequent termination and taking into consideration the Participant's Compensation and Credited Service accumulated both before and after termination. However, the redetermined pension amount will be reduced by the actuarial equivalent of any benefits which may have been paid to the Participant under the Plan.

E. Calculation of Benefits

The "Determining Your Normal Retirement Benefit" section of the SPD lists the calculation formula and provides a numerical example.

F. Maximum Benefit

Section 415 of the Internal Revenue Code restricts a retirement Plan from providing excessive benefits to Participants. These restrictions are referred to as "415 Limitations." Article 6.16 of the Plan describes how the limitations are applied to the RTA Plan benefits. Actuaries will monitor whether individuals exceed the limit when doing Benefit Statements and Actuarial Benefit Calculations.

A listing of 415 dollar limits for previous years is listed below. Participants with annual benefits that exceed these limits should be referred to the Actuaries for further review.

Retirement Year	Maximum Benefit
2007	$180,000
2008	$185,000
2009	$195,000
2010	$195,000
2011	$195,000
2012	$200,000

The 415 dollar limits shown above are reduced if payments begin prior to age 62. The limit payable at ages prior to age 62 is the actuarial equivalent of the limit at age 62. Actuarial equivalence for this purpose is determined using 5% interest and the "applicable" mortality table. IRS regulations determine the applicable mortality table
The limits are also adjusted if the payment form is something other than the single life or joint and survivor form. For the lump sum form, the limit is adjusted using "applicable interest" and the"applicable mortality table". The RTA Pension Plan defines the applicable interest rate as the rate under Code Section 417(e)(3)(C) in effect for the month of November which precedes the year in which distribution is made. The applicable mortality table is the table under Code Section 417(e)(3)(B).

Section 415 of the Internal Revenue Code limits the annual benefit to the lesser of the dollar limit or 100% of the participant's average compensation for his high 3 years. Since the RTA benefit formula already limits the annual benefit to 70% of the participant's average compensation for his high 3 years, the benefit will always be less than the 415 dollar limt.

G. Actuarial Equivalence

To determine the actuarial equivalent value of a benefit, the Plan prescribes that specific interest rate and mortality assumptions must be used (see Exhibit A of the Plan Document). In general, an interest rate of 6% and the 1994 Group Annuity Reserving Mortality Table is used. For any lump sum payment, the interest rate is the rate under Code Section 417(e)(3)(C) in effect for the month of November which precedes the year in which distribution is made. The applicable mortality table is the table under Code Section 417(e)(3)(B). The 415 limits are adjusted actuarially as described above in Section E.

H. Offsets for Benefits Payable under Prior Plans

Where a Participant's benefit under the Plan is determined by taking into account Prior Service, and the prior Employer provides benefits based on such service, the benefit under this Plan will be reduced. The plan administrator will need to contact the prior Employer directly to determine the amount and form of any benefits payable under their plans. This information should be provided to the Actuary who will calculate the offset.

No offset will be made for benefits received under the Social Security Act or the Railroad Retirement Act. The amount of the reduction depends on the amount of Prior Service Credit and the form of benefits elected by the Participant. Further, if the form of benefit elected under the prior Plan is not comparable to the optional form of benefit elected under this Plan, the Actuary will have to determine the amount of the offset. In no event will the offset reduce the benefit payable to an amount less than the Pension that would have been payable had no Prior Service Credit been granted.

I. Compensation Limits

The annual Compensation of each Participant taken into account in determining benefit accruals in any Plan Year beginning on or after January 1, 2002 is limited to $200,000. The $200,000 compensation limit will increase as indexed for years subsequent to 2002. To determine accruals in Plan Years beginning on or after January 1, 2002, the $200,000 dollar limit applies to annual compensation for periods prior to January 1, 2002. For the 2012 Plan Year, the compensation limit is $250,000.

The above limit will not apply to Participants in the plan prior to January 1, 1996 to the extent that it will reduce the amount of Compensation taken into effect in determining their benefit below the amount that was allowed to be taken into account under the plan as in effect on July 1, 1993. The prior limits as increased with cost-of-living are used for the grandfathered participants. The grandfathered limits are summarized below:

Year	Compensation Limit
2007	$335,000
2008	$345,000
2009	$360,000
2010	$360,000
2011	$360,000
2012	$375,000

III. PARTICIPATION REQUIREMENTS

A. ELIGIBILITY FOR PARTICIPATION

The Plan's eligibility requirements are found in Section 3.1 of the Plan.

An eligible Employee shall include any Employee who is employed by the RTA, Metra, or Pace except the following:

- Employees who are covered by a collective bargaining agreement are not eligible to participate in the Plan unless the agreement specifically makes the Plan applicable to those Employees.

- Employees of the Chicago Transit Authority are not eligible to participate in the Plan.

- Independent contractors or leased Employees (as defined in the Internal Revenue Code) are not eligible to participate in the Plan.

B. PARTICIPATION PROCEDURES

An eligible Employee is automatically enrolled under the Plan, except that an Employee who serves as an interim or permanent member of the board of directors of the RTA, Metra or Pace must furnish an irrevocable election to participate within 30 days after appointment.

The Human Resources Departments at the Plan Employers will furnish the Actuary with information on new employees, including name, sex, Social Security Number, marital status, date of birth, date of hire, compensation and other relevant information. This information is entered into a Pension Access Database which is then provided to the Actuary.

IV. ACTIVE PARTICIPATION

Administrative duties required for active Employees are: maintaining accurate and current data, distributing benefit statements, providing estimates, and answering inquiries.

A. RECORDKEEPING

One of the most important Retirement Plan administrative functions is Employee record maintenance. This recordkeeping process includes establishing, updating and retaining complete records of current and former Employees in the Plan. This function is performed primarily through the actuarial valuation process. Currently, the Actuary maintains full Employee data history for all current and most former Participants in the Retirement Plan.

1. Actuarial Valuation

An actuarial valuation of the Plan is performed on an annual basis and has two primary purposes. First, the valuation measures the liabilities for the yet unpaid benefits that have been accrued by all the Participants in the Plan in the past, and the benefits that are expected to be accrued in the future by the current population of Participants actively employed by covered groups under the Retirement Plan. These liabilities are compared to the Plan's assets to evaluate the Plan's overall funded status. Second, the valuation determines the annual amount to be contributed to the Plan's assets to fund these liabilities, *i.e.,* to pay the benefits when they become due.

An actuarial valuation is done on an annual basis to ensure that the funding of the Plan is managed prudently. This allows the funding of the Plan to appropriately account for changes in participation population, changes in Plan provisions, changes in the Plan's assets, and changes in economic expectations (inflation, investment return, etc.).

2. Data Compilation

The valuation is based on Participant data which must be updated each year to reflect new salary information for actively employed Participants and to reflect changes in the Plan population, including new entrants, retirements, terminations and deaths.

The Actuary sends two Data Requests which are used to compile the annual update information for active employees to be added to the Actuary's Master Database. These requests are sent by January 31 of each year directly to the payroll and Human Resources departments of the Plan Employers with copies to the Plan Administrator.

The payroll departments provide actual Plan compensation amounts for the

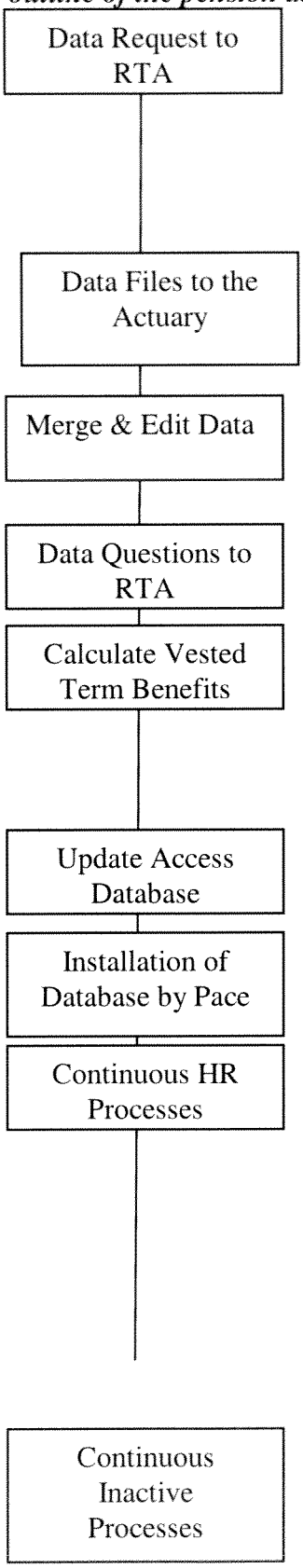
previous year. The Human Resources departments provide pay rates for the upcoming year, employee status changes, and information on new or terminated employees.

The annual updated data should be submitted to the Actuary by the end of the first calendar year quarter (i.e., March 31). Although much of the data remains the same from year to year, the following occurrences will cause the information to change: (1) new hires, (2) Employees switching from part-time to full-time employment or vice versa; (3) terminations, including vested terminations, retirements and disabilities; (4) transfers.

Once all data is received, the Actuary tests the data for reasonableness. Often, the Actuary will ask for additional information with respect to information that appears inconsistent from prior reports or that is incomplete or requires corrections. These questions and requests for clarification are made by April 15th.

The Annual Valuation is generally completed and a report issued by the end of May each year.

An outline of the pension data process is provided below:



1. Seven data requests sent from theActuary by January 31 to the Payroll and HR areas of the 3 Plan Employers and the Plan Administrator.
   HR provides: New employee data, January 1 earnings rate, marital status, transfer dates, data corrections and termination dates.
   Payroll provides: Actual prior year earnings and address.
   Plan Administrator provides: Updates to Access Database for inactives

2. Electronic files provided to the Actuary from Payroll areas of the three divisions by March 31. Access Database provided to Actuary by Pace with updated HR and inactive information by March 31.

3. TheActuary merges the new information onto their database and runs edit programs to look for inconsistent or missing data. The Actuary will generate a listing or file showing data questions by April 15.

4. Data questions are sent to the Plan Employers. Responses are provided on a listing or file and returned to the Actuary by April 30. A list of terminated employees is sent to the Plan Administrator to determine non-vested status.

5. The Plan Administrator calculates benefits for vested terminations during the prior year and returns to the Actuary.

6. The Actuary updates its databases and then loads data to the Access database by May 15.

7. Pace adds security and installs database by May 31st.

8. The HR divisions of the Plan Employers should process the following transactions continuously as they occur:
   - Add new employees
   - Update marital status and name changes
   - Correct inaccurate data
   - Add termination dates and status codes
   - Update rates of pay
   - Note changes in part-time or full-time status
   - Add transfer dates to and from union
   - Update data change code

9. The Plan Administrator should process the following transactions continuously as they occur:
   - Change or verify status codes for participants who terminate, retire, die, or become disabled
   - Enter QDRO information
   - Enter benefit and form information
   - Enter beneficiary birthdates and gender codes

3. Inactive Data

Data for inactive employees (i.e., former employees who are either entitled to a future benefit or retired and receiving benefits) must also be maintained by the Plan Administrator. Records for these employees are maintained by the Actuary on the Master Database and by the Plan Administrator on both listings and the Access Database. The Plan Administrator and Plan Employers update the inactive data throughout the year as terminations, retirements, deaths, and address changes occur. This updated data is also submitted to the Actuary through the Access Database by March 31.

4. Master Database

The annual update data is reconciled and added to the Master Database maintained by the Actuary. The Master Database is used for several purposes in addition to the annual valuation. Access Database Records are maintained by the Plan Employers and Administrator for each active Participant. Printed Record Cards are also maintained by the Administrator. These are updated each year, generally by May 31st. These records contain information regarding service, prior service credit, compensation, beneficiary/spouse data and other pertinent information about each Participant. For new vested terminees, The Plan Administrator calculates their accrued benefit The Plan Administrator mails out notices on or about September 15 of each year to vested terminees who left during the prior year to provide them with their benefit amounts.

5. Benefit Statements

After the valuation is completed, benefit statements are sent to all Participants in the Plan. A preliminary benefit list is prepared by the Actuary by June 15 and is confirmed by the Plan Administrator by July 15. The Plan Administrator sends the benefit statements to the Plan Employers, which distribute the benefit statements to the Participants during the first week in August.

B. BENEFIT ESTIMATES

Occasionally an Employee will request an estimate of what his benefit will be at retirement. These requests most frequently arise when an Employee is terminating or is approaching retirement age.

Inquiries should be responded to as soon as possible. If a full response cannot be accomplished within 30 days, an acknowledgement letter should be sent. Benefit estimate requests can be limited to two during any 12-month period. In order to document compliance to Employee inquiries, a correspondence file should be maintained.

To prepare a benefit estimate, follow the procedures below:

1. The Plan Administrator should document a request for benefit estimate.. Confirmation of age may be required at this time if an employee is contemplating actual retirement

   For Participants who are age 55 or older and eligible for early retirement, inform the Participant of all the options available (refer to the "How Your Benefits are Paid" Section of the Summary Plan Description for a description of the optional forms) and prepare the benefit estimate accordingly.

2. The Plan Administrator will forward the Benefit estimate to the Participant.

3. The Plan Administrator will create a folder for the Participant and file the estimate and related correspondence.

4. For Participants approaching early retirement age, send the estimate with an Application Form and Certification of Evidence of Date of Birth Form

V. EARLY RETIREMENT

A. ELIGIBILITY AND EARLY RETIREMENT DATE

The Early Retirement provisions under the Plan are contained in Section 6.2 of the Plan.

To qualify for Early Retirement, a Participant must:

1. attain at least age 55;

2. complete at least 10 years of Vesting Service;

3. be actively at work at the time of termination or receiving long term disability benefits; and

4. notify the Plan Administrator in writing of his/her intent to retire early.

Early Retirement Date is the first day of any month coincident with or immediately following the date the above conditions are met and before the Participant's Normal Retirement Date.

B. MONTHLY BENEFITS AT EARLY RETIREMENT

Monthly benefits generally begin on the first of the month coincident with or next following the Participant's Normal Retirement Date. However, if the Participant elects, payments may start on the first day of any month after the Participant terminates employment on or after his Early Retirement Date and before his Normal Retirement Date. The Participant's Pension at Early Retirement Date will be based on his Accrued Benefit as of his Early Retirement Date. The Participant must elect a method of payment within 30 days before benefits can begin in accordance with the procedures described below.

If benefits begin prior to the Participant's Normal Retirement Date, his/her Pension will be reduced .16666% for each month that his/her benefit commencement date precedes his/her Normal Retirement Date.

Early retirement factors at representative ages are shown in the following table:

If Payments Begin At Age	Number of Months Before Normal Retirement	% of Accrued Benefit Payable
64	12	98%
63	24	96%
62	36	94%
61	48	92%
60	60	90%
59	72	88%
58	84	86%
57	96	84%
56	108	82%
55	120	80%

If a Participant defers the commencement of his/her Pension to his/her Normal Retirement Date, his/her Accrued Benefit will **not** be reduced.

Special Rule of 85 – A Participant who has attained age 55 and whose sum of age and years of Continuous Service equals or exceeds 85 will be entitled to an unreduced benefit commencing on or after his/her Early Retirement Date. This special rule applies for terminations on or after August 1, 1999.

Examples:

Example 1. A participant decides to retire at age 57 with 30 years of Vesting Service. His/her normal retirement benefit (age 65 benefit) is $275.00 per month. The age plus service for this employee is 87 (57 plus 30 equals 87), and consequently, the participant meets the Rule of 85. The participant will receive a monthly benefit of $275 at age 57, without the age 57 early retirement reduction of 16%.

Example 2. A participant wants to retire at age 56 with 27 years of Vesting Service. This participant does not meet the Rule of 85 (56 plus 27 equals 83), and, consequently, his/her normal retirement benefit will be subject to an early retirement reduction. However, if the participant either continues to work one more year or retires but defers payment of his/her benefit for two years, he/she will then meet the Rule of 85 (57 plus 28 equals 85 and 58 plus 27 equals 85) and his/her normal retirement benefit will not be subject to an early retirement reduction.

Example 3. A participant terminates service at age 50 with 30 years of Vesting Service. This participant meets the Rule of 85 upon retirement at age 55 (55 plus 30 equals 85) and his/her normal retirement benefit will not be subject to an early retirement reduction.

C. IMMEDIATE EARLY RETIREMENT PROCEDURES

The Early Retirement Procedure generally begins when a Participant contacts the Plan Administrator about beginning Early Retirement under the Plan. If an employee who is eligible for early retirement terminated without contacting the Plan Administrator, follow

the procedures listed in subsection D of this Section V. In most instances the Plan Administrator will have already been contacted by the Participant to request a Benefit Estimate (see Section IV). The following procedures will apply after the Plan Administrator has been contacted regarding Early Retirement:

IMMEDIATE PAYMENT PROCEDURES

Step 1 Participant notifies the Plan Administrator of his/her intent to commence benefits. The Plan Administrator asks the Participant to complete an Application Form and provides a copy of the Certification of Evidence of Date of Birth Form.

Based on the Access Database information, confirm that the Participant is eligible for early retirement.

Step 2 Set up a file folder to include copies of all forms and related correspondence. . If necessary, Prior Service Credit should be verified and former employers contacted to determine basis for offset.

Step 3 After receiving the Application Form and Certification of Evidence of Date of Birth Form, the Plan Administrator calculates the retirement benefit, all optional forms, and relative values.

Step 4 The Plan Administrator then prepares a retirement packet.,. The packet generally includes a cover letter from the Plan Administrator explaining the procedures, the benefits calculation, plus the following forms as may be appropriate:

- Explanation of Methods of Distribution
- Election of Method of Distribution for Retirement Benefits
- Designation of Beneficiary for Optional Form of Benefit
- Notice to Participant's Spouse of Qualified Joint and Survivor Annuity Form
- Spousal Consent
- Distribution Notice with Relative Value Disclosure
- Authorization for Federal Tax Withholding
- Authorization for Direct Deposit Form

Step 5 Plan Administrator sends the retirement package to the Participant; Participant completes benefit election and signs forms; spousal consent also obtained if necessary. Benefit election forms must be submitted between 30 and 90 days prior to the date on which the Participant's benefit commences, unless the 30-day period is waived.

Step 6 The Participant returns election forms to Plan Administrator's office.

Step 7 The Plan Administrator sets up the Participant for payment with the Custodian Bank to commence payment. The Plan Administrator adds the Participant's data to the Access Database per instructions in the Access Database Manual.

Step 8 An authorized agent of the RTA is notified via email of the set up.

Step 9 An authorized agent of the RTA approves the payment set up.

D. DEFERRED PAYMENT PROCEDURES

Step 1 If a Participant who is eligible for early retirement terminates but does not apply for benefits, a Notice to Terminated Employees with a Vested Right Under the Plan should be prepared.

Step 2 Forward a copy of the Notice to Terminated Employees with a Vested Right Under the Plan to the Participant.

Step 3 Once the Participant contacts you, follow procedures described in subsection C above.

VI. NORMAL RETIREMENT

A. ELIGIBILITY AND NORMAL RETIREMENT DATE

The Normal Retirement provisions are contained in Article 6.1 of the Plan.

Normal Retirement Date is the first of the month coincident with or next following a Participant's 65th birthday.

An active Participant is automatically 100% vested at age 65.

B. MONTHLY BENEFITS AT NORMAL RETIREMENT

If a Participant retires on his/her Normal Retirement Date, monthly retirement benefits commence **immediately** and are based on the Participant's years of Benefit Service and Final Average Earnings. The Participant must elect a method of payment between 30 and 90 days before benefits begin, unless the 30-day waiver is in effect.

Lump Sum Payments - A Participant who retires on or after Normal Retirement Age may elect to receive his/her Plan benefit in the form of a lump sum in lieu of monthly payments. If the Participant elects a lump sum payment, no further payments from the Plan will be made to him/her.

C. NORMAL RETIREMENT PROCEDURES

The procedures outlined below will apply to employees terminating and commencing benefits on their Normal Retirement Date. See Section V for procedures if an employee terminates prior to Normal Retirement. See Section VII for procedures if an employee terminates after their Normal Retirement Date.

Once an employee terminates employment on or after their Normal Retirement Date, it is not required that the Participant's consent be obtained before benefits can commence.

PRIOR TO RETIREMENT

Step 1 Between three to four months before a Participant's Normal Retirement Date, send the Participant a letter notifying them of the procedure to follow to request benefit commencement, an Application Form and Certification of Evidence of Date of Birth Form Participants should be encouraged to notify the Plan Administrator between 30 and 90 days before their planned retirement.

Step 2 Set up a file folder to include copies of all forms and related correspondence. If necessary, Prior Service Credit should be verified and former employers contacted to determine basis for offset.

UPON NOTIFICATION FROM THE PARTICIPANT THAT HE WISHES TO RETIRE, the following procedures should be followed:

Step 1 Participant notifies the Plan Administrator of his intent to retire and completes an Application Form.

Step 2 After receiving the Application Form and Certification of Evidence of Date of Birth form and required evidence of date of birth, the Plan Administrator calculates calculates the requested benefit.

Step 3 The Plan Administrator should prepare a retirement packet, completing as much of the data on the forms as possible. The packet includes a cover letter from the Plan Administrator explaining the procedures, the benefits calculation, plus the following forms as may be appropriate:

- Explanation of Methods of Distribution
- Election of Method of Distribution of Retirement Benefits
- Designation of Beneficiary for Optional Form of Benefit
- Notice to Participant's Spouse of Qualified Joint and Survivor Annuity Form
- Spousal Consent
- Distribution Notice with Relative Value Disclosure
- Authorization for Federal Tax Withholding
- Authorization for Direct Deposit Form.
- If eligible for a lump sum, provide the following additional forms:
  - Special Tax Notice Regarding Plan Payments
  - Election of Direct Rollover for Qualifying Distribution

Step 4 Plan Administrator sends the retirement package to the Participant; Participant completes benefit election and signs forms; spousal consent also obtained if necessary; benefit election forms must be submitted between 30 and 90 days prior to the date on which the Participant's benefit commences, unless the 30-day waiver is in effect.

Step 5 The Participant returns election forms to Plan Administrator's office.

Step 6 If the retired or terminated Participant does not return the election forms before Normal Retirement Age after several reminders, you may treat the Participant as if he elected a monthly Life Annuity (if single) or the Qualified Joint and Survivor Annuity (if married).

Step 7 The Plan Administrator sets up the Participant for payment with Custodian Bank. The Plan Administrator adds the Participant's data is to the Access Database per instructions in the Access Database Manual.

Step 8 An authorized agent of the RTA is notified via email of the set up.

Step 9 An authorized agent of the RTA approves the payment set up.

VII. LATE RETIREMENT

A. ELIGIBILITY AND LATE RETIREMENT DATE

The Late Retirement provisions are contained in Section 6.14 of the Plan.

Late Retirement Date - is the first of the month coincident with or immediately following a participant's termination from service subsequent to the first of the month coincident with or following their Normal Retirement Date.

A Participant may elect to continue active employment beyond his/her Normal Retirement Date. A Participant may also return to service after retirement in which case benefits may be suspended.

Benefits payable after Normal Retirement Age are generally governed by the same Plan sections applicable to Normal Retirement. When the Participant actually terminates employment, it is not required that the Participant's consent be obtained before distribution of benefits can occur. Benefits generally begin on the first day of the month following the date that the Participant terminates employment. In addition, Participants will become fully vested in their benefits at Normal Retirement age (age 65) regardless of their number of years of service.

B. MONTHLY BENEFIT AT LATE RETIREMENT DATE

If a Participant continues to work past Normal Retirement Age, the monthly retirement benefit upon retirement will be determined as follows:

If a Participant continues to work beyond his/her Normal Retirement Date and is scheduled to work less than 40 hours per month (or if actual hours are not tracked, the Participant is paid for less than 8 days of work per month), the Participant's monthly retirement benefit will commence either on the first of the month coincident with or next following his/her Normal Retirement Date or the date on which his/her schedule is reduced to less than 40 hours per month, if later. Thereafter, the Participant will accrue no further benefits on account of his/her continued service.

If a Participant continues to work beyond his/her Normal Retirement Date and is scheduled to work more than 40 hours per month (or if actual hours are not tracked, the Participant is paid for 8 or more days per month), benefits will commence on his/her Late Retirement Date and will be calculated based on all years of Credited Service and Final Average Compensation. A Suspension of Benefits Notice is provided to the participant.

Lump Sum Payments - A Participant who retires on or after Normal Retirement Age may elect to receive his/her Plan benefit in the form of a lump sum in lieu of monthly payments. If the Participant elects a lump sum payment, no further payments from the Plan will be made to him/her.

C. LATE RETIREMENT PROCEDURES

When a Participant continues employment beyond Normal Retirement Date, the procedures outlined below will apply.

PRIOR TO RETIREMENT

Step 1 The participant should have been notified and supplied with a retirement application prior to their Normal Retirement Date. In addition, a file folder should have been set up for them with a copy of the Normal, Early, and Late Retirement Checklist. If necessary, Prior Service Credit should be verified and former employers contacted to determine basis for offset.

Step 2 Participants working past their Normal Retirement Date should be monitored to determine if the Participant is scheduled to work less than 8 days per month (or 40 hours in a calendar month if hours of service are determined or used for a participant). If so, the Participant's benefit should start immediately. Follow the procedures under Section VI for Normal Retirements. If the Participant does not complete the election forms, the Plan Administrator should fill out the forms that will generate a life annuity for single Participants or a qualified joint and survivor annuity for married Participants, with appropriate federal and state withholding.

Step 3 If the Participant is working more than 8 days per month (or 40 hours in a calendar month if hours of service are determined or used for a participant) and is not entitled to commence immediate payment of benefits, provide the Suspension of Benefit Notice.

WHEN THE PARTICIPANT ACTUALLY RETIRES

The following procedures apply:

Step 1 Participant notifies the Plan Administrator of his intent to retire and completes an Application Form.

Step 2 After receiving the Application Form and Certification of Evidence of Date of Birth Form, the Plan Administrator calculates the benefit.

Step 3 The Plan Administrator will prepare a retirement packet. The packet includes a cover letter from the Plan Administrator explaining the procedures, the benefits calculation, plus the following forms as may be appropriate:

- Explanation of Methods of Distribution
- Election of Method of Distribution for Retirement Benefits
- Designation of Beneficiary for Optional Form of Benefit
- Notice to Participant's Spouse of Qualified Joint and Survivor Annuity Form
- Spousal Consent
- Distribution Notice with Relative Value Disclosure
- Authorization for Federal Tax Withholding
- Authorization for Direct Deposit Form
- If eligible for a lump sum, provide the following additional forms:
  - Lump Sum Payment Notice
  - Special Tax Notice Regarding Plan Payments
  - Election of Direct Rollover for Qualifying Distribution

Step 4 Plan Administrator sends the retirement package to the Participant; Participant completes benefit election and signs forms; spousal consent also obtained if necessary; benefit election forms must be submitted between 30 and 90 days prior to the date on which the Participant's benefit commences, unless the 30-day waiver is in effect.

Step 5 The Participant returns election forms to Plan Administrator's office.

Step 6 If the retired Participant does not return the election forms, you may treat the Participant as if he elected a monthly Life Annuity (if single) or the Qualified Joint and Survivor Annuity (if married).

Step 7 The Plan Administrator sets up the Participant for payment with the Custodian Bank. The Plan Administrator adds the Participant's data to the Access Database per instructions in the Access Database Manual.

Step 8 An authorized agent of the RTA is notified via email of the set up.

Step 9 An authorized agent of the RTA approves the payment set up.

VIII. TERMINATION OF EMPLOYMENT

A. TERMINATION OF VESTED PARTICIPANT

A Participant who terminates employment before his/her Early Retirement Date or Normal Retirement Date will be vested in his/her Accrued Benefit if he/she has been credited with at least 5 years of Vesting Service. No benefits are payable to Participants who terminate prior to meeting this requirement. If a Participant terminates employment before fulfilling the vesting requirement and makes an inquiry about his/her benefit status, issue a Notice to Terminated Employee - Nonvested Participant.

B. AMOUNT OF BENEFIT AND DATE PAYABLE

A monthly Pension due a terminated Participant will begin on the first of the month coincident with or next following the Participant's Normal Retirement Date and will equal the Accrued Benefit earned by him/her up to the date of his/her termination. However, in the case of a Participant who, at the time of his/her termination has satisfied the 10-year service requirement but not the age requirement for Early Retirement (see Section V of this manual), such Participant may request commencement of his/her Pension at any time after he reaches the age required to qualify for Early Retirement (age 55). If benefits commence prior to the Participant's Normal Retirement Date, the amount will be reduced in the same manner as for early retirement to account for the additional months of payment.

All of the optional forms of benefit are available for vested terminated Participants except the lump sum option since the lump sum option is only available to participants who retire from active employement on or after age 65 and were employed prior to January 1, 2011.. The Participant must make his/her election between 30 and 90 days before benefits begin.

A Preretirement Spouse's Pension is provided for vested Participants who are married at the time of their death. (See Plan Section X of this Manual.)

Lump Sum Payments The Plan Administrator will authorize an immediate lump sum payment to a terminated Participant if the value of his vested Accrued Benefit does not exceed $1,000. (Plan Section 6.12)

C. TERMINATION PROCEDURES

When a Participant terminates and is eligible for a Deferred Monthly Benefit commencing on the first of the month coincident with or next following their Normal Retirement Date, the following procedures will apply at the Employee's Date of Termination.

Step 1 Termination dates for all employees who terminated during the year are provided to Actuary during the Actuarial valuation processing.

Step 2 The Actuary sends a list of terminated employees to the Plan Administrator to determine vested and non-vested status.. The Plan Administrator calculates the vested accrued benefit and sends the list with the vested accrued benefit to the Actuary.

Step 3 Set up a file folder to include copies of all forms and related correspondence.

a. If the participant is eligible for a lump sum because the value of their Benefit is less than $1,000, the Plan Administrator sends the Lump Sum Payment Notice, the Special Tax Notice Regarding Plan Payments and the Election of Direct Rollover for Qualifying Distribution.

b. If no lump sum payment is to be made, complete the appropriate Notice to Terminated Employees with a Vested Right Under the Plan (different forms for those with less than or greater than 10 years of Vesting Service) and forward to the Participant.

Step 4 If a lump sum is to be made, once the Participant has returned the election forms or following 30 days if the form has not been returned, the Plan Administrator sets up the lump sum payment with the Custodian Bank.

Step 5 An authorized agent of the RTA is notified via email.

Step 6 An authorized agent of the RTA approves the payment set up.

WHEN BENEFITS BECOME PAYABLE

If the Participant was not cashed out at termination, the following procedures should be followed at Normal Retirement Date or when the Participant makes an election for commencement of payment at or after his/her Early Retirement Date:

Step 1 Any time after the terminated Participant reaches his/her early retirement date, he/she may notify the Plan Administrator of his/her intent to commence benefits. The Plan Administrator asks the Participant to complete an Application Form and provides a copy of the Certification of Evidence of Date of Birth Form.

Based on the Access Database information, confirm that the Participant is eligible for early retirement.

Step 2 Locate file. If union transfer, probably no file exists. If terminated participant, a file should exist. Check Social Security Death Index to see if deceased.

Step 3 If file exists and participant is terminated participant, check for calculation and last known address. If no address in file, check Access database for address. If none, contact appropriate division (RTA, METRA, PACE) for information. If still no address, check ZABASEARCH. If more than one address comes up on ZABASEARCH, send inquiry letter to addresses. If no match, can use IRS's :etter Frowarding Program.

If union transfer, check with division to see if subsequently terminated employment with division. Participant cannot commence pension until they have terminated.

Step 4 Verify benefit amount. (By either reviewing benefit calculation in file, or if no calculation in file, reconstructing benefit with information from division or the Actuary.

Step 5 If a vested terminated participant has not contacted the Plan Administrator about their retirement, between three to four months before the Participant's Normal Retirement Date, send the Participant a letter notifying them of the procedure to follow to begin benefits, an Application Form and a Certification of Evidence of Date of Birth Form. Participants should be encouraged to notify the Plan Administrator between 30 and 90 days before their planned commencement date.

Step 6 After receiving the Certification of Evidence of Date of Birth Form, the Plan Administrator calculates the requested benefit.

Step 7 The Plan Administrator should prepare a retirement packet, The packet includes a cover letter from the Plan Administrator explaining the procedure, the benefits calculation, plus the following forms as may be appropriate:

- Explanation of Methods of Distribution
- Election of Method of Distribution for Retirement Benefits
- Designation of Beneficiary for Optional Form of Benefit
- Notice to Participant's Spouse of Qualified Joint and Survivor Annuity
- Spousal Consent
- Distribution Notice with Relative Value Disclosure
- Authorization for Federal Tax Withholding
- Authorization for Direct Deposit Form.

Step 8 The Participant returns forms to Plan Administrator's office.

Step 9 If the vested terminee does not return the election forms before he reaches Normal Retirement Age, after several reminders you may treat the Participant as if he elected a monthly Life Annuity (if single) or the Qualified Joint and Survivor Annuity (if married).

Step10 The Plan Administrator sets up the Participant with the Custodian Bank. The Plan Administrator adds the Participant's data to the Access Database per instructions in the Access Database Manual.

Step 11 An authorized agent of the RTA is notified via email of the set up.

Step 12 An authorized agent of the RTA approves payment set up.

IX. DISABILITY

A. DISABLED PARTICIPANTS

The Disability provisions are contained in Section 6.3 of the Plan.

To qualify for a Disability benefit, a Participant must have terminated employment prior to attaining their Normal Retirement Date due to disability and have at least 10 years of Vesting Service.

Participants are eligible to continue to earn service under the Plan while the Participant is on disability. If a Participant is disabled and receiving benefits under one of the Plan Employer's long-term disability plans, Continuous Service continues to be credited until the Participant reaches age 65. The RTA Pension Plan benefits become payable when the Participant ceases to receive long-term disability benefits.

Compensation used to determine benefit accruals is the rate of Compensation in effect for the Participant for the last full calendar year of employment (or succeeding year, if greater). Only the compensation earned directly from a Plan Employer is included. Compensation from any other source, such as the state or an insurance Employer is not included in determining benefit accruals. In addition, any Long-Term Disability payments are not included in Compensation.

Generally, if the Participant qualifies for the Long-Term Disability Plan, he/she will have been deemed to qualify for disability under the Plan.

B. RECOVERY FROM DISABILITY AFTER QUALIFYING FOR A DISABILITY BENEFIT

If a disabled Participant recovers from total and permanent disability prior to his/her Normal Retirement Date and returns to work within a reasonable time after his/her recovery, he/she will again become an active Participant of the Plan. Prior Credited Service will be recognized plus Continuous Service earned during the period of disability, plus Continuous Service following remployment will be taken into account in any future benefit calculations.

If a disabled Participant recovers and does not return to work within a reasonable time, he/she will be deemed to have terminated employment and all Continuous Service accruals will cease. The Participant may be entitled to future benefit payments based on his/her Accrued Benefit as of the date of termination. However, if at that time the Participant otherwise satisfies the conditions for Early Retirement or Normal Retirement, the Participant may elect to commence a benefit in accordance with the applicable procedures stated herein. Otherwise, the Participant is treated as a vested terminee for purposes of future benefit payments.

X. DEATH BENEFITS

A. DEATH BEFORE BENEFITS BEGIN

Death benefits are governed by Plan Section 6.10.

In the event benefits have not begun upon the death of a Participant, the Participant's spouse may be entitled to a benefit from the Plan. If the Participant should die before becoming vested in his/her Accrued Benefit or if the Participant is not survived by a spouse, no death benefit will be payable from the Plan, except if a Civil Union Partnership is in effect.

Each vested Participant who is survived by a spouse is covered by the Preretirement Spouse's Pension. This benefit provides a monthly income to the spouses of vested Participants who die before commencing their retirement benefits. The benefits to the spouse will end at the spouse's subsequent death. Note, this benefit applies to all vested Participants, regardless of their employment status (including vested terminated participants). However, this benefit does not apply if the Participant is already in pay status or has already received his/her entire vested balance in a lump sum.

If the Participant terminates employment or remains in employment after attaining his Normal Retirement Date (i.e. age 65) and dies prior to commencing benefits, then his surviving spouse will receive a monthly benefit equal to the retirement income that the spouse would have received if the Participant had commenced a Qualified Joint and 100% Survivor Annuity on the day before he died. As mentioned below, the spouse may elect a lump sum payment in lieu of the 100% Joint and Survivor Annuity.

If the Participant terminates employment prior to his/her Normal Retirement Date and dies after attaining his/her Normal Retirement Date (i.e. age 65) or his/her Early Retirement Date (i.e. 10 Years of Vesting Service and age 55) and prior to the date benefits commence, then his/her surviving spouse will receive a monthly benefit equal to the benefit the spouse would have received if the Participant had commenced a Qualified Joint and 50% Survivor Annuity on the day before he died.

If the Participant dies before his/her Normal Retirement Date or Early Retirement Date with less than 10 years of Vesting Service but after becoming entitled to a Deferred Vested Benefit, then his/her surviving spouse will receive a monthly benefit equal to the benefit the spouse would have received if the Participant had:

- terminated employment on the earlier of date of termination or the date of his/her death;
- Survived to age 65;
- Commenced receiving his/her benefit as a 50% Qualified Joint and Survivor Annuity form at that date; and
- Died on the following day.

If the Participant dies before his/her Normal Retirement Date or Early Retirement Date with 10 or more years of Vesting Service, then his/her surviving spouse will receive a monthly benefit equal to the benefit the spouse would have received if the Participant had:

- Terminated employment on the date of his/her death;
- Survived to age 55;
- Commenced receiving his/her pension as a Qualified Joint and 50% Survivor Annuity, and
- Died the following day.

Lump Sum Payments If the present value of the spouse's benefit is $1,000 or less, the spouse will receive a lump sum in lieu of a life annuity as described in Section X of this manual. If the Participant died in active service after reaching age 65 or terminates service after attaining age 65 but before benefits commenced, the surviving spouse may elect to receive a lump sum distribution equal to the lump sum amount that the participant could have elected to receive upon his/her date of death.

The earliest time of payment of the Preretirement Spouse's Pension can be summarized by the following table:

ELIGIBILITY AGE/SERVICE	COMMENCEMENT DATE
Eligible for Early, Normal or Late Retirement	First day of the month coincident with or next following Participant's death.
Before age 65, with at least 5 years of Vesting Service but less than 10 years of Vesting Service.	First day of the month coincident with or next following the date the Participant would have reached age 65.
Before age 55, with 10 or more years of Vesting Service	First day of the month coincident with or next following the date the Participant would have been eligible for early retirement.

If on retirement a Participant properly elected a 75% or 100% Joint and Survivor Annuity with his/her spouse named as beneficiary, the Preretirement Spouse's Pension will be the benefit payable under such option even though benefits may not have commenced. If a participant terminates employment or is still employed after attaining his/her Normal Retirement Date (i.e.age 65) and dies prior to commencing benefits, the Preretirement Spouse's Pension will be payable as if the Participant elected the 100% Joint and Survivor Annuity.

B. DEATH AFTER BENEFITS BEGIN

When a retired Participant who is receiving benefits dies, his/her spouse or beneficiary will be entitled to any benefits due under the form of payment elected by the Participant at the time benefits commenced. If the Participant elected a life only annuity or the period of guaranteed payments under the option selected is exhausted at the time of death, no death benefit will be payable. Similarly, no benefit is payable upon death if the Participant received a lump sum payment of his/her benefit.

C. DEATH OF A RETIRED PARTICIPANT WHO HAS BEEN REEMPLOYED

If a Retired Participant who was reemployed and was not receiving benefits, dies before retiring again, the benefit described under Part A (Death Before Benefits Begin) will apply.

If a Retired Participant who was reemployed and his/her benefits were **not** suspended, dies before retiring again, the benefit described under Part B (Death After Benefits Begin) will apply.

D. PROCESSING DEATH BENEFITS

Death Before Benefits Begin

1. If the deceased Participant is not survived by a spouse, the Plan Administrator should report the death to the Actuary at the time the annual valuation data is prepared.

2. If the deceased Participant is not vested on the date of death, the surviving spouse, if any, is not entitled to receive a benefit. In this case, if the surviving spouse has made an inquiry to a Plan Employer concerning his or her entitlement for a survivor's benefit, the Plan Administrator issues a letter to the surviving spouse explaining that he or she is ineligible for a survivor's benefit.

3. If the deceased Participant is survived by a spouse who is entitled to benefits, the following procedures will apply:

   Step 1 Notice of the Participant's death is provided to the Plan Administrator in the case of an active Employee or to Plan Administrator's office by the Employee's spouse in the case of an inactive Employee.

   Set up a file folder for the deceased Participant to include copies of applicable forms and correspondence. If necessary, Prior Service Credit should be verified and former employers contacted to determine basis for offset.

Step 2 In the case of an active Employee, the Plan Administrator requests information such as the address, date of death, marital status, and spouse date of birth from the applicable Human Resources Department. In the case of an inactive Employee, the Plan Administrator obtains this information from the surviving spouse.

Send a Notification to Surviving Spouse letter and Certification of Evidence of Date of Birth form to the spouse.

Step 3 After receiving evidence of date of birth, the Plan Administrator calculates the spouse's benefit under the Plan.

Step 4 Plan Administrator sends the following forms to the surviving spouse:

- Surviving Spouse Letter
- Authorization for Federal Tax Withholding
- Authorization for Direct Deposit
- If eligible for a lump sum, provide the following additional forms:
  - Special Tax Notice Regarding Plan Payments
  - Election of Direct Rollover for Qualifying Distribution

Step 5 Once the spouse has returned the forms, the Plan Administrator sets up the payment with the Custodian Bank.

Step 6 An authorized agent of the RTA is notified via email of the set up.

Step 7 An authorized agent of the RTA approves payment set up.

Step 8 If the surviving spouse does not return the election forms by the time the Participant would have attained Normal Retirement Age, you may commence the applicable annuity form of benefit as of the date the Participant would have reached Normal Retirement Age.

Step 9 The Plan Administrator adds the Participant's data to the Access Database per instructions in the Access Database Manual.

Death After Benefits Begin

1. If no future benefits are payable at the time of the Participant's or Joint Annuitant's death, notify the Custodian Bank to discontinue payments to the Participant or beneficiary.

2 If the beneficiary or spouse of a deceased Participant is entitled to continued benefits, the following procedures will apply:

Step 1 Notice of death of a former Participant or beneficiary in payment status is provided to Plan Administrator by the beneficiary or other relative.

Step 2 Plan Administrator retrieves the former Employee's Beneficiary Designation Form and determines the benefit amount, if any, payable to the beneficiary.

Step 3 Plan Administrator sends the spouse/beneficiary a letter explaining the process, including the following forms:

- Notification to Beneficiary
- Authorization for Federal Tax Withholding

Step 4 Once the Plan Administrator is in receipt of the Participant's death certificate, Plan Administrator sets up payment to the beneficiary with the Custodian Bank.

Step 5 An authorized agent of the RTA is notified via email.

Step 6 An authorized agent of the RTA approves payment set up.

Step 7 The Plan Administrator adds the Participant's data to the Access Database per instructions in the Access Database Manual.

XI. REHIRES, LEAVES OF ABSENCE AND TRANSFERS

A. REEMPLOYMENT BEFORE BENEFITS COMMENCE

If a former Participant who terminated employment with a deferred vested benefit is reemployed before he/she begins receiving benefits from the Plan, he/she will reenter the Plan on his/her reemployment date. (Plan Section 6.9) No benefits will be payable or may become payable during his/her period of reemployment until Normal Retirement Age or on his/her subsequent termination from employment.

The Actuary will notify the Plan Administrator of rehires during the actuarial valuation process. Alternately, a reemployed employee may indicate to Human Resources that they previously worked for a Plan Employer and Human Resources will notify the Plan Administrator at the time of Actuarial Data Processing.

The following procedures should be followed when a former Participant (vested or nonvested) is identified as a rehire:

Step 1 Review the Participant's previous Continuous Service and earnings history. This may involve referring to the Master Databasemaintained by the Actuary. Record Cards from the year of termination may also be researched. Set up a file folder for the rehired employee with this information.

Step 2 If the Participant was vested, service before the Break will be counted for vesting and benefit purposes, unless the Participant received a lump sum distribution of his/her Accrued Benefit (see Step 3 if he/she received a lump sum). If the Participant was not vested, determine if a Break in Service occurred (i.e., a plan year in which a Participant worked less than 500 hours). In general, if the Participant was absent for less than five years, service before the Break will be counted for vesting and benefit purposes.

If the Participant was nonvested and was absent for more than five consecutive one-year Break in Service periods, he/she will be treated as a new Employee and all prior service will be disregarded for vesting and benefits purposes.

Step 3 If the Participant received a lump sum distribution, his/her file folder should reflect the distribution. If the Participant received a lump sum payment, the Participant does not have the option to pay back the lump sum. Credited Service is reinstated and upon retirement, the accrued benefit is offset by the portion of the accrued benefit already received in a lump sum.

Step 4 At year-end when updating the data tape for the Actuary, indicate the Participant's new status and reinstated service.

B. REEMPLOYMENT WHILE RECEIVING BENEFITS

Human Resources should contact the Plan Administrator when a retiree is rehired. Alternately, the Actuary will check for rehires in the valuation process and forward them to the Plan Administrator.

1. If a retiree who i) has attained age 65 and is reemployed in an employment classification in which he/she is expected to work more than 8 days per month (or 40 hours in a calendar month if hours of service are determined or used for a participant) or ii) is less than age 65 and is reemployed, then his/her monthly benefits will be suspended as of the first day of the month coincident with or immediately following his/her reemployment. The Participant will again become an active Participant of the Plan and may accrue additional benefits.

   Upon the Participant's subsequent retirement, benefits will be redetermined in accordance with the provisions of the Plan then in effect. Credited Service accrued up to the time of the Participant's initial termination is added to the Credited Service accrued after reemployment. The redetermined benefit will be reduced by the actuarial equivalent of the benefits previously paid, but in no event will the benefit be less than what the Participant was receiving before he/she became reemployed.

2. If a retiree who has attained age 65 is reemployed and is expected to work less than 8 days per month (or 40 hours in a calendar month if hours of service are determined or used for a participant), his/her monthly benefits will continue as though he/she had not returned to work. No additional benefits will accrue.

Procedures for Rehires in Pay Status If a Retired Participant is reemployed before Normal Retirement Age or for more than 8 days per month (or 40 hours in a calendar month if hours of service are determined or used for a participant), after Normal Retirement Age the following procedures apply:

Step 1 As soon as the Plan Administrator is contacted regarding a rehired retiree, complete a Notice of Suspension of Benefits to Rehired Participants and give it to the Participant to advise him that his/her benefits are suspended.

Step 2 The Plan Administrator will prepare notify the Custodian Bank to suspend payment of benefits.

Step 3 An authorized agent of the RTA will be notified of the suspension of benefits set up via email.

Step 4 An authorized agent of the RTA will authorize the suspension of benefits set up.

Step 5 Participant's file is updated and data is retained for inclusion in the next annual update submitted to the Actuary; Credited Service will be restored.

Step 6 When the Participant again retires, it will be necessary to recalculate the Participant's benefit; follow the procedures in the applicable section of the manual (*i.*e. early retirement, normal retirement or late retirement).

C. RETURN FROM LEAVE OF ABSENCE

When an Employee is on a paid leave of absence, or in qualified military service, he/she is treated as an active Employee. If the Employee does not return to active employment, he/she will be deemed to have terminated. His/her termination date will be provided to the Plan Administrator in the annual valuation processing. In this case, follow the procedures under Section VIII of this manual for terminated Participants.

D. TRANSFERS

If an Employee transfers from one participating affiliated Employer to another, he/she will continue to participate in the Plan. The RTA, Metra and Pace are participating Employers for purposes of the Plan. If there is any doubt whether an Employee's prior employment was with a participating affiliate, check with the appropriate division's Human Resources Department.

If an Employee transfers from a position not covered under the Plan (*e.g.,* a union Employee), his/her Prior Service is taken into account for determining whether he/she is vested (5 years of Vesting Service), eligible for early retirement (10 years of Vesting Service), eligible for unreduced early retirement under the Rule of 85 (age plus Vesting Service), or eligible for a disability benefit (10 years of Vesting Service).

If an Employee transfers into an employment classification which is not covered by the Plan, his/her benefits shall be determined as of the date of his/her transfer by the Plan Administrator at the time of the annual valuation. However, continued service with the

Employer will count for vesting and early retirement eligibility purposes.

The Plan Administrator will calculate the Employee's Accrued Benefit as of the date of the transfer as part of theannual valuation processing. This information is added to the Access Database.

XII. PROCEDURES FOR CALCULATION AND APPROVAL OF LUMP SUMS FOR LOST PARTICIPANTS

I) Method of Calculation

A) Actuarial Increase to Required Beginning Date (RBD) for Back Payments with Interest + Lump Sum

a. Calculate the single life monthly benefit at the time of termination and actuarially increase to the RBD. The RBD is the April 1 of the calendar year, following the calendar year in which the Participant attains age 70 ½.

b. Calculate the missed monthly payments with interest from the RBD to the current commencement date using the monthly Federal mid-term annual interest rates. This ia a one-time lump sum for missed payments; back payments with interest.

c. Calculate the lump sum value of the single life RBD monthly benefit payable at the current commencement date using the lump sum assumptions in effect at the payment date.

d. The total lump sum payable to the Participant is the sum of (b) and (c) above. The back payments with interest plus the lump sum value of the single life annuity.

II) The lump sum or annuity calculation is reviewed and checked internally.

III) The calculation is submitted to the Pension Committee for review and approval.

IV) The lump sum or annuity is set-up for payment witrh the Custodian Bank.

V) An authorized RTA representative reviews payment set-up and approves.

Procedures for Calculation and Approval of Out of the Ordinary Pension Benefits

I) Determine who will do the calculation (Plan Administrator or Actuary). This will be dependant upon the complexity of the calculation.

II) The benefit is calculated, checked, and reviewed.

III) The calculation is submitted to the Pension Committee for review and approval.

IV) The benefit is set-up for payment by the Custodian Bank.

V) An authorized RTA representative reviews payment set-up and approves.

VIII. MISCELLANEOUS PROVISIONS

Spendthrift Clause

Effective January 1, 2011, for all benefits accrued on or after such date, none of the benefits provided under the terms of this Plan shall be paid to any Participant who is convicted of a felony relating to or arising out of or in connection with service as an employee of the Authority or an Affiliate Employer where the events giving rise to such felony conviction occurred on or after January 1, 2011.

Once the Committee becomes aware of a felony conviction, the Committee shall commence an investigation to determine if the benefits shall be forfeited. If a Participant has already commenced benefits from this Plan, The Committee will direct the Plan Administrator that such benefits shall be suspended upon the date of conviction. All benefit payments shall terminate upon the exhaustion of all appeals therefrom, or in the absence of an appeal, the exhaustion of any appeal period from such action. If an appeal of such conviction is made and the decision is reversed, the Committee will direct the Plan Administrator that the Participant shall receive retroactive payment (including interest) of the amount that would have been received but for the felony conviction.

Qualified Domestic Relations Orders

No distribution shall be made from the Regional Transportation Authority Pension Plan (the "Plan") to an Alternate Payee pursuant to a domestic relations order unless such order is determined by the Plan Administrator of the Plan to be a "qualified domestic relations order" as such term is defined under Section 206(d) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and Section 414(p) of the Internal Revenue Code of 1986, as amended (the "Code"). In making such a determination and in administering distributions pursuant to a qualified domestic relations order, the following procedures shall apply:

DEFINITIONS

The following terms require definition:

Alternate Payee - A spouse, former spouse, child or other dependent recognized by a domestic relations order as having a right to receive all or part of the Plan benefits of a Participant.
Domestic Relations Order (DRO) - A court order that provides an "Alternate Payee" with a claim to alimony, child support or other marital assets, including all or a portion of a Participant's benefit from a qualified Plan. A DRO can include a divorce decree or any other judgment relating to the division of marital property pursuant to a divorce or separation.

Qualified Domestic Relations Order (QDRO) - A domestic relations order that recognizes the right of an Alternate Payee to receive all or a portion of a Participant's benefit from the Plan, provides certain required information and does not alter the amount or form of benefits payable under the Plan.

A. Immediately Upon Receipt of Order.

1. Send a copy of the Order to the office of the Plan Administrator if received by someone other than the Plan Administrator.

2. Promptly notify the Participant and the Alternate Payee (or his designated representative identified in the order) that the Plan has received such order. An Alternate Payee shall be permitted to designate a representative to receive copies of notices that are sent to the Alternate Payee with respect to a domestic relations order.

3. Within a reasonable period after receipt of a domestic relations order, the Plan Administrator shall determine whether such order is a qualified domestic relations order as such term is defined under Section 206(d) of ERISA and Section 414(p) of the Code. In making such a determination, the Plan Administrator may consult outside counsel or the actuary and may request additional information from the Participant and Alternate Payee with regard to the subject domestic relations order.

4. During any period in which the issue of whether a domestic relations order constitutes a qualified domestic relations order is being determined, the Plan Administrator shall segregate the amounts which would have been payable to the Alternate Payee during such period (assuming that the Participant is in pay status and that the Alternate Payee Benefit is able to be calculated) in the manner specified by Section 206(d) of ERISA and Section 414(p) of the Code.

B. If the Order is determined to be qualified

1. If the Plan Administrator is able to make a preliminary determination that a domestic relations order is a qualified domestic relations order, it shall notify the Participant, the Alternate Payee named in the domestic relations order and their attorneys of its preliminary decision that such order constitutes a qualified domestic order and shall require such Participant and Alternate Payee to confirm in writing the Plan Administrator's interpretation of the impact of the domestic relations order on the Plan and distributions under the Plan.

2. Upon receipt of such executed confirmation by the Plan Administrator, the Plan Administrator's preliminary determination shall become final.

3. The Plan Administrator calculates the benefit payable to the Alternate Payee and offset amounts applicable to the Participant Benefits.

4. Send a second letter to the Alternate Payee or his representative (with a copy to the Participant) notifying the Alternate Payee of the determination and advising the Alternate Payee of the earliest date on which benefits may commence to the Alternate Payee, the amount of such benefits, and the optional forms available. In no event can the Alternate Payee begin to receive benefits prior to the Participant's Early Retirement Date, unless the Participant dies and the order provides that the Alternate Payee is to be treated as a surviving spouse for purposes of protecting the Alternate Payee's benefit. If the Participant is already in pay status, advise the Alternate Payee of his/her share of each payment and the payment option elected by the Participant.

5. Send a second letter to the Participant notifying him/her of the amount of the offset

applicable to his/her Normal Retirement Benefit due to the QDRO.

6. As the earliest commencement date for the Alternate Payee approaches, notify the Alternate Payee of his/her entitlement to benefits. Prior to the payment of any benefit, have the Alternate Payee complete the appropriate federal income tax withholding election form and, if applicable, an election form designating the form in which benefits are to be paid.

7. As the Participant's Normal Retirement Date approaches, notify the Alternate Payee of his/her entitlement to benefits. If the Alternate Payee does not complete the required election forms, commence payment as a monthly annuity for the Alternate Payee's life, as actuarially adjusted, and withhold federal and state, is applicable, income taxes.

8. If the present value of the Alternate Payee's benefit is $5,000 or less, the Alternate Payee will receive an immediate lump sum in lieu of a life annuity. If the present value of the Alternate Payee's benefit is more than $5,000, the benefit cannot commence until the Alternate Payee consents to the distribution or until the Participant's 65th birthday, whichever occurs first.

C. If the order is **not** a "Qualified Domestic Relations Order."

1. The Plan Administrator notifies the appropriate parties that the order is not qualified; attorneys have 18 months in which to correct any deficiencies.

2. Do not pay any benefits to such Alternate Payee unless and until the deficiency or deficiencies are cured.

3. If the deficiency or deficiencies are not cured within 18 months, the order can be ignored and should benefits become payable, they may be paid in full to the Participant.

4. If a corrected order is submitted, the order is reviewed as described above and the appropriate parties are notified if the order is determined to be qualified.

D. During Determination Period *(the 18-month period beginning with the date the order is received).*

1. If the Participant is currently receiving a monthly benefit when the order is received, payments which would have been made to an Alternate Payee if the order was a QDRO and if the benefit payable to the Alternate Payee can be determined, should be placed in an interest-bearing escrow account while the Plan Administrator is determining the orders qualification.

   a. If the order is determined to be a QDRO within 18 months of its receipt, the amount of such payments (plus the interest earned by such amount) is to be paid to the Alternate Payee.

   b. If within 18 months, the order is determined not to be a QDRO, or the issue is not resolved, the amount of such payments (plus the interest earned by such amount) is to be paid to the Participant (or person entitled to the payments in the absence of the order).

Processing of Plan Expenses

The Plan Administrator records, monitors, and processes invoices and other plan expenses on behalf of the RTA Pension Plan.

Upon receipt of invoices or reimbursement requests, the Plan Administrator verifies the appropriateness of the invoice (based upon services rendered and consistency with contract or service agreement); then prepares a corresponding Disbursement Request Form.

Invoices or reimbursement requests, along with the Disbursement Request Form are sent to the Chair of the Pension Committee for approval (Plan Administror Invoices, Legal Service Provider Invoices, Plan Actuary Invoices and Trustee Training Registration Reimbursements) or to an authorized signer (Trustee financial representative of the Service Boards) for review and approval (Investment Advisor Fees, Transcription Services Fees, Non-Employee Trustee Stipends, Investment Manager Fees other than Mutual Funds, Custodian Fees, Audit Fees, and Luncheon Reimbursements)).

Once applicable Invoices or reimbursement requests are approved by the Chair of the Pension Committee, these are forwarded along with the Disbursement Request to the Trustee financial representative of the Service Board.

All Disbursement Requests, are then forwarded to the Custodian Bank for payment processing by the Trustee financial representative of the Service Board.

Dovcumentation of all payments are maintained by both the Plan Administrator and the Trustee financial representative of the Service Board.

Travel / Training Expense Policy

Employee RTA Pension Plan Trustees must follow their applicable Service Board policies and procedures regarding registration fees and travel expenses for training purposes.

In those instances involving registration fees and travel expenses for training purposes by non-employee RTA Pension Plan Trustees, the following guidelines will apply:

If "In Region" (six County RTA Region), reimbursement for registration fees (to be reimbursed by the Pension Trust) for training can be authorized by the Chair of the Pension Committee upon written request, including documentation. Travel expenses will not be reimbursed.

If "Out of Region", reimbursement for registration fees and reasonable travel expenses is generally not allowed; however, if comparable and necessary training cannot be obtained "In Region", it can be authorized by vote of the full Pension Committee upon written request, including documentation. If approved, travel expenses will be reimbursed in accordance with the then current Regional Transportation Authority Travel, Business & Relocation Expense Policy & Procedures (which will be provided upon approval of the "Out of Region" training request).

Acceptance of Travel, Food and Beverage Entertainment:

RTA Pension Trustees may accept entertainment (food and beverage expenses only) up to a $75 per day limit. There is a total ban on the acceptance of gratuities and travel as governed by State Statutes.

XIV. CLAIMS AND APPEAL PROCEDURES

The Plan provides procedures to accommodate a claim for benefits by a Participant or beneficiary, a denial of benefits by the Plan Administrator or its delegate and an appeal of a denied claim.

A. SOME EXAMPLES OF REASONS FOR DENIAL OF A CLAIM

Plan Provision	Topic	Reason for Denial
2.1	Definition of "Participant"	Claimant is not classified as an Employee for Pension Plan purposes.
2.1	Credited Service	Participant did not complete 1,000 Hours of Service during some years of employment.
5.1	Prior Service Credit	Prior employment does not qualify for Prior Service Credit.
6.2	Early Retirement Benefit	Claimant is under age 55 or does not have 10 years of Credited Service.
6.4	Vested Retirement Benefit	Claimant terminated employment before fulfilling the vesting requirements under the Plan provisions in effect on the date of his termination.
6.10	Preretirement Surviving Spouse's Pension	Death of claimant's spouse (the Participant) occurred prior to his/her completing 5 years of Vesting Service.
6.6	Payment of Retirement Benefits - Life Annuity	No survivor benefit is payable if a retiree had a Life Annuity in effect.
6.7	Payment of Retirement Benefits – Lump Sum Benefit	Participant not eligible for lump sum election because he retired before age 65.
6.9	Reemployment after Retirement	Benefit payments cease during period of full-time employment.
7.2	Qualified Domestic Relations	Claimant has not been named as an

Plan Provision	Topic	Reason for Denial
	Order	Alternate Payee in a Qualified Domestic Relations Order.

B. CLAIMS PROCEDURES

The claims procedure begins when a Participant or beneficiary applies for benefits through the Plan Administrator and disagrees with the Plan Administrator's determination as to eligibility or benefits. If the Participant continue to disagree with the Plan Administrator's determination, the procedures outlined below will apply.

Step 1 The Participant, spouse or beneficiary, should make their claim in writing to the Pension Committee.

The Plan Administrator sets up a file for the Participant or beneficiary to include copies of all forms and related correspondence.

Step 2 Each claim should be reviewed by the Plan Administrator with the Pension Committee to ensure that the Employee data and benefit calculation are accurate and were determined in compliance with the applicable Plan provisions and that the Employer's administrative procedures as outlined in this Manual were strictly observed.

Step 3 The Pension Committee should respond to any claim within 90 days of receiving the written request, either approving or denying the claim. Follow Step 4, if claim is approved and Step 5 if claim is denied.

Step 4 If the claim is approved, the Plan Administrator should:

1. Notify the Participant or Beneficiary in writing that the application was approved and the date that payments will commence.
2. Ensure that the Custodian Bank receives all necessary documentation to initiate the payment.

Step 5 If the Committee determines that a Participant or beneficiary who has applied for benefits is not entitled to receive benefits under the Plan, notify the Participant or Beneficiary that the claim has been denied by sending him a Notice to Plan Participant of Denial of Claim, setting forth the reasons for denial. The Notice should be mailed to the claimant within 90 days of when the application was submitted. The Notice should contain the following:

- Citation of Plan provisions upon which the denial is based

- Specific reasons for the denial of the claim
- Additional information which may be required to have the claim approved
- Procedures for submitting an appeal to the Committee for reconsideration of the claim denial (see Step 7 below)
- A statement that copies of the Plan document, Trust Agreement and other pertinent documents are available to the Participant or Beneficiary upon request.

Step 6 A Participant or beneficiary has 60 days to request a full review of the Committee's decision to deny his/her claim. The request should be in writing. The Participant may submit a statement of the issues, comments, documents or other relevant information in support of the claim and may request a review of the Plan document, Trust Agreement and other pertinent documents. A fee for copying requested documents may be charged. The Plan Administrator will determine a reasonable charge. In connection with the appeal request, the Participant or beneficiary is entitled to review any and all documents pertaining to his/her claim or denial.

Step 7 If the Participant or beneficiary responds with an appeal, the Committee or its delegate must review the appeal and furnish its decision within 60 days (or 120 days if special circumstances warrant additional time). Upon the Committee's final decision, the participant will receive notification, indicating whether benefits, upon appeal, are granted or denied and if denied, the specific reason for denial a reference to the Plan provisions on which the denial is based, a statement that the claimant may receive copies of documents, and other information relevant to the claim.

XV. ONGOING PLAN ADMINISTRATION FOR RETIREES

A. The Participant should be encouraged to deal with the Plan Administrator directly if a retiree is having problems receiving his retirement check or if it has been lost or stolen. The Plan Administrator, with the assistance of the appropriate Human Resources Department, may provide any of the following services:

1. Verify with the retiree that the check address has not changed from the previous month.

2. Verify the benefit payment schedule on the benefits status card with the date of the 1st payment.

3. Call the Custodian Bank and find out if the check has been cashed.

   a. If the check has not been received within 10 days of issue, notify the bank so a replacement check can be issued.

   b. If the check was cashed, the Plan Administrator can request a copy of the canceled check to verify signatures. If there is suspicion of a possible forgery, the retiree may wish to file a forgery claim.

B. If you receive word that a retiree has died, refer to Section X - Death.
   a. On a monthly basis the Custodian Bank coordinates a review of retirees to determine if a death has occurred.

C. Update Participant listings or Access database (see Plan Section IV regarding recordkeeping requirements). Retirees should be encouraged to contact the Plan Administrtor if there have been any changes.

D. Notify retirees and vested terminees not in pay status of their benefit entitlements as they approach age 65 (see Section VIII, C).

Public Act 098-0108

HB0140 Enrolled LRB098 04411 JDS 34439 b

AN ACT concerning government.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The State Employees Group Insurance Act of 1971 is amended by adding Sections 2.5, 2.6, 2.7, and 2.8 as follows:

(5 ILCS 375/2.5 new)

Sec. 2.5. Application to Regional Transportation Authority Board members. Notwithstanding any other provision of this Act to the contrary, this Act does not apply to any member of the Regional Transportation Authority Board who first becomes a member of that Board on or after the effective date of this amendatory Act of the 98th General Assembly with respect to service of that Board.

(5 ILCS 375/2.6 new)

Sec. 2.6. Application to Suburban Bus Board members. Notwithstanding any other provision of this Act to the contrary, this Act does not apply to any member of the Suburban Bus Board who first becomes a member of that Board on or after the effective date of this amendatory Act of the 98th General Assembly with respect to service of that Board.

(5 ILCS 375/2.7 new)

Sec. 2.7. Application to Commuter Rail Board members. Notwithstanding any other provision of this Act to the contrary, this Act does not apply to any member of the Commuter Rail Board who first becomes a member of that Board on or after the effective date of this amendatory Act of the 98th General Assembly with respect to service of that Board.

(5 ILCS 375/2.8 new)

Sec. 2.8. Application to Chicago Transit Authority Board members. Notwithstanding any other provision of this Act to the contrary, this Act does not apply to any member of the Chicago Transit Authority Board who first becomes a member of that Board on or after the effective date of this amendatory Act of the 98th General Assembly with respect to service of that Board.

Section 10. The Illinois Pension Code is amended by adding Sections 22-105, 22-106, 22-107, and 22-108 as follows:

(40 ILCS 5/22-105 new)

Sec. 22-105. Application to Regional Transportation Authority Board members. This Code does not apply to any individual who first becomes a member of the Regional Transportation Authority Board on or after the effective date of this amendatory Act of the 98th General Assembly with

respect to service on that Board.

(40 ILCS 5/22-106 new)

Sec. 22-106. Application to Suburban Bus Board members. This Code does not apply to any individual who first becomes a member of the Suburban Bus Board on or after the effective date of this amendatory Act of the 98th General Assembly with respect to service on that Board.

(40 ILCS 5/22-107 new)

Sec. 22-107. Application to Commuter Rail Board members. This Code does not apply to any individual who first becomes a member of the Commuter Rail Board on or after the effective date of this amendatory Act of the 98th General Assembly with respect to service on that Board.

(40 ILCS 5/22-108 new)

Sec. 22-108. Application to Chicago Transit Authority Board members. This Code does not apply to any individual who first becomes a member of the Chicago Transit Authority Board on or after the effective date of this amendatory Act of the 98th General Assembly with respect to service on that Board.

Section 99. Effective date. This Act takes effect upon becoming law.