

**PACE
THE SUBURBAN BUS DIVISION OF
THE REGIONAL TRANSPORTATION AUTHORITY
NORTHEASTERN ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2023

Pace
The Suburban Bus Division of the Regional Transportation Authority
2023 Annual Financial Report
Table of Contents

Independent Auditors' Report	1
Required Supplementary Information:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Statement of Net Position.....	18
Statement of Revenues, Expenses and Changes in Net Position	21
Statement of Cash Flows	22
Notes to the Financial Statements	24
Required Supplementary Information:	
Schedules of Changes in Net Pension Liability and Related Ratios	84
Schedule of Changes in Proportionate Share of Net Pension Liability and Related Ratios	86
Schedules of Pension Contributions	87
Schedules of Changes in Total OPEB Liability	90
Other Supplementary Exhibits:	
Statement of Net Position by Fund	94
Statement of Revenues, Expenses and Changes in Net Position by Fund	97
Schedule of Revenues and Expenses Budget and Actual Suburban Services Fund	98
Schedule of Revenues and Expenses Budget and Actual Regional ADA Paratransit Services Fund	99

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Pace
The Suburban Bus Division of the Regional Transportation Authority
2023 Annual Financial Report
Table of Contents (Continued)

Other Information:

Schedule of Farebox Recovery Ratio – Suburban Services Fund	100
Schedule of Farebox Recovery Ratio – Regional ADA Paratransit Services Fund	101
Combining Schedule of Fixed Route Carrier Financial Results - Public Funded Carriers	102
Combining Schedule of Fixed Route Carrier Financial Results - Private Contract Carriers	103
Combining Schedule of Paratransit Municipal - Carrier Expense.....	104
Combining Schedule of Paratransit Carrier Financial Results – Private Contract Carriers – Non-ADA Services	105
Combining Schedule of Paratransit Carrier Financial Results – Private Contract Carriers – ADA Services	106
Schedule of Projects Funded/To Be Funded From Unrestricted Net Position	107

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Independent Auditors' Report

To the Board of Directors of
Pace, the Suburban Bus Division of the Regional Transportation Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pace, the Suburban Bus Division of the Regional Transportation Authority (Pace), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Pace's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Pace as of December 31, 2023, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Pace and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2, Pace adopted the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements, effective January 1, 2023. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Other Supplementary Exhibits 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Other Information as listed in the table of contents but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Summarized Comparative Information

We have previously audited Pace's 2022 financial statements, and we expressed unmodified audit opinions on the financial statements of Pace in our report dated May 24, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2024 on our consideration of Pace's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Pace's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pace's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Oak Brook, Illinois
May 17, 2024

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Pace
The Suburban Bus Division of the Regional Transportation Authority
Management's Discussion & Analysis (Unaudited)
For the Year Ended December 31, 2023

Our discussion and analysis of Pace Suburban Bus Service's ("Pace") financial performance provides an overview of the agency's financial activities for the fiscal year ended December 31, 2023. Please read it in conjunction with the agency's basic financial statements and notes that begin on page 18.

Using This Report

This annual report consists of a series of financial statements. The *Statement of Net Position*, the *Statement of Revenues, Expenses and Changes in Net Position* and the *Statement of Cash Flows* (on pages 20 - 23) provide information about the activities of Pace as a whole and present a long term view of the agency's finances. Since Pace operates as a single governmental program in two enterprise funds, fund financial statements are not required.

Reporting on the Agency as a Whole

Our analysis of Pace as a whole – which consists of two enterprise funds – begins on page 6. The *Statement of Net Position* and *Statement of Revenues, Expenses and Changes in Net Position* can be used to determine whether Pace as a whole is better off or worse off as a result of the year's activities. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the agency's net position and changes in them. The net position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure Pace's financial health or financial position. Over time, increases or decreases in Pace's net position are one indicator of whether its financial health is improving or deteriorating. Other financial factors should be considered as well, such as, the level of public funding received from the RTA, sales tax revenue, external funding for capital projects and working cash balances. The agency's overall net position increased in 2023.

Pace
The Suburban Bus Division of the Regional Transportation Authority
Management's Discussion & Analysis (Unaudited)
For the Year Ended December 31, 2023

Financial Highlights

Pace ridership continued to increase in 2023 but was still below pre-pandemic 2019 levels. Pace added new programs during the year to address the service needs of transit riders in the post pandemic environment.

A summary of significant financial results are below:

- **Net Position increased by \$6.5 million** in 2023. Net Position represents Total Assets and Deferred Outflows of Resources minus Total Liabilities and Deferred Inflows of Resources.
- **Total Operating Revenues for 2023 were \$47.8 million** which represented an 18.6% increase from 2022.
- **Non-Operating Revenues decreased \$37.1 million** (or 7.3%) to \$468.2 million in 2023. There was no Covid relief funding (CARES and CRRSAA) or American Rescue Plan Act (ARPA) funding received in 2023 which is the main reason for decrease in revenues.
- **Total Operating Expenses increased by \$58.2 million** (or 11.5%) to \$563.9 million during 2023.
- **Pace achieved a farebox recovery ratio of 24.0%** for Suburban Services and 10.3% for Regional ADA Paratransit Services in 2023. An emergency ruling was put in place in 2021 that amended the RTA Act to acknowledge that the system wide recovery ratio for 2023 may be less than the required 50% due to the fiscal impacts of the COVID-19 pandemic. There were no specific recovery ratio requirements mandated for Pace in 2023. Information pertaining to the farebox recovery ratio calculations can be found on pages 100 and 101.

Pace
The Suburban Bus Division of the Regional Transportation Authority
Management's Discussion & Analysis (Unaudited)
For the Year Ended December 31, 2023

Ridership

Pace had ridership increases in all services areas compared to 2022 levels. The highlights are as follows:

Highlights:

- **Pace served 20.1 million passengers** in 2023 which reflected a 10.9% increase over the 2022 ridership total of 18.1 million.
- **Ridership on Pace Fixed Route Service increased 10.2%** to 14.9 million in 2023. In February, Pace and CTA launched new pass products and reduced the cost on one of the existing pass products. A new Pace/CTA 1-Day Pass and Pace/CTA 3-Day Pass are now available to riders. Additionally, the cost of the Pace/CTA 7-Day Pass was reduced from \$25 to \$20.
- **ADA Paratransit ridership increased 11.8%** to 4.0 million in 2023 for Chicago and Suburban ADA service versus 2022 ridership of 3.6 million. The Taxi Access Program continued to grow along with new ride share programs. The DuPage Uber Access Program and UZURV Program work with ride sharing services and transportation network companies to provide alternative options for riders with disabilities.
- **Vanpool ridership increased 19.5% in 2023** to 643,097 riders served. Pace continues to promote the VanGo service which provides rail commuters the ability to use a Pace van to get work within certain zones. In addition to the existing services operating from the Lake-Cook station in Deerfield and the Lake Forest Metra station, Pace added two new locations in Palatine and Itasca.
- **Pace implemented its new Pace Connect service** in 2023 which provides late night service to riders. The rideshare service can be scheduled using the new Pace Connect app or through a call center.

Pace
The Suburban Bus Division of the Regional Transportation Authority
Management's Discussion & Analysis (Unaudited)
For the Year Ended December 31, 2023

The Agency as a Whole

	<u>2023</u>	<u>2022 *</u>	<u>Change</u>
ASSETS			
Current Assets	\$ 420,579,987	\$ 433,066,703	\$ (12,486,716)
Capital Assets	380,368,068	372,459,387	7,908,681
Total Assets	<u>800,948,055</u>	<u>805,526,090</u>	<u>(4,578,035)</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pension	56,081,199	30,756,825	25,324,374
Deferred Outflows - OPEB	1,391,298	2,838,322	(1,447,024)
Total Deferred Outflows of Resources	<u>57,472,497</u>	<u>33,595,147</u>	<u>23,877,350</u>
LIABILITIES			
Current Liabilities	93,694,138	100,177,545	(6,483,407)
Noncurrent Liabilities	127,186,532	97,992,221	29,194,311
Total Liabilities	<u>220,880,670</u>	<u>198,169,766</u>	<u>22,710,904</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pension	3,781,444	16,800,381	(13,018,937)
Deferred Inflows - OPEB	4,921,461	1,762,170	3,159,291
Total Deferred Inflows of Resources	<u>8,702,905</u>	<u>18,562,551</u>	<u>(9,859,646)</u>
NET POSITION			
Net Investment in Capital Assets	376,480,728	369,463,563	7,017,165
Restricted for Bond Repayment	1,200,000	1,200,000	-
Unrestricted	251,156,249	251,725,357	(569,108)
TOTAL NET POSITION	<u>\$ 628,836,977</u>	<u>\$ 622,388,920</u>	<u>\$ 6,448,057</u>

* The prior year information was not updated for implementation of GASB Statement No. 96 Subscription-Based Information Technology Arrangements (SBITAs).

Net Position at December 31, 2023 increased to \$628.8 million from \$622.4 million due to a \$7.0 million increase in Net Investment in Capital Assets offset by a \$.6 million decrease in Unrestricted Net Position. The increase in Net Investment in Capital Assets is comprised of \$54.4 million in capital grants reimbursements, \$5.4 million in SBITA right to use assets, \$7.3 million in Pace funded capital projects and \$1.2 million in bond payments offset by \$.4 million in lease liability, \$2.3 million in SBITA liability and \$59.1 million in depreciation and amortization. Restricted Net Position represents one year of bonds payable that is legally restricted. Information regarding Net Position can be found on page 82 of the notes to the financial statements.

Pace
The Suburban Bus Division of the Regional Transportation Authority
Management's Discussion & Analysis (Unaudited)
For the Year Ended December 31, 2023

The Agency as a Whole (Continued)

Total Assets decreased \$4.6 million in 2023 to \$800.9 million. The \$12.5 million decrease in Current Assets is attributed to a \$70.2 million increase in cash, a \$3.3 million increase in other receivables and a \$1.6 million increase in parts inventory offset by \$5.9 million decrease in receivables from RTA, a \$79.1 million decrease in receivables for capital grants, and a \$2.6 million decrease in prepaid expenses. Capital Assets increased \$7.9 million in 2023 due to a \$4.4 million increase in buildings and improvements, a \$14.2 million increase in equipment and a \$5.4 million increase in SBITA right to use assets offset by a \$1.4 million decrease in capital projects in progress and a \$14.7 million increase in accumulated depreciation and amortization. Information regarding capital asset activity can be found on page 10.

Deferred outflows of resources increased \$23.9 million in 2023. The increase consisted of a \$25.3 million increase in deferred outflows for pension offset by a \$1.4 million decrease in deferred outflows for OPEB.

Current Liabilities decreased \$6.5 million in 2023. The decrease is comprised of a \$7.1 million increase in operating accounts payable, a \$3.8 million increase in capital accounts payable, a \$.7 million increase in accrued payroll expenses, a \$.7 million increase in unearned revenue and a \$.8 million increase in the current portion of SBITA liabilities offset by a \$18.8 million decrease in other accrued expenses and a \$.8 million decrease in the current portion of insurance reserves.

Noncurrent Liabilities increased \$29.2 million as of the end of 2023. The increase was due to a \$32.8 million increase in net pension liability, a \$1.5 million increase in advance from state, a \$1.4 million increase in the noncurrent portion of SBITA liability and a \$.3 million increase in other liabilities offset by a \$1.0 million decrease in the noncurrent portion of insurance reserves, a \$4.4 million decrease in other post employment benefits, a \$.2 million decrease in the noncurrent portion of lease liability and a \$1.2 million decrease in the non-current portion of bonds payable.

Deferred inflows of resources decreased \$9.9 million in 2023. The decrease is comprised of a \$3.2 million increase in deferred inflows for OPEB offset by a \$13.1 million decrease in deferred inflows for pension.

Information regarding the defined benefit pension plans and the associated pension liability, OPEB liability and the associated OPEB expense along with the deferred outflows of resources and deferred inflows of resources can be found beginning on page 44 of the notes to the financial statements and pages 84 - 93 in the Required Supplementary Information section.

Pace
The Suburban Bus Division of the Regional Transportation Authority
Management's Discussion & Analysis (Unaudited)
For the Year Ended December 31, 2023

Capital Assets

Pace received \$54.4 million in capital grant reimbursements in 2023 including:

- \$21.4 million from the Federal Transit Administration (FTA),
- \$33.0 million from the Regional Transportation Authority (RTA)

In addition, Pace used \$7.3 million for capital projects from its positive budget variance account.

These capital grant reimbursements were primarily used for:

- \$16.2 million in fixed route vehicles,
- \$10.5 million in farebox system and equipment,
- \$5.9 million in building and improvements,
- \$5.2 million in paratransit vehicles
- \$3.9 million in Ventra,
- \$2.7 million in bus equipment,
- \$2.1 million in trapeze equipment,
- \$1.5 million in transit signal priority equipment,
- \$1.5 million in Dempster Pulse project
- \$1.2 million in bus shelters,
- \$1.2 million in architecture and engineering,
- \$1.1 million in vanpool vehicles,
- \$.6 million in consulting services,
- \$.4 million in computer equipment and software,
- \$.2 million in IBS equipment,
- \$.1 million in non-revenue vehicles, and
- \$.1 million in project administration.

Pace purchased 59 fixed route vehicles totaling \$16.2 million, 64 paratransit vehicles totaling \$5.2 million, 29 vanpool vehicles totaling \$1.1 million and 2 non-revenue vehicles totaling \$1. million.

Information regarding capital asset activity for 2023 can be found in the notes to the financial statements on page 31 - 32 and page 36 as well as in Schedule 7 on page 107.

Unrestricted Net Position is used to fund capital projects that do not have an external funding source. Information regarding Unrestricted Net Position can be found on pages 82 and 83.

Pace
The Suburban Bus Division of the Regional Transportation Authority
Management's Discussion & Analysis (Unaudited)
For the Year Ended December 31, 2023

Long Term Debt

On February 24, 2015 Pace issued \$12 million in Revenue Bonds Series of 2015 to be used for converting the South Division Garage into a compressed natural gas facility. The outstanding debt is backed by the operating revenues of the Suburban Services Fund. The debt must be repaid in annual principal payments of \$1,200,000. Pace currently does not have a credit rating. Its only debt issue was a taxable bank direct placement which did not require a credit rating.

In 2022, Pace implemented Governmental Accounting Standards Board Statement No. 87 "Leases". This Statement requires that certain leases previously accounted for as operating leases be recognized as a right to use lease asset and associated lease liability. At December 31, 2023, the lease liability totaled \$430,356.

In 2023, Pace implemented Governmental Accounting Standards Board Statement No. 96 "Subscription-Based Information Technology Arrangements (SBITAs)". This Statement requires that certain subscription based software and licenses previously accounted for as operating expenses be recognized as a right to use SBITA asset and associated SBITA liability. At January 1, 2023, there was \$5.4 million in SBITA assets recorded and \$3.0 in initial SBITA liability.

Details regarding long term debt can be found on pages 39 - 42 of the notes to the financial statements.

Pace
The Suburban Bus Division of the Regional Transportation Authority
Management's Discussion & Analysis (Unaudited)
For the Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>%</u>
<u>Operating Revenue</u>				
Pace-Owned Service Revenue	\$ 18,672,688	\$ 18,467,001	\$ 205,687	1.1%
CMAQ/JARC Services	59,551	188,525	(128,974)	-68.4%
Fixed Route Carrier Revenue	1,921,624	1,689,956	231,668	13.7%
Paratransit Revenue	22,106,884	15,469,471	6,637,413	42.9%
Vanpool Revenue	973,617	924,566	49,051	5.3%
Reduced Fare Reimbursement	1,345,862	1,345,862	-	0.0%
Advertising Revenue	46,014	732,895	(686,881)	-93.7%
Miscellaneous	2,666,938	1,487,195	1,179,743	79.3%
Total Operating Revenue	<u>47,793,178</u>	<u>40,305,471</u>	<u>7,487,707</u>	<u>18.6%</u>
<u>Operating Expenses:</u>				
Pace-Owned Service Expenses	130,025,460	113,570,555	16,454,905	14.5%
CMAQ/JARC Expenses	1,481,960	5,497,024	(4,015,064)	-73.0%
Contract Payments:				
Fixed Route Carriers	7,164,606	6,194,332	970,274	15.7%
Paratransit Carriers	233,586,774	202,214,914	31,371,860	15.5%
Vanpool Expenses	1,465,133	1,287,966	177,167	13.8%
Centralized Operations	78,199,124	76,668,504	1,530,620	2.0%
Administrative Expenses	52,882,450	47,535,341	5,347,109	11.2%
Depreciation/Amortization	59,131,832	52,708,243	6,423,589	12.2%
Total Operating Expenses	<u>563,937,339</u>	<u>505,676,879</u>	<u>58,260,460</u>	<u>11.5%</u>
Operating Income (Loss)	<u>(516,144,161)</u>	<u>(465,371,408)</u>	<u>(50,772,753)</u>	<u>10.9%</u>
<u>Non-Operating Revenue (Expenses)</u>				
Retail Occupation/Use Tax from RTA (85% Formula)	127,231,328	123,182,482	4,048,846	3.3%
RTA Sales Tax/PTF (PA 95-0708)	20,409,243	19,797,410	611,833	3.1%
RTA PTF Funding I	12,478,823	11,249,705	1,229,118	10.9%
RTA PTF Funding II	25,178,515	24,271,518	906,997	3.7%
Regional ADA Paratransit Funding	216,219,519	188,450,192	27,769,327	14.7%
Suburban Community Mobility Fund (SCMF)	33,196,378	31,948,290	1,248,088	3.9%
South Suburban Job Access Fund	7,500,000	7,500,000	-	0.0%
CARES Funding - Public Funding	-	741,648	(741,648)	-100.0%
CRRSSA Funding - Public Funding	-	6,213,925	(6,213,925)	-100.0%
ARPA Funding - Public Funding	-	71,263,074	(71,263,074)	-100.0%
ADA State Funding	8,394,800	8,394,802	(2)	0.0%
Innovation Coordination & Enhancement Fund (ICE)	247,581	-	247,581	
Federal Operating Grants	2,380,692	8,773,520	(6,392,828)	-72.9%
Interest on Investments	15,157,361	3,632,582	11,524,779	317.3%
Interest Expense	(206,501)	(137,879)	(68,622)	49.8%
Total Non-Operating Revenue (Expenses)	<u>468,187,739</u>	<u>505,281,269</u>	<u>(37,093,530)</u>	<u>-7.3%</u>
Income Before Other Revenues, Expenses, Gains, Losses and Transfers	<u>(47,956,422)</u>	<u>39,909,861</u>	<u>(87,866,283)</u>	<u>-220.2%</u>
Other Revenues, Expenses, Gains, Losses and Transfers				
Capital Grant Reimbursements	<u>54,404,479</u>	<u>85,584,267</u>	<u>(31,179,788)</u>	<u>-36.4%</u>
Total Other Revenues, Expenses, Gains, Losses and Transfers	<u>54,404,479</u>	<u>85,584,267</u>	<u>(31,179,788)</u>	<u>-36.4%</u>
Change in Net Position	<u>6,448,057</u>	<u>125,494,128</u>	<u>(119,046,071)</u>	<u>-94.9%</u>
Beginning Net Position	<u>622,388,920</u>	<u>496,894,792</u>	<u>125,494,128</u>	<u>25.3%</u>
Ending Net Position	<u>\$ 628,836,977</u>	<u>\$ 622,388,920</u>	<u>6,448,057</u>	<u>1.0%</u>

Pace
The Suburban Bus Division of the Regional Transportation Authority
Management's Discussion & Analysis (Unaudited)
For the Year Ended December 31, 2023

Comparison of Results: FY2023 vs. FY2022

Operating Revenue

Total Operating Revenue increased 18.6% or \$7.5 million in 2023. Significant changes in operating revenue are noted as follows:

- **Paratransit Revenue** – There was an increase of \$6.6 million or 42.9% in 2023 mainly due to the increased ridership.
- **Miscellaneous Income** – The \$1.2 million increase is mainly due to increased local share revenue for private dial a ride services.

Operating Expenses

Total Operating Expenses increased by \$58.3 million (or 11.5%) in 2023 which is comprised primarily of the following changes:

- **Pace-Owned Service Expense** – The \$16.5 million increase in expense is primarily due to increases in salaries and fringe benefits, pension and OPEB costs, and bus parts .
- **CMAQ/JARC Expense** – The \$4.0 million decrease is due to a reduction in funding for the service on some of the routes.
- **Paratransit Carrier Expense** – The \$31.4 million increase is due to increased ridership in addition to increased hourly rate for the contractors.
- **Centralized Operations** – The \$1.5 million increase is attributed to higher pension, advertising, revenue collection and claims expenses offset by decreased OPEB and fuel expenses.
- **Administrative Expense** – The \$5.3 million increase is due to increases in salaries, pension, professional and technical and consulting expenses offset by decreased OPEB costs.
- **Depreciation/Amortization Expense** – The \$6.4 million increase is to due the addition of buildings/improvements and vehicles as well as the increased amortization due to the SBITA right to use assets.

Pace
The Suburban Bus Division of the Regional Transportation Authority
Management's Discussion & Analysis (Unaudited)
For the Year Ended December 31, 2023

Non-Operating Revenue (Expenses)

Non-Operating Revenue (Expenses) decreased \$37.1 million or 7.3% to \$468.2 million in 2023. Pace did not receive any CARES, CRRSAA or ARPA funding in 2023. Other specific factors contributing to the change in non-operating revenues for 2023 are outlined below:

- **Operating Assistance from the RTA** – RTA Sales Tax under the 85% Formula increased \$4.0 million or 3.3% in 2023.
- **RTA Sales Tax/PTF (PA 95-0708)** –RTA Sales Tax/PTF funding increased \$.6 million or 3.1% in 2023.
- **RTA PTF Funding** – RTA PTF Funding increased \$1.2 million or 10.9% in 2023.
- **RTA PTF II Funding** - RTA PTF Funding II increased \$.9 million or 3.7%.
- **Regional ADA Paratransit Fund** – Funding from the Regional ADA Paratransit Fund increased \$27.8 million or 14.7% in 2023.
- **Suburban Community Mobility Fund (SCMF)** –SCMF funding increased \$1.2 million or 3.9% in 2023.
- **South Suburban Job Access Fund** – Pace received \$7.5 million in funding from the RTA for services in South Suburban Cook County in 2023.
- **ADA State Funding** – Pace received \$8.4 million in ADA State Funding in 2023.
- **Innovation, Coordination and Enhancement Fund (ICE)** – Pace received \$.2 million in ICE funding in 2023.
- **Federal Operating Grants** – Funding for federal operating grants decreased by \$6.4 million or 72.9% in 2023.
- **Interest on Investments** – Interest earned on investments increased \$11.5 million in 2023.

Other Revenues, Expenses, Gains, Losses and Transfers

- **Capital Grant Reimbursements** – The \$31.2 million decrease is due to less funding needed in 2023 for capital projects.

Pace
The Suburban Bus Division of the Regional Transportation Authority
Management's Discussion & Analysis (Unaudited)
For the Year Ended December 31, 2023

Economic Trends

RTA Sales Tax

The RTA Sales Tax is the primary source of revenue for Pace. The tax is authorized by Illinois statute, imposed by the RTA in the six-county area, and collected by the state. Historically, the Service Board statutory share is 85% of RTA Sales Tax and is apportioned to the three Service Boards: Pace, Metra and CTA. Pace receives 15% of the Service Board statutory share of sales tax collected in Suburban Cook County, and 30% of the share collected in the collar counties of DuPage, Kane, Lake, McHenry and Will. Pace received \$127.2 million in RTA Sales Tax in 2023 under the 85% Formula.

On January 17, 2008, Public Act (PA) 95-0708 was signed into law. The legislative action amended the RTA Act by establishing key RTA reforms and providing additional funding for the RTA and its three Service Boards. A new sales tax and PTF was established that identified funding for the following:

- *ADA Paratransit Fund* - The ADA Paratransit Fund started at \$100 million in 2008 and adjusts annually based on regional sales tax performance. For 2023, the RTA provided \$216.2 million in funding from the ADA Paratransit Fund.
- *Suburban Community Mobility Fund (SCMF)* - The fund is intended to support new and existing non-traditional service activities such as demand response, vanpool, reverse commute and others. The SCMF started at \$20 million in 2008 and adjusts annually based on the regional sales tax performance. For 2023, the RTA provided \$33.2 million in funding.
- *Innovation, Coordination and Enhancement Fund (ICE)* – The fund was established for projects intended to improve or enhance ridership or customer service, for transit improvements intended to promote transfers, increase ridership and for transit-oriented land development. The ICE Fund started at \$10 million for 2008 and adjusts annually based on regional sales tax performance. For 2023, Pace received \$247,581 in funding.
- *New Sales Tax and Public Transportation Funds (PTF)* – After all monies are allocated to the above funds, the remaining amount is distributed as a New Sales Tax and PTF to the three Service Boards. Pace's allocation of the New Sales Tax and PTF is equal to 13% of the remaining amount. For 2023, Pace received \$58.1 million in New Sales Tax and PTF funding.

In addition to the above, the 2008 legislation also provided funding for the South Suburban Job Access program which is directed to pay for transit services in South Cook County that support employment opportunities. For 2023, the RTA provided \$7.5 million in funding for the South Suburban Job Access program. Pace also received \$8.4 million in ADA State Funding.

Pace
The Suburban Bus Division of the Regional Transportation Authority
Management's Discussion & Analysis (Unaudited)
For the Year Ended December 31, 2023

The allocation of the funds established for 2023 and 2022 is as follows:

RTA OPERATING FUNDING (000's)

Suburban Services Fund	<u>2023</u>	<u>2022</u>
RTA Sales Tax (85% Formula)	\$ 127,231	\$ 123,182
RTA Sales Tax/PTF (PA-95-0708)	20,409	19,797
RTA PTF Funding I	12,479	11,250
RTA PTF Funding II	25,179	24,272
Suburban Community Mobility Fund	33,196	31,948
South Suburban Job Access Fund	7,500	7,500
Innovation, Coordination, & Enhancement Fund	248	-
Total Suburban Services Funding	<u>\$ 226,242</u>	<u>\$ 217,949</u>
Regional ADA Paratransit Fund:		
RTA Paratransit Fund and Reserve Fund	<u>216,220</u>	<u>188,450</u>
Total RTA Funding	<u><u>\$ 442,462</u></u>	<u><u>\$ 406,399</u></u>

Pace
The Suburban Bus Division of the Regional Transportation Authority
Management's Discussion & Analysis (Unaudited)
For the Year Ended December 31, 2023

Contacting Pace's Financial Management

If you have questions about this report or need additional financial information, contact the Chief Financial & Diversity, Equity and Inclusion Officer, Pace Suburban Bus Service, 550 West Algonquin Road, Arlington Heights, IL 60005.

PACE
THE SUBURBAN BUS DIVISION OF THE
REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2023
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022

ASSETS

	<u>2023</u>	<u>2022</u>
<u>Current Assets</u>		
Cash:		
Cash and Investments	\$ 310,839,022	\$ 240,656,095
Restricted Cash	1,212,149	1,210,029
Total Cash	<u>312,051,171</u>	<u>241,866,124</u>
Accounts Receivable:		
Regional Transportation Authority	80,443,870	86,337,147
Capital Grant Projects	4,183,921	83,258,532
Other	7,272,788	3,981,374
Total Accounts Receivable	<u>91,900,579</u>	<u>173,577,053</u>
<u>Other Current Assets</u>		
Prepaid Expenses	3,422,002	6,014,447
Inventory - Spare Parts	13,206,235	11,609,079
Total Other Current Assets	<u>16,628,237</u>	<u>17,623,526</u>
Total Current Assets	<u>420,579,987</u>	<u>433,066,703</u>
<u>Noncurrent Assets</u>		
Capital Assets not Being Depreciated/Amortized		
Land	34,108,698	34,108,698
Capital Projects in Progress	26,814,512	28,179,842
Total Capital Assets not Being Depreciated/Amortized	<u>60,923,210</u>	<u>62,288,540</u>
Capital Assets Being Depreciated/Amortized, Net		
Equipment	540,311,591	526,152,652
Building and Improvements	316,134,321	311,691,771
Buildings Right To Use Lease Assets	7,386,738	7,386,738
SBITA Right To Use Assets	5,440,231	-
Less Accumulated Depreciation/Amortization	<u>(549,828,023)</u>	<u>(535,060,314)</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>319,444,858</u>	<u>310,170,847</u>
Total Noncurrent Assets	<u>380,368,068</u>	<u>372,459,387</u>
Total Assets	<u>800,948,055</u>	<u>805,526,090</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows - Pension	56,081,199	30,756,825
Deferred Outflows - OPEB	1,391,298	2,838,322
Total Deferred Outflows of Resources	<u>57,472,497</u>	<u>33,595,147</u>

See accompanying notes to the Financial Statements.

PACE
THE SUBURBAN BUS DIVISION OF THE
REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION (Continued)
DECEMBER 31, 2023
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022

LIABILITIES	<u>2023</u>	<u>2022</u>
<u>Current Liabilities</u>		
Accounts Payable:		
Operating	\$ 12,141,301	\$ 5,036,186
Capital	12,334,475	8,523,190
Accrued Payroll Expenses	10,796,744	10,129,316
Other Accrued Expenses	41,458,640	60,234,176
Unearned Revenue	6,269,048	5,570,905
Bonds Payable - Current	1,200,000	1,200,000
Lease Liability - Current	177,309	165,468
SBITA Liability - Current	828,221	-
Current Portion of Insurance Reserves	8,488,400	9,318,304
	<hr/>	<hr/>
Total Current Liabilities	93,694,138	100,177,545
<u>Noncurrent Liabilities</u>		
Insurance Reserve, Non-Current Portion	23,160,373	24,182,238
Net Pension Liability	69,898,139	37,097,755
Total Other Post Employment Benefits (OPEB) Liability	14,328,385	18,761,962
Advance From State	14,849,197	13,344,362
Bonds Payable - Noncurrent	-	1,200,000
Lease Liability - Noncurrent	253,047	430,356
SBITA Liability - Noncurrent	1,428,763	-
Other Liabilities	3,268,628	2,975,548
	<hr/>	<hr/>
Total Noncurrent Liabilities	127,186,532	97,992,221
	<hr/>	<hr/>
Total Liabilities	220,880,670	198,169,766
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - Pension	3,781,444	16,800,381
Deferred Inflows - OPEB	4,921,461	1,762,170
	<hr/>	<hr/>
Total Deferred Inflows of Resources	8,702,905	18,562,551
NET POSITION		
Net Investment in Capital Assets	376,480,728	369,463,563
Restricted for Bond Repayment	1,200,000	1,200,000
Unrestricted	251,156,249	251,725,357
	<hr/>	<hr/>
Total Net Position	\$ 628,836,977	\$ 622,388,920

See accompanying notes to the Financial Statements.

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PACE
THE SUBURBAN BUS DIVISION OF THE
REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2023</u>	<u>2022</u>
<u>Operating Revenue</u>		
Pace-Owned Service Revenue	\$ 18,672,688	\$ 18,467,001
CMAQ/JARC Services	59,551	188,525
Fixed Route Carrier Revenue	1,921,624	1,689,956
Paratransit Revenue	22,106,884	15,469,471
Vanpool Revenue	973,617	924,566
Reduced Fare Reimbursement	1,345,862	1,345,862
Advertising Revenue	46,014	732,895
Miscellaneous	2,666,938	1,487,195
Total Operating Revenue	<u>47,793,178</u>	<u>40,305,471</u>
<u>Operating Expenses:</u>		
Pace-Owned Service Expenses	130,025,460	113,570,555
CMAQ/JARC Expenses	1,481,960	5,497,024
Contract Payments:		
Fixed Route Carriers	7,164,606	6,194,332
Paratransit Carriers	233,586,774	202,214,914
Vanpool Expenses	1,465,133	1,287,966
Centralized Operations	78,199,124	76,668,504
Administrative Expenses	52,882,450	47,535,341
Depreciation/Amortization	59,131,832	52,708,243
Total Operating Expenses	<u>563,937,339</u>	<u>505,676,879</u>
Operating Income (Loss)	<u>(516,144,161)</u>	<u>(465,371,408)</u>
<u>Non-Operating Revenue (Expenses)</u>		
Retailers' occupation and use tax from RTA (85% Formula)	127,231,328	123,182,482
RTA Sales Tax/PTF (PA 95-0708)	20,409,243	19,797,410
RTA PTF Funding I	12,478,823	11,249,705
RTA PTF Funding II	25,178,515	24,271,518
Regional ADA Paratransit Funding	216,219,519	188,450,192
Suburban Community Mobility Fund (SCMF)	33,196,378	31,948,290
South Suburban Job Access Fund	7,500,000	7,500,000
CARES Funding - Public Funding	-	741,648
CRRSSA Funding - Public Funding	-	6,213,925
ARPA Funding - Public Funding	-	71,263,074
ADA State Funding	8,394,800	8,394,802
Innovation Coordination and Enhancement Fund (ICE)	247,581	-
Federal Operating Grants	2,380,692	8,773,520
Interest on Investments	15,157,361	3,632,582
Interest Expense	(206,501)	(137,879)
Total Non-Operating Revenue (Expenses)	<u>468,187,739</u>	<u>505,281,269</u>
Income Before Other Revenues, Expenses, Gains, Losses and Transfers	<u>(47,956,422)</u>	<u>39,909,861</u>
Other Revenues, Expenses, Gains, Losses and Transfers		
Capital Grant Reimbursements	<u>54,404,479</u>	<u>85,584,267</u>
Total Other Revenues, Expenses, Gains, Losses and Transfers	<u>54,404,479</u>	<u>85,584,267</u>
Change in Net Position	6,448,057	125,494,128
Beginning Net Position	622,388,920	496,894,792
Ending Net Position	<u>\$ 628,836,977</u>	<u>\$ 622,388,920</u>

See accompanying notes to the Financial Statements.

PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022

Increase (Decrease) in cash and temporary investments	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash received from fares	\$ 43,233,260	\$ 39,613,944
Cash received from other operating items	10,874,237	7,335,910
Cash payments to and on behalf of employees for services	(185,763,934)	(158,929,418)
Cash payment to contractual service providers and suppliers	<u>(336,967,559)</u>	<u>(260,001,565)</u>
Net cash provided (used) for operating activities	<u>(468,623,996)</u>	<u>(371,981,129)</u>
Cash flows from non-capital financing activities:		
Cash received from R.O.T. and use tax	145,558,409	139,485,502
Cash received from RTA Sales Tax/PTF	37,657,338	35,521,223
Cash received from Suburban Community Mobility Funding	32,924,153	31,551,376
Cash received from South Suburban Job Access	7,500,000	7,500,000
Cash received from Innovation Coordination and Enhancement	247,581	-
ADA Regional Paratransit Funding from RTA	224,614,319	196,844,994
Cash received from Federal Funding	89,552,800	127,840,592
Cash Advance on Sales Tax	1,504,835	1,324,118
Net cash provided by non-capital financing activities	<u>539,559,435</u>	<u>540,067,805</u>
Cash flows from capital and related financing activities:		
Capital contributed from capital grants	46,306,984	72,811,733
Acquisition and construction of capital assets	(59,938,108)	(88,820,810)
Interest on lease liability	(19,571)	(18,479)
Principal payments on lease liability	(165,468)	(87,319)
Interest on SBITA liability	(104,730)	-
Principal payments on SBITA liability	(704,661)	-
Payment of bond interest	(82,200)	(119,400)
Principal payments on bonds payable	<u>(1,200,000)</u>	<u>(1,200,000)</u>
Net cash provided (used) by capital and related financing activities	<u>(15,907,754)</u>	<u>(17,434,275)</u>
Cash flows from investing activities:		
Cash received from interest on short-term investments	<u>15,157,362</u>	<u>3,632,583</u>
Net cash provided by investing activities	<u>15,157,362</u>	<u>3,632,583</u>
Net increase (decrease) in cash and short-term investments	70,185,047	154,284,984
Cash and short-term investments at beginning of year	<u>241,866,124</u>	<u>87,581,140</u>
Cash and short-term investments at end of year	<u>\$ 312,051,171</u>	<u>\$ 241,866,124</u>

See the accompanying notes to the Financial Statements.

PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2023</u>	<u>2022</u>
Reconciliation of operating income to net cash used by operating activities:		
Operating Income (Loss)	(\$516,144,161)	(\$465,371,408)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation/Amortization Expense	59,131,832	52,708,243
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	4,956,257	4,965,869
(Increase) decrease in inventory	(1,597,157)	(2,331,309)
(Increase) decrease in other assets	2,592,445	5,037,894
(Increase) decrease in deferred outflows related to pension	(25,324,375)	9,380,946
(Increase) decrease in deferred outflows related to OPEB	1,447,023	(859,159)
Increase (decrease) in accounts payable	7,105,116	2,920,712
Increase (decrease) in accrued payroll	667,427	856,053
Increase (decrease) in self insurance liability	(1,851,770)	741,882
Increase (decrease) in pension and other post employment obligations	27,860,156	(9,836,931)
Increase (decrease) in noncurrent liabilities	(17,607,143)	27,034,860
Increase (decrease) in deferred inflows related to pension	(13,018,937)	6,710,948
Increase (decrease) in deferred inflows related to OPEB	3,159,291	1,640,718
Total adjustments	<u>47,520,165</u>	<u>93,390,279</u>
Net cash used by operating activities	<u>\$ (468,623,996)</u>	<u>\$ (371,981,129)</u>
Non-cash Operating, Investing and Financing Activities:		
Purchase of capital assets in accrued expenses at year end	\$ 4,140,761	\$ 803,316

See the accompanying notes to the Financial Statements.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1 AUTHORIZING LEGISLATION AND NATURE OF OPERATIONS

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

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

The Suburban Bus Division Board consisted of twelve directors from suburban Cook County and the five collar counties of DuPage, Kane, Lake, McHenry and Will. For the collar counties, each of the directors is appointed by the Chairman of the County Board in which his or her municipality is located. In Cook County, each of the directors is appointed by the Suburban members of the Cook County Board. The Chairman of the Board is appointed by a majority of suburban Cook County Board Members and Chairmen of the Collar County Boards. In August 2008, Senate Bill 1920 was passed which called for the appointment of the City of Chicago's Commissioner of the Mayor's Office for People with Disabilities to serve on the Pace Board as its thirteenth director. Each director must be a chief executive officer, or former chief executive officer, of a municipality within the county, or portion of the county, that appointed him or her. This restriction does not apply to the appointed Chairman or the City of Chicago's Commissioner of the Mayor's Office for People with Disabilities. Each Board Member serves a four year term.

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

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

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pace maintains its accounting records and prepares its financial statements in conformity with accounting principles generally accepted in the United States of America. The following is a summary of the significant accounting policies:

a. Reporting Entity

As defined by Governmental Accounting Standards Board (GASB) Statement No. 14 – “The Financial Reporting Entity,” and amended by GASB Statement No. 61 – “The Financial Reporting Entity: Omnibus”, 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. Under GASB Statement No. 14, financial accountability is defined as:

- (a) Appointment of a voting majority of the component unit’s board, and either (1) the ability to impose will by the primary government, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (b) Fiscal dependency on the primary government.

GASB Statement No. 61 amends GASB Statement No. 14 in regard to fiscal dependency by requiring that a financial benefit or burden relationship would have to be present with the primary government. A financial benefit exists when the primary government is either legally entitled to the assets of the potential component unit or effectively has access to them. A financial burden would exist if the primary government was legally obligated or assumed an obligation to finance deficits of a potential component unit.

Under the RTA Act, the RTA Board has no control over the selection or the appointment of any of Pace’s directors or management. Further, directors of Pace are excluded from serving on the Board of Directors of the RTA.

In addition, Pace maintains separate management, exercises control over all operations (including the passenger fare structure), and is accountable for fiscal matters including: ownership of assets, issuance of debt, relations with federal and state transportation funding agencies that provide financial assistance, and the preparation of the operating budget. Pace is also responsible for the purchase of services and approval of contracts relating to its operation.

Applying the aforementioned criteria used to determine financial accountability, management does not consider Pace to be a component unit of the RTA. Pace is a separate legal entity from the RTA.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Based on this criteria Pace has defined its reporting entity as set forth below. The basic financial statements include the accounts of Pace’s wholly-owned operating divisions. This includes a total of nine operating divisions: Pace North, Waukegan; Pace South, Markham; Pace Southwest, Bridgeview; Pace West, Melrose Park; Pace Fox Valley, North Aurora; Pace Heritage, Plainfield; Pace Northwest, Des Plaines; Pace River, Elgin and Pace North Shore, Evanston. Pace also has an acceptance facility in South Holland, an outstation in East Dundee, a paratransit garage in McHenry and an administrative office in Chicago. The design and construction for the Wheeling facility purchased in 2018 is still in progress.

b. Change in Accounting Principles

In March 2020, GASB issued Statement No. 94 “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public arrangements (PPPs). This Statement is effective for reporting periods beginning after June 15, 2022. This statement did not have a material impact on Pace’s financial statements.

In May 2020, GASB issued Statement No. 96 “Subscription-Based Information Technology Arrangements”. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement is effective for reporting periods beginning after June 15, 2022. This GASB Statement was implemented as of January 1, 2023 for reporting period ending December 31, 2023. Information regarding the SBITA assets and liabilities recorded under this statement can be found on page 42.

In April 2022, GASB issued Statement No. 99 “Omnibus 2022”. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, PPPs, and SBITAs are effective for reporting periods beginning after June 15, 2022. The requirements related to PPPs did not have a material impact on Pace’s financial statements. The requirements related to leases and SBITAs were implemented for fiscal year 2023. Disclosure related to leases can be found on pages 40 – 41 and SBITAs on page 42. The requirements related to financial guarantees and reporting of derivative instruments in GASB Statement No. 99 are effective for reporting periods beginning after June 15, 2023. Management has not determined what impact, if any, this portion of the GASB statement may have on its financial statements.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Change in Accounting Principles (Continued)

In June 2022, GASB issued Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62". The objective of this Statement is to enhance accounting and financial reporting requirements for changes and error corrections to provide more understandable and comparable information for making decisions. It is effective for fiscal years beginning after June 15, 2023. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In June 2022, GASB issued Statement No. 101, "Compensated Absences". The objective of this Statement is to update recognition and measurement guidance for compensated absences. It is effective for fiscal years beginning after June 15, 2023. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In December 2023, GASB issued Statement No. 102 "Certain Risk Disclosures". The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. It is effective for fiscal years beginning after June 15, 2024. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Basis of Accounting

The financial activities of Pace are organized on a basis of an individual fund which is an accounting entity segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

The financial activities of Pace accounted for in the accompanying financial statements have been classified into the following fund type:

Proprietary Fund Type

Pace operates as an Enterprise Fund, a type of Proprietary Fund. Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position. Net Position is segregated into Net Investment in Capital Assets, Restricted Net Position and Unrestricted Net Position. Revenues and expenses of the proprietary fund types are recognized using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned; expenses are recognized in the period incurred.

Pace's operating revenues are made up of farebox revenue, local subsidies, state fare subsidies, advertising revenue and miscellaneous revenue. Operating expenses for Pace include the costs of operating the transit system, administrative expenses and depreciation of capital assets. All other revenues and expenses are reported as non-operating.

Pace segregates activities into two separate enterprise sub-funds, Suburban Services Fund and Regional ADA Paratransit Services Fund. The Suburban Services Enterprise Fund includes revenues and expenses generated from its Fixed Route, Dial-A-Ride and Vanpool Services. The Regional ADA Paratransit Services Enterprise Fund includes revenues and expenses related to the ADA services provided in the City of Chicago and the six county region. Separate activity for each Enterprise Fund is presented in the supplementary exhibits presented on pages 94 - 101.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Public Funding

Public funding for Pace's operations is provided by Sales and Use Taxes, payments from the State's Public Transportation Fund (PTF), Federal Operating Assistance under the Transit Act (FTA), Suburban Community Mobility Funding, South Suburban Job Access Program Funding and a dedicated source of funding from the RTA for the Regional ADA Paratransit Program.

Sales and use taxes are collected by retailers in the six-county area and remitted to the State of Illinois. In 2017, the State began deducting a 2% surcharge from the sales tax collections prior to remitting them to the RTA. In 2018, the State reduced the surcharge to 1.5%. The State remits the tax collections net of the surcharge to the RTA in the second month following collection by the retailers. The RTA then distributes the taxes to Pace and the other Service Boards based on a formula set by statute. Pace accrues its share of the sales and use taxes based on the budget amounts for these funds and then reconciles amounts actually received with the budget figure at the end of the year.

Revenues provided to Pace under the FTA are recognized by Pace in the fiscal years to which they apply. Pace also recognizes in the fiscal years to which they apply distributions from the RTA which are made from other funds over which the RTA has discretionary authority.

The Service Boards are collectively entitled to a distribution by the RTA of the PTF revenues which the RTA receives from the State. The portion of these revenues which is allocated by the RTA to Pace is recognized by Pace in the fiscal year to which the distribution applies.

On July 29, 2005, the Illinois General Assembly amended the RTA Act with regard to ADA Paratransit service. Based on the amendment, the RTA is responsible for the funding of all ADA Paratransit services within the RTA region.

In January 2008, Public Act 95-0708 was passed which established an increase of .25% in regional sales tax throughout the six county region along with a new PTF grant from the State equal to 5% of total sales tax collections. The funds from this additional sales tax and PTF is first allocated to the Regional ADA Paratransit Fund, Suburban Community Mobility Fund, and Innovation Coordination and Enhancement Fund. The remaining balance is allocated to the Service Boards under a new distribution in which Pace receives 13%. In addition to this funding, the RTA is also required to provide additional funding to Pace for the South Suburban Job Access Program.

e. Reimbursement of Public Contract Carriers Expense

Pace has agreements with certain municipal carriers to provide transportation in return for their budgeted expense reimbursement, which confirmed Pace ownership of collected revenue. Agreements between Pace and the particular transportation carriers defined the allowed expense reimbursement. Pace's financial statements recognize the ownership of these revenues and the reimbursement of their budgeted expenses.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Contract Payments to Private Transportation Carriers

Contract carriers expense is recognized as the purchased service is provided.

g. Compensated Absences

Vacation benefits have been accounted for in conformity with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 16. GASB Statement No. 16 provides that employee vacation, sick and other leave benefits that vest and accumulate and it is probable the employer will compensate, must be recognized as expenses and liabilities in the year in which the benefits are earned rather than in the year in which they are paid. Statement No. 16 also requires additional amounts to be accrued for certain salary-related payments associated with the payment of compensated absences, for example, the employer's share of social security and medicare taxes. Accrued vacation and the associated employer's share of social security and medicare taxes are presented in current liabilities.

Effective in 2009, Pace implemented a policy that allows for the conversion of sick time to a 401k account upon voluntary termination of employment. The provisions of the policy require that the employee have a minimum of 10 years of credited service as defined by the RTA Pension Plan. An employee who leaves Pace employment with 10 years of credited service but is not retirement eligible under the RTA Pension Plan receives 60% of the value of their accrued sick time as a contribution to their 401k account. Employees that leave Pace with 10 years of credited service and are retirement eligible will receive 100% of the value of the accrued sick time as a contribution to their 401k account. In September 2016, the policy was amended to allow a cash payout of the sick pay balance upon termination instead of a 401k contribution. The eligibility requirements did not change. The maximum total sick time that can be accrued by an employee is 72 days. The policy was amended in 2020 to increase the sick time maximum to 80 days for employees that exceeded 72 day maximum in 2020. For all other employees, the maximum total sick days reverted back to 72 days in 2021. The compensated absences for sick pay are presented in current and long term liabilities.

h. Restricted Assets

In 2015, Pace issued \$12 million in bonds for capital projects. The restricted cash of \$1.2 million at December 31, 2023 represents the amount restricted for debt repayment along with interest earned on the account.

i. Inventories - Spare Parts

Inventories are valued at cost based on the first-in, first-out method. The inventories are located at the suburban bus system's operating divisions and public contract transportation agencies.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost associated with prepaid items is recorded as an expense when consumed rather than when purchased.

k. Property and Equipment and Accumulated Depreciation/Amortization

Property and equipment are recorded at historical cost. Pace capitalizes assets with a useful life of one year or more that is either (a) capital equipment, (b) operation equipment with a unit cost of \$5,000 or more, (c) costs incurred to extend an asset's useful life as part of a fleet enhancement or major rebuild/rehabilitation program, or (d) an item determined to be highly susceptible to theft. Most of the assets have been acquired through capital grant projects funded by FTA, IDOT and the RTA. Costs funded by capital grants are recorded as capital items and are included in capital assets. Lease agreements generally require transportation agencies to use property and equipment only for public transportation and to maintain them. The asset costs include indirect costs based upon a rate approved by FTA.

The depreciation expense recorded on Pace's statement of revenues, expenses and changes in net position represents depreciation on assets purchased by Pace through the use of operating funds and capital grant funds. As required by GASB, depreciation expense has been classified as an operating expense for all depreciable capital assets, including those acquired through capital grants. Depreciation is computed on a straight-line basis using estimated useful lives listed below.

The estimated useful lives are as follows:

Buildings	20 - 30 years
Improvements	7 - 20 years
Equipment	3 - 12 years

Pace records intangible assets that meet the cost threshold of \$100,000 or greater. The amortization period for intangible assets ranges from 5 years to 20 years and is computed on a straight-line basis. Pace has elected not to retroactively record development costs related to internally generated software that were incurred prior to January 1, 2010.

Right to Use Lease Assets established in fiscal year 2022 as part of GASB Statement No. 87 are amortized over the remaining lease term. New leases established after 2022 are amortized over the full lease term. Right to Use SBITA Assets recorded in 2023 as part of GASB Statement No. 96 are amortized over the remaining contract term. SBITA Assets recorded after 2023 will be amortized over the full contract term.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Capital Projects in Progress

Capital projects in progress represent ongoing capital grant projects in various stages of completion. Capital projects in progress totaled \$26,814,512 at December 31, 2023 and \$28,179,842 at December 31, 2022. The balance at December 31, 2023 represents the following projects in process: Construction of South Division Campus for \$23,450,833; IT equipment for South Campus for \$94,950; Running Boards for Vanpool Vans for \$4,164; Electric Bus Charging Equipment for \$1,838,000; Northwest Transit Center Construction for \$284,126; Electric Car Charging Equipment for \$293,853; Electric Bus Charging Equipment Installation for \$24,268; Headquarters Cooling System Replacement for \$14,340; Air Compressor Replacement at 4 Divisions for \$11,250; and Electric Bus equipment for \$1,408. The remaining balance consists of nine 18-foot Transit vans totaling \$312,746, four 19-foot Transit vans totaling \$155,800, and four 28-foot Coach & Equipment Phoenix Paratransit buses totaling \$328,774. In 2023, Pace had contracts in place with Eldorado National (America) for \$35,850,984 to purchase 30-foot transit buses, Roesch Ford for \$868,737 to purchase vans, Coach & Equipment for \$18,404,109 to purchase 15 passenger paratransit buses, Eldorado National (America) for \$26,694,976 to purchase 40 foot transit buses, Phoenix Cars for \$226,910,451 to purchase 40 foot electric buses and chargers, Coach & Equipment for \$187,500 to purchase an electric paratransit bus, and Roesch Ford for \$299,230 to purchase three-quarter ton plow trucks.

m. Capital and Operating Grants

Pace receives capital grants for asset acquisition, rehabilitation and construction of public transportation facilities and equipment from the Federal Transit Administration through 5307 Urbanized Area Formula Grants, 5309 Capital Investment Grants, 5310 Transit Services Program Grants, 5317 New Freedom Grants, 5339 Buses and Bus Facilities Grants and USC 149 Congestion Mitigation and Air Quality Improvement (CMAQ) Program. The Illinois Department of Transportation continues to contribute capital grant funding from past years' appropriations in addition to the RTA for the acquisition of certain capital assets. Pace may fund from its own accumulated resources a portion of a capital grant project when federal, state, and RTA grants are not sufficient or eligible for the total cost of the project. Pace funded \$7,329,090 for capital projects from its positive budget variance account in 2023.

Pace did not receive any operating funding from the Corononavirus Aid, Relief and Economic Security (CARES) Act, Corononavirus Response and Relief Supplemental Appropriations (CRRSAA) Act or the American Rescue Plan (ARPA) Act in 2023.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Centralized Operations

Pace incurs costs of operations such as fuel, insurance, maintenance, etc. which, to the extent that they may be specifically identified, are allocated to funded carriers and considered additional assistance.

o. Comparative Data

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in Pace's financial position and operations. However, comparative data has not been presented in all exhibits because their inclusion would make certain exhibits unduly complex.

p. Deposits and Investments

Permitted Deposits and Investments Statutes authorize Pace to make deposits and investments in insured/collateralized commercial banks, obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Metropolitan Investment Fund and The Illinois Funds. State statutes require this fund to comply with the Illinois Public Funds Investment Act (30 ILCS 235).

Pace categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments are valued using the market valuation method.

Pace had no investment, described above, that required determining the fair value measurements as of December 31, 2023.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 3 DEPOSITS AND INVESTMENTS

a. Cash

The carrying amount of cash was \$59,375,800 at December 31, 2023, while the bank balances were \$60,276,239. At December 31, 2023, Pace's petty cash fund totaled \$4,358. All account balances aside from petty cash were either insured by the Federal Deposit Insurance Corporation (FDIC) or had pledge collateral held in a third-party institution in the name of Pace. Bank deposits over FDIC insurable limits are secured by collateral to protect deposits in a single financial institution if it were to default. Collateral will have a market value equivalent to at least 105% of deposits at that particular institution. The collateral shall be marked to market and adjusted on at least a monthly basis. In 2023, \$1.2 million of Restricted Cash is in a bond reserve fund and was restricted for repayment of debt.

b. Certificates of Deposit

Certificates of Deposit amounted to \$73,033,230 at December 31, 2023. All Certificates of Deposit were insured by the Federal Deposit Insurance Corporation (FDIC), by a Federal Home Loan Bank (FHLB) line of credit or had pledged collateral held in a third-party institution in the name of Pace.

c. Investments

Investments are governed by 30 ILCS 235, Public Funds Investment Act. The Board of Directors maintains a formal Investment Policy which addresses the governing provisions of the state law as well as specifying additional guidelines for the investment process. The allowable investments per Pace's policy mirror those specified in the State statute. In general, these investments include instruments issued by the U.S. Government, federal agencies, high grade commercial paper, bank deposits, investment pools created under the State Treasurer's Act, and selected money market mutual funds.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for Pace's investments at December 31, 2023.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			<u>Quality Rating</u>
		<u>Less Than 1</u>	<u>1-2</u>	<u>3-5</u>	
Illinois Funds	<u>\$179,637,783</u>	<u>\$179,637,783</u>	<u> -</u>	<u> -</u>	AAAm

Illinois Funds – Is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are rated AAAM and are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk. As a means of limiting its exposure to fair market value losses arising from rising interest rates, investments of Pace shall be limited to instruments maturing no longer than five years from the time of purchase.

Credit Risk. Pace’s Investment Policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. Pace’s Investment Policy limits investments in short term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard rating services and which mature not later than 270 days from the date of purchase; (ii) such purchases do not exceed 10% of the corporation’s outstanding obligations and (iii) no more than one-third of the public agency’s funds may be invested in short term obligations of corporations.

Concentration of Credit Risk. Pace places no limit on the amount that may be invested in any one issuer. As of December 31, 2023, Pace did not have any funds placed in instruments that would be considered investments.

NOTE 4 RELATIONSHIP WITH REGIONAL TRANSPORTATION AUTHORITY

Transactions with the RTA include receipt of Pace's portion of sales tax revenues, state operating and federal operating assistance grants and funding for the ADA program. Pace also receives reimbursements from the RTA for amounts expended by Pace on behalf of the RTA.

	2023
Amounts Due from RTA:	
Sales Tax and Public Funding	\$65,404,244
Operating and Capital Grants	14,447,116
Regional and ADA Funding	400,433
Other	192,077
Total Due from RTA	\$ 80,443,870

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 5 CHANGES IN CAPITAL ASSETS

<u>Type</u>	<u>1/1/2023 Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	<u>12/31/2023 Balance</u>
Capital Assets not Being Depreciated					
Land	\$ 34,108,698	\$ -	\$ -	\$ -	\$ 34,108,698
Capital Projects in Progress	28,179,842	26,814,512	(28,179,842)	-	26,814,512
Total Capital Assets not Being Depreciated	<u>62,288,540</u>	<u>26,814,512</u>	<u>(28,179,842)</u>	<u>-</u>	<u>60,923,210</u>
Capital Assets Being Depreciated					
Equipment	526,152,652	34,785,770	16,277,158	(36,903,989)	540,311,591
Buildings and Improvements	311,691,771	-	11,902,684	(7,460,134)	316,134,321
Buildings Right to Use Lease Assets	7,386,738	-	-	-	7,386,738
SBITA Right to Use Assets	-	5,440,231	-	-	5,440,231
Total Capital Assets Being Depreciated	<u>845,231,161</u>	<u>40,226,001</u>	<u>28,179,842</u>	<u>(44,364,123)</u>	<u>869,272,881</u>
Accumulated Depreciation/Amortization					
Equipment	(418,328,246)	(51,151,522)	-	36,903,989	(432,575,779)
Buildings and Improvements	(115,608,920)	(5,516,411)	-	7,460,134	(113,665,197)
Buildings Right to Use Lease Assets	(1,123,148)	(1,155,810)	-	-	(2,278,958)
SBITA Right to Use Assets	-	(1,308,089)	-	-	(1,308,089)
Total Accumulated Depreciation	<u>(535,060,314)</u>	<u>(59,131,832)</u>	<u>-</u>	<u>44,364,123</u>	<u>(549,828,023)</u>
Total Capital Assets Being Depreciated, Net	<u>310,170,847</u>	<u>(18,905,831)</u>	<u>28,179,842</u>	<u>-</u>	<u>319,444,858</u>
Net Capital Assets	<u>\$372,459,387</u>	<u>\$ 7,908,681</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 380,368,068</u>

Note: The addition for the SBITA Right to Use Assets is a restatement related to the implementation of GASB Statement No. 96.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 6 RISK MANAGEMENT

Pace’s basic risk financing policy is to retain a portion of the financial risk of loss for its automobile liability, general liability, and workers’ compensation exposures and to purchase aggregate insurance coverage in excess of specific self-insured retentions for each of these exposures. Pace also purchases conventional insurance with various deductibles or retentions for its crime, cyber liability, directors and officers liability, employment practices liability, pollution liability and property exposures.

The basic premise of Pace’s Risk Management program is to make risk control and risk financing decisions that minimize the adverse effects that accidental losses have on our organization. The employee health plan and workers’ compensation programs are administered primarily by third-party administrators that provide claims management services in exchange for a service fee.

There were no losses that were greater than the commercial insurance coverage in the last three years. There were no reductions in coverage in 2023. Pace’s retentions as of December 31, 2023 are structured as follows:

Automobile Liability	\$5,000,000 each occurrence
Cyber Liability	\$150,000 each occurrence
General Liability	\$2,500,000 each occurrence
Management Liability (Crime, D & O, EPLI)	\$100,000 each occurrence
Premises Pollution Liability	\$25,000 each occurrence
Property	\$25,000 per occurrence deductible – All Other Risks Various deductibles – Catastrophic Risks (Earthquake, Flood, and Wind/Hail)
Underground Storage Tank Liability	\$50,000 Each Occurrence – Tanks Under 30 Years Old \$250,00 Each Occurrence – Tanks Over 30 Years Old
Workers’ Compensation	\$1,000,000 Each Occurrence

Pace also has assumed the financial risk for its employee health and welfare coverage. The stop loss coverage at December 31, 2023 is as follows:

	<u>Specific Stop Loss</u>	<u>Aggregate Stop Loss</u>
Corporate and all Divisions	<u>\$150,000</u>	<u>\$5,216,463</u>

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 6 RISK MANAGEMENT (Continued)

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

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

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

General liability, automobile liability, and workers compensation claim liabilities for incurred losses to be settled by a lump-sum payment or other agreement, represent their present value using an expected future investment yield of 2% per year. Reserves for employee health and welfare coverage are established based on historical claim experience. The ultimate liability for general liability, automobile liability, workers compensation, and the employee health and welfare plan is approximately \$31,648,773 and \$33,500,542 as of December 31, 2023 and 2022, respectively. Cash is intended to pay for general liability, automobile liability, and workers compensation at a present value of \$31,503,174 and \$29,775,800 for this liability at December 31, 2023 and 2022, respectively.

Changes in the balances of claims liabilities were as follows:

	For the Year Ended December 31,	
	<u>2023</u>	<u>2022</u>
Balance at beginning of year	\$ 33,500,542	\$ 32,740,383
Current year claims and changes in estimates	9,264,717	3,043,774
Claim payments	<u>(11,116,486)</u>	<u>(2,283,615)</u>
	<u>\$ 31,648,773</u>	<u>\$ 33,500,542</u>
Current portion of insurance reserves	\$ 8,488,400	\$ 9,318,304
Non-current portion of insurance reserves	<u>23,160,373</u>	<u>24,182,238</u>
Total insurance reserves	<u>\$ 31,648,773</u>	<u>\$ 33,500,542</u>

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7 LONG TERM DEBT

a. Bonds

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

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

A requirement of the bond covenant is that Pace deposit \$1.2 million into a reserve account. In addition, Pace is required to make a monthly deposit that represents one-twelfth of the annual principal payment and one-sixth of the semiannual interest payment into a debt service account held at the bond depository bank. Semi-annual interest payments began on June 15, 2015 and continued semi-annually each June and December going forward. The annual principal payment was made in December, 2023.

Revenue bonds currently outstanding as of year ending December 31, 2023 are as follows:

Bond Issuance	Fund Debt Retired By	Beginning Balance	Issuances	Retirements	Ending Balance at 12/31/2023	Due In One Year
Taxable Revenue Bond Series of 2015, the South Cook Compressed Natural Gas facility project, authorized issue of \$12,000,000, due in annual installments of \$1,200,000, interest payable June 15 and December 15 at rates ranging from 1.40% to 3.50%, through December 15, 2024	Suburban Services	\$ 2,400,000	\$ -	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7 LONG TERM DEBT (Continued)

a. Bonds (Continued)

Annual requirements to amortize all debt outstanding as of December 31, 2023 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	1,200,000	42,000	1,242,000
Total	\$ 1,200,000	\$ 42,000	\$ 1,242,000

b. Leases

Pace entered into lease agreements for the use of building and radio tower space. These agreements are considered leases for accounting purposes under GASB Statement No. 87, Leases. In a restatement relating to the implementation of GASB Statement No. 87 "Leases", a right to use building lease asset and lease obligation was recorded for the leases below in fiscal year 2022. There was no stated interest rate in any of the lease agreements so an implicit interest rate of 3.0% was used for all of the leases. There were no additional lease agreements in 2023 that met the threshold for capitalization of the lease agreement.

<u>Lessor</u>	<u>Description of Right To Use Asset</u>	<u>Start Date</u>	<u>End Date</u>	<u>Initial Liability</u>	<u>Lease Liability at 12/31/2023</u>
Evoque Data Center Solutions	Data Center	6/1/2019	6/1/2024	\$ 136,880	\$ 70,040
Chicago Tower Leasing Corp.	Radio Tower	9/1/2020	9/1/2032	63,377	55,096
Crown Castle International Corp.	Radio Tower	6/1/2020	6/1/2032	106,531	92,009
HMC CHP 76 Lively, LLC	Graphics Office	3/1/2020	3/1/2026	376,355	213,211
	TOTAL			<u>\$ 683,143</u>	<u>\$ 430,356</u>

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7 LONG TERM DEBT (Continued)

b. Leases (Continued)

Lease Liability outstanding as of December 31, 2023 is as follows:

Beginning Balance	Principal Payments	Ending Balance	Due Within One Year
\$ 595,824	\$ 165,468	\$ 430,356	\$ 177,309

The annual lease liability payment schedule is as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 177,309	\$ 12,955	\$ 190,264
2025	115,382	8,313	123,695
2026	32,655	4,161	36,816
2027	16,272	3,497	19,769
2028	17,459	2,904	20,363
2029	18,680	2,294	20,974
2030	19,938	1,664	21,602
2031	21,304	1,016	22,320
2032	11,357	186	11,543
	<u>\$ 430,356</u>	<u>\$ 36,990</u>	<u>\$ 467,346</u>

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7 LONG TERM DEBT (Continued)

c. Subscription Based Information Technology Arrangements (SBITAs)

Pace entered into SBITA agreements for Software as a Service (SaaS) and subscription licenses for a number of information technology related software. These agreements are considered SBITAs for accounting purposes under GASB Statement No. 96 "Subscription-Based Information Technology Arrangements". In a restatement relating to the implementation of GASB Statement No. 96, a right to use SBITA asset and SBITA liability were recorded for the agreements listed below in fiscal year 2023. None of the agreements had a stated interest rate so an implicit interest rate of 6.22% was used.

The SBITA agreements at December 31, 2023 are as follows:

<u>Lessor</u>	<u>Right To Use SBITA Asset</u>	<u>Start Date</u>	<u>End Date</u>	<u>Initial Liability</u>	<u>SBITA Liability at 12/31/2023</u>
CDW	Citrix Priority SaaS Workspace and SaaS for Xen App Virtual	3/8/2023	3/8/2025	\$ 251,905	\$ 128,522
Deloitte Consulting	Customer Relationship Management	3/3/2022	3/2/2027	464,804	357,331
eBuilders	Subscription License	8/1/2021	8/1/2028	924,913	735,055
Lytix	Drivecam License	1/1/2023	12/31/2026	1,083,642	834,429
Transit	Royale Trip Planning	10/1/2022	9/30/2024	56,281	49,622
Transit	On Demand Deeplink	9/1/2023	9/30/2025	123,819	109,168
Transit	Paratransit Integration	7/1/2023	7/1/2025	56,281	42,857
	TOTAL			<u>\$ 2,961,645</u>	<u>\$ 2,256,984</u>

SBITA Liability outstanding as of December 31, 2023 is as follows:

Beginning Balance	Principal Payments	Ending Balance	Due Within One Year
\$ 2,961,645	\$ 704,661	\$ 2,256,984	\$ 828,221

The annual SBITA liability payment schedule is as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 828,221	\$ 69,932	\$ 898,153
2025	640,511	88,112	728,623
2026	591,171	50,452	641,623
2027	197,081	12,614	209,695
2028	-	-	-
	<u>\$ 2,256,984</u>	<u>\$ 221,110</u>	<u>\$ 2,478,094</u>

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 8 ADVANCE FROM STATE

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 \$14,849,197 and \$13,344,362 respectively, for this advance for the year ended December 31, 2023 and December 31, 2022.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS

Pace participates in two single-employer defined benefit pension plans that are administered through a trust: The Amalgamated Transit Union Local 900 Pension Plan for Pace North Division and the Retirement Plan for Pace West Division Employees. Pace also participates in The Regional Transportation Authority (“RTA”) Pension Plan which is a governmental multiple-employer, defined benefit pension plan.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Amalgamated Transit Union Local 900 Pension Plan, the Retirement Plan for Pace West Division Employees and RTA Pension Plan (“the plans”) and additions to/deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The aggregate amount of pension liabilities, pension assets, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense for the North Division and West Division single-employer plans and Pace’s proportionate share for the RTA Pension Plan as of December 31, 2023 are as follows:

	Amalgamated Transit Union Local 900 Pension Plan	Retirement Plan for Pace West Division Employees	The Regional Tranportation Authority (“RTA”) Pension Plan	Total
Net Pension Liability	\$ 2,043,613	\$ 15,581,203	\$ 52,273,323	\$ 69,898,139
Deferred Outflows of Resources related to Pensions	\$ 1,173,026	\$ 6,446,163	\$ 48,462,010	\$ 56,081,199
Deferred Inflows of Resources related to Pensions	\$ (2,905)	\$ (300,566)	\$ (3,477,973)	\$ (3,781,444)
Pension Expense	\$ 289,369	\$ 2,066,963	\$ 16,247,401	\$ 18,603,733

Details regarding each pension plan are outlined in the note disclosures below.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

a. North Division

The Amalgamated Transit Union Local 900 Pension Plan (Plan) is a single-employer defined benefit pension plan covering substantially all union employees of Pace North Division. Wells Fargo Bank, NA is the trustee of the Plan. Wells Fargo holds and manages the assets and maintains all records of the Plan. The Plan is administered by a Pension Committee that reports to the plan trustees and is comprised of a member appointed by the Employer and a member appointed by the Amalgamated Transit Union Local 900. The Collective Bargaining Agreement is approved by the Union and, if ratified, then approved by the Pace Board of Directors. After it is ratified by both parties, a pension plan amendment is prepared and goes to the Plan Trust Committee for vote and approval to enact the plan amendment. The Plan issues a separate financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Pace, 500 West Algonquin Road, Arlington Heights, IL 60005-4412 or by calling (847) 364-8130.

All Pace employees who are covered by the Collective Bargaining Agreement are eligible to participate in the Plan upon completing one year of service. Under the Collective Bargaining Agreement, plan participants are required to contribute 5% of their compensation. Such employee contributions are treated as pick-up contributions (pre-tax) under Section 414(h) of the Internal Revenue Code. The Employer also contributes 4% of an employee's compensation to the Plan under the Collective Bargaining Agreement.

The participant's vested interest in his/her employee contribution account balance is 100%. A participant's vested interest in employer contributions is determined in accordance with the following schedule:

<u>Years of Vesting Service</u>	<u>Vested Interest</u>
0 to 4 years	0%
5 or more years	100%

The Plan provides normal early retirement and disability benefits based upon years and hours of service credited to the participant during each year of service. Benefits fully vest upon attaining 5 years of service. Normal retirement age is 65 or age 62 with 30 years of benefit service and entitles an employee to 100% of his vested benefits. An employee may retire early at age 55 when they have five years of vesting service and 10 years of benefit service. Pension benefit payments are based upon the employee's benefit service and monthly benefit rates. The benefit level for all service is \$36 for each year of service not to exceed 40 years. The Post-1997 service is \$30 for each year of service after December 31, 1997, in which an employee works 1,500 hours or more, and \$22 for each year of service after December 31, 1997, in which an employee works 1,000 to 1,499 hours.

PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 9 PENSION PLANS (Continued)

a. North Division (Continued)

The actuarial valuation report date is January 1, 2023. Measurements as of the reporting date are based on fair value of assets as of December 31, 2022 and the Total Pension Liability as of the valuation date of January 1, 2022, updated to December 31, 2022. The table below shows the changes in Total Pension Liability, the Plan Fiduciary Net Position and the Net Pension Liability during the measurement year based on the measurement date of December 31, 2022.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 01/01/2022	\$ 8,816,930	\$ 8,412,751	\$ 404,179
Changes for year:			
Service Cost	156,349	-	156,349
Interest	632,288	-	632,288
Changes of Benefits	-	-	-
Changes of Assumptions	-	-	-
Differences Between Expected and Actual Experience	62,469	-	62,469
Contributions - Employer	-	192,989	(192,989)
Contributions - Member	-	241,237	(241,237)
Net Investment Income (Loss)	-	(1,145,971)	1,145,971
Benefit Payments	(629,057)	(629,057)	-
Administrative Expense	-	(76,583)	76,583
Net Changes	<u>222,049</u>	<u>(1,417,385)</u>	<u>1,639,434</u>
Balances at 12/31/2022	<u>\$ 9,038,979</u>	<u>\$ 6,995,366</u>	<u>\$ 2,043,613</u>

During the measurement year there was an experience loss of \$62,469 resulting in a increase in the Net Pension Liability. There was an investment loss of \$1,743,288 resulting in a deferred outflow of \$1,145,971. The investment loss, experience loss, service cost, interest cost and administrative expenses resulted in an increase in the Net Pension Liability of \$1,639,434.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

a. North Division (Continued)

The impact of investment gains or losses is recognized over a period of five years. During the measurement year, there was a difference between projected and actual investment earnings of \$1,743,288 that resulted in an investment loss. Approximately \$348,658 of that difference was recognized in the current year and an identical amount will be recognized in each of the next four years resulting in a deferred outflow of resource of \$1,394,630. In addition, there was \$197,316 recognized from the prior years' investment gains resulting in a remaining deferred inflow of resources of \$595,389. The deferred outflow from the loss is netted with deferred inflow from the prior year gains for a deferred outflow of \$799,241.

The impact of losses due to assumption changes is recognized over the average expected remaining service life of all active and inactive members. During the measurement year there were no assumption changes. The prior losses from assumption changes resulted in \$69,189 of the loss being recognized in the current year resulting in a remaining deferred outflow of resources of \$97,897.

The impact of experience gains or losses is recognized over the average expected remaining service life of all active and inactive members. During the measurement year, there was an experience loss of \$62,469. Approximately \$15,617 of that loss was recognized in the current year and an identical amount will be recognized in the next three years resulting in a deferred outflow of \$46,852. In addition, there was \$36,651 recognized from prior years' experience losses resulting in a remaining deferred outflow of resources of \$36,651. The total deferred outflow of resources for experience losses is \$83,503.

During the measurement year there was \$10,095 recognized from the prior years' experience gains resulting in a remaining deferred inflow of resources of \$2,905.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

a. North Division (Continued)

The table below summarizes the current balance of deferred outflows and deferred inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Made Subsequent to the Measurement Date	\$ 192,385	\$ -
Differences Between Expected and Actual Experience	83,503	2,905
Changes in Assumptions	97,897	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	799,241	
Total	<u>\$ 1,173,026</u>	<u>\$ 2,905</u>

In 2023, there was \$192,385 reported as deferred outflows of resources related to pension contributions made subsequent to the measurement date. The contribution will be recognized as a reduction of the net pension liability in the reporting year ended December 31, 2024. Amounts reported as deferred outflows and deferred inflows of resources will be recognized as pension expense in the following periods:

Year Ended December 31:	
2024	\$ 112,532
2025	211,926
2026	304,615
2027	348,663
Thereafter	-

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

a. North Division (Continued)

At December 31, 2022 and 2021, the number of participants were:

	<u>2022</u>	<u>2021</u>
Current Employees	69	68
Retirees, disabled participants and beneficiaries of deceased retirees currently receiving benefits	69	63
Terminated employees entitle to, but not yet receiving, benefits	<u>20</u>	<u>22</u>
	<u>158</u>	<u>153</u>

Pension plan fiduciary net position. Detailed information about the pension plans' fiduciary net position is available in the separately issued pension plan financial reports.

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

Valuation Date	January 1, 2022
Actuarial Cost Method	Entry age normal
Asset Valuation Method	Market value of assets
Amortization Method	Unfunded Actuarial Liability (UAL) is amortized as a level dollar amount over 20-year periods.
Life expectancy	RP-2014 Combined Mortality Tables with no projected future mortality improvement
Investment Rate of Return	7.25%
Salary increases	2.00%
Inflation	Included in the salary increases
Retirement Age	Age 65 or age 62 with 30 year of benefit service

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

a. North Division (Continued)

Long-term Expected Rate of Return. The long-term expected rate of return is developed through the use of proprietary software designed to simulate and assess potential risk of return characteristics of portfolios. The software is based on a Monte Carlo simulation of macroeconomic factors, which are used to model monthly return outcomes of capital markets. Data is simulated on a monthly basis; the simulation is based on historical monthly figures dating back to 1926. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Type and Class	Long-Term Expected Real Rate of Return	Target Allocation
Global Equity	7.2%	80.0%
Real Estate	4.9%	10.0%
Fixed Income	6.8%	10.0%
Cash	4.1%	0.0%

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan participant contributions will be made at the current contribution rate and that Employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the Employer, calculated using the discount rate of 7.25%, as well as what the Employer's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Employer's Net Pension (Asset) Liability	\$ 2,918,109	\$ 2,043,613	\$ 1,293,405

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

b. West Division

The Retirement Plan for Pace West Division Employees is a single-employer defined benefit pension plan covering substantially all union employees of Pace’s West Division. Wells Fargo Bank, NA is the trustee of the Plan. Wells Fargo holds and manages the assets and maintains all records of the Plan. The Plan is administered by the Retirement Allowance Committee, which is comprised of three members appointed by the Employer, two members appointed by the Amalgamated Transit Union Local 241, and one member who is a non-bargained employee of the Employer. Benefit terms are established and/or amended through the Collective Bargaining Agreement. The Collective Bargaining Agreement is approved by the Union and, if ratified, then approved by the Pace Board of Directors. After it is ratified by both parties, a pension plan amendment is prepared and goes to the Retirement Allowance Committee for vote and approval to enact the plan amendment. The Plan issues a separate financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Pace, 500 West Algonquin Road, Arlington Heights, IL 60005-4412 or by calling (847) 364-8130.

Generally, an employee who is represented by the Amalgamated Transit Union Local No. 241 and is covered for all fringe benefits under the Collective Bargaining Agreement shall become a participant in the Plan as of the first day of employment. Contributions to the Plan by the employer and employees are subject to labor negotiations which consider, among other things, the actuarial valuation of the Plan. Under the Collective Bargaining Agreement effective January 1, 2016, plan participants are required to contribute 6.5% of their compensation and Pace contributes 6.5% as an employer contribution. Employee contributions are deducted from payroll. Both the employee and employer contributions are to be paid to the trustee monthly.

A participant’s vested interest in his/her employee contribution account balance shall at all times be 100%. A participant’s vested interest in employer contributions is determined in accordance with the following schedule:

<u>Year of Vesting Service</u>	<u>Vested Interest</u>
0 to 9 years	0%
10 or more years	100%

The normal retirement benefit is 1.875% of compensation for each year of service, but not more than 70% of the average of the employee’s highest five plan years of earnings. Under the terms of the Plan, the normal retirement date is the date the participant reaches his/her sixty-fifth (65th) birthday, or the first day of the calendar month following the date on which a participant has completed 25 years of credited service, regardless of age. The Plan also provides for early retirement at reduced benefits for participants with three years of service who have attained age 57. In addition, the Plan provides for death benefits payable to surviving spouses and certain disability benefits.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

b. West Division (Continued)

The actuarial valuation report date is January 1, 2023. Measurements as of the reporting date are based on fair value of assets as of December 31, 2022 and the Total Pension Liability as of the valuation date of January 1, 2022, updated to December 31, 2022. The table below shows the changes in Total Pension Liability, the Plan Fiduciary Net Position and the Net Pension Liability during the measurement year based on the measurement date of December 31, 2022.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 01/01/2022	\$ 39,612,366	\$ 32,203,362	\$ 7,409,004
Changes for year:			
Service Cost	1,064,454	-	1,064,454
Interest	2,925,397	-	2,925,397
Changes of Benefits	192,138	-	192,138
Changes of Assumptions	900,307	-	900,307
Differences Between Expected and Actual Experience	103,097	-	103,097
Contributions - Employer	-	1,116,050	(1,116,050)
Contributions - Member	-	1,116,007	(1,116,007)
Net Investment Income (Loss)	-	(5,128,624)	5,128,624
Benefit Payments	(3,044,113)	(3,044,113)	-
Administrative Expense	-	(90,239)	90,239
Net Changes	<u>2,141,280</u>	<u>(6,030,919)</u>	<u>8,172,199</u>
Balances at 12/31/2022	<u>\$ 41,753,646</u>	<u>\$ 26,172,443</u>	<u>\$ 15,581,203</u>

During the measurement year, there was an experience loss of \$103,097 resulting in an increase to Net Pension Liability. There was also an assumption change from lowering the discount rate from 7.5% to 7.25%. This resulted in an increase to Net Pension Liability of \$900,307. Additionally, there was a plan amendment to increase the benefit multiplier from 1.850% to 1.875% which resulted in an increase of \$192,138 to Net Pension Liability. These changes along with the investment loss, service cost and interest cost offset by the employer and employee contributions resulted in an increase in the Net Pension Liability of \$8,172,199.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

b. West Division (Continued)

The impact of investment gains or losses is recognized over a period of five years. During the measurement year, there was an investment loss of \$7,422,533. Approximately \$1,484,507 of that loss was recognized in the current year and an identical amount will be recognized in each of the next four years totaling \$5,938,026 in deferred outflows. In addition, there was \$540,777 recognized from the prior years' net investment gains and losses resulting in a remaining deferred inflow of resources of \$1,844,734. The deferred outflows from the current prior years investment losses exceeded the remaining deferred inflows resulting in net deferred outflows of \$4,093,292.

The prior years' losses from assumption changes resulted in \$112,997 of the loss being recognized in the current year which was the final year. The loss due to the assumption change during the measurement period of \$900,307 will be recognized over a period of five years. Approximately, \$180,061 of that loss will be recognized in the current year and an identical amount over the next four years resulting in a deferred outflow of \$720,246.

During the measurement year, there was an experience loss of \$103,097. Approximately, \$20,619 of this experience loss will be recognized in the current year and an identical amount will be recognized in each of the next four years totaling \$82,478 in deferred outflows. In addition, there was \$198,815 recognized from the prior years' experience losses resulting in a remaining deferred outflow of resources of \$226,830. The total deferred outflows for experience losses is \$309,308.

There was \$251,580 from prior years' experience gains recognized in the current year resulting in remaining deferred inflows from experience gains of \$300,565.

The plan amendment change of \$192,138 is expensed in the current period.

The table below summarizes the current balance of deferred outflows and deferred inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Made Subsequent to the Measurement Date	\$ 1,323,317	\$ -
Differences Between Expected and Actual Experience	309,308	300,566
Changes in Assumptions	720,246	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>4,093,292</u>	<u>-</u>
Total	<u>\$ 6,446,163</u>	<u>\$ 300,566</u>

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

b. West Division (Continued)

In 2023, there was \$1,323,317 reported as deferred outflows of resources related to pension contributions made subsequent to the measurement date. The contribution will be recognized as a reduction of the net pension liability in the reporting year ended December 31, 2024. Amounts reported as deferred outflows and deferred inflows of resources will be recognized as pension expense in the following periods:

Year Ended December 31:	
2024	\$ 671,858
2025	1,010,559
2026	1,454,674
2027	1,685,189
Thereafter	-

At December 31, 2022 and 2021, the number of participants were:

	<u>2022</u>	<u>2021</u>
Current Employees	243	228
Retirees, disabled participants and beneficiaries of deceased retirees currently receiving benefits	223	218
Terminated employees entitled to, but not yet receiving, benefits	<u>41</u>	<u>39</u>
	<u>507</u>	<u>485</u>

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

b. West Division (Continued)

Pension plan fiduciary net position. Detailed information about the pension plans' fiduciary net position is available in the separately issued pension plan financial reports.

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

Valuation Date	January 1, 2022
Actuarial Cost Method	Entry age normal
Asset Valuation Method	Five-year smoothing with asset gains or losses recognized at 20% per year
Amortization Method	Unfunded Actuarial Liability (UAL) is amortized as a level dollar amount over a 30-year period.
Life expectancy	RP-2014 Combined Health Mortality Table with no assumed mortality improvement
Assumed Rate of Return	7.25% (established by the Collective Bargaining Agreement)
Salary increases	3.50%
Inflation	Included in salary increases
Retirement Age	Age 65 or 25 years of service

Long-term Expected Rate of Return. The long term expected rate of return was determined by establishing best-estimate ranges of expected future real rates of return. Real returns differ from total returns in that real returns are calculated net of plan investment expenses and inflation. Expected real returns are determined using a geometric means assumption for each asset class in which the Plan has exposure. Best estimates of real rates of return for each major asset class, included in the pension plan's target asset allocation as of December 31, 2022 are summarized in the following table:

<u>Asset Type and Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
Equity	3.79%	52.00%
Fixed Income	1.38%	35.00%
Cash or Cash Equivalents	0.88%	13.00%

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

b. West Division (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.25% and 7.5% at December 31, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed that plan participant contributions will be made at the current contribution rate and that Employer contributions will be made at a rate equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the Plan, calculated using the discount rate of 7.25%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Employer's Net Pension Liability	\$ 19,632,380	\$ 15,581,203	\$ 12,083,645

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

c. The Regional Transportation Authority Pension Plan

The Regional Transportation Authority Pension Plan is a governmental cost sharing 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), 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”). Benefit terms are established and/or amended by approval of the RTA Board of Directors. The Plan issues a separate financial report that includes financial statements and required supplementary information. More information regarding the elements of the Plan’s basic financial statements can be obtained by writing to Pace, 550 West Algonquin Road, Arlington Heights, IL 60005-4412 or by calling (847) 364-8130 to request a copy of the financial report.

Employees are eligible for participation on the first day of the month that coincides with or follows their date of employment. 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. At January 1, 2022 the number of participants were:

	<u>2022</u>
Active	1,107
Retirees, disabled participants and beneficiaries of deceased retirees currently receiving benefits	973
Terminated employees entitled to, but not yet receiving, benefits	<u>531</u>
	<u><u>2,611</u></u>

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 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. Effective July 1, 2016, a change was made to provide additional pre-retirement death benefits for the survivors of plan members along with additional forms of benefit payment options. 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.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

c. The Regional Transportation Authority Pension Plan (Continued)

Contributions. The Plan is funded solely by employer contributions, which are actuarially determined under the entry age normal method. The pension plan document defines the employers' funding policy as contributions at least equal to an amount determined advisable by the Plan's actuary to maintain the Plan on a sound actuarial basis. For the purpose of determining contributions, the Plan uses an asset smoothing method which smooths asset gains and losses over a 5-year period. The minimum contribution is the sum of the normal cost and the 30-year amortization of the unfunded liability. If participants terminate continuous service before rendering five years (ten years prior to January 1, 1987) of credited service, they forfeit the right to receive the portion of their accumulated benefits attributable to employer contributions. All forfeitures are applied to reduce the amount of contributions otherwise payable by the employer. The calculation of the recommended annual contribution requirements for the measurement year is as follows:

	<u>2022</u>
Annual Normal Cost as of Valuation Date	\$ 13,240,751
Normal Cost Expense Load	669,854
Interest on Normal Cost to End of Year	834,636
30-Year Level Dollar Amortization of Unfunded Actuarial Accrued Liability at End of Year	<u>9,983,277</u>
Total Recommended Annual Contribution for the Current Plan Year	<u>\$ 24,728,518</u>
Total Covered Payroll	\$ 105,835,620
Recommended Annual Contribution (as a percentage of pay)	23.365%

The allocation of the recommended annual contribution requirements for the measurement year is shown below:

	2021	Allocation	Allocated Recommended Annual Contribution Requirements for Fiscal Year 2022
	Pensionable Payroll	Percent	
Metra	\$ 54,647,019	58.4%	\$ 14,441,455
Pace	30,996,800	33.1%	8,185,139
RTA	7,902,802	8.5%	2,101,924
Total	<u>\$ 93,546,621</u>	100.0%	<u>\$ 24,728,518</u>

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

c. The Regional Transportation Authority Pension Plan (Continued)

Net Pension Liability. The table below shows Pace's proportion of the changes in the collective Total Pension Liability, Plan Fiduciary Net Position and Net Pension Liability during the measurement year based on the measurement date of December 31, 2022. Measurements as of the reporting date are based on fair value of assets as of December 31, 2022 and the total pension liability is based on an actuarial valuation performed as of January 1, 2022 with liabilities rolled forward to the measurement date of December 31, 2022.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 01/01/2022	\$ 176,686,818	\$ 147,402,246	\$ 29,284,572
Changes for year:			
Service Cost	4,382,689	-	4,382,689
Interest	-	-	-
Changes of Benefits	9,065,016	-	9,065,016
Changes of Assumptions	(137,663)	-	(137,663)
Differences Between Expected and Actual Experience	5,041,385	-	5,041,385
Changes in Employer Proportionate Share	(2,433,629)	-	(2,433,629)
Contributions - Employer	-	8,185,139	(8,185,139)
Net Investment Income (Loss)	-	(15,041,478)	15,041,478
Benefit Payments	(8,756,617)	(8,756,617)	-
Administrative Expense	-	(214,614)	214,614
Net Changes	<u>7,161,181</u>	<u>(15,827,570)</u>	<u>22,988,751</u>
Balances at 12/31/2022	<u>\$ 183,847,999</u>	<u>\$ 131,574,676</u>	<u>\$ 52,273,323</u>

During the measurement year, there was an experience loss of \$5,041,385 and a change in benefits of \$9,065,016 which resulted in an increase to Net Pension Liability. These increases along with service cost, and administrative expenses netted with the assumption gain resulted in an increase in the Net Pension Liability of \$22,988,751.

Pace's proportion of the collective Net Pension Liability is consistent with the manner in which contributions to the pension plan were determined. The recommended annual contribution allocation shown on the previous page presents the actual fiscal year 2022 contributions used within the proportionate share calculation for each employer and the respective allocation percentage.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

c. The Regional Transportation Authority Pension Plan (Continued)

The table below summarizes Pace's proportionate share of the deferred outflows and deferred inflows of resources that are to be recognized in future pension expenses:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Made Subsequent to Measurement Date	\$ 22,630,956	\$ -
Changes in Assumptions	10,335,500	107,130
Difference Between Expected and Actual Experience	5,213,360	1,644,095
Difference Between Projected and Actual Earnings on Pension Plan Investments	10,134,248	
Change in Employer Proportionate Share	<u>147,946</u>	<u>1,726,748</u>
Total	<u>\$ 48,462,010</u>	<u>\$ 3,477,973</u>

In 2023, there was \$22,630,956 reported as deferred outflows of resources related to pension contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended December 31, 2024. Amounts reported as deferred outflows and deferred inflows will be recognized as pension expense in the following periods:

Year Ended December 31:

2024	\$ 6,865,341
2025	7,261,389
2026	3,428,653
2027	4,797,698
Thereafter	-

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

c. The Regional Transportation Authority Pension Plan (Continued)

Deferred Outflows and Inflows. Deferred outflows and inflows of resources can arise from differences between expected and actual experiences, changes in assumptions, differences between projected and actual earnings, changes in the employer's proportion and the difference between the employer's contributions and the employer's proportionate share of contributions as well as contributions made subsequent to the measurement date. The difference between projected and actual earnings on investments is recognized over a period of five years. The net effect of changes in assumptions, the difference between expected and actual experience and the change in the employer proportionate share are amortized over the average of the expected remaining service lives of all employees. The average expected remaining service life by year is as follows:

<u>Year</u>	<u>Average Remaining Service Life</u>
2018	5.0933
2019	4.9825
2020	4.9422
2021	4.6817
2022	4.5086

Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2022 using the following actuarial assumptions applied to all periods included in the measurement:

Valuation Date	January 1, 2022
Actuarial Cost Method	Entry age normal
Asset Valuation Method	Five-year smoothed market
Amortization Method	Level dollar closed
Life expectancy	Pub-2010 (General Employees) Employee Mortality Table for pre-retirement mortality and the Pub-2010 (General Employees) Healthy Retiree Mortality Table for post-retirement mortality, sex distinct, with mortality improvement projected from 2010 using projection scale MP-2018
Investment Rate of Return	6.0%
Salary increases	2.85% to 8.60% including inflation
Inflation	2.50%
Retirement Age	First day of the calendar month coinciding with or following a participant's 65 th birthday; or age 55 with 10 years of vesting service.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

c. The Regional Transportation Authority Pension Plan (Continued)

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

Sensitivity of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents Pace's proportionate share of the Plan's collective net pension liability, calculated using a single discount rate of 6.0%, as well as what the proportionate share would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Employer's Net Pension Liability	\$ 71,628,538	\$ 52,273,323	\$ 35,892,975

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 9 PENSION PLANS (Continued)

c. The Regional Transportation Authority Pension Plan (Continued)

Long-term Expected Rate of Return. The assumed rate of investment return was adopted by the Plan's trustees after considering input from the Plan's investment consultant and actuary. Additional information about the assumed rate of investment return is included in the actuarial valuation report as of January 1, 2023. The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are based on both an arithmetic and geometric means and are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the RTA Pension Plan Committee. For each major asset class that is included in the pension plan's target asset allocation as of January 1, 2022, these best estimates are summarized in the following table:

Asset Type and Class	Long-Term Expected Real Rate of Return	Target Allocation
Domestic Equity	8.70%	28.00%
Developed Foreign Equity	9.80%	16.00%
Emerging Markets Equity	10.00%	15.00%
Private Equity	11.00%	4.00%
Investment Grade Bonds	4.70%	11.00%
Long-Term Government Bonds	5.00%	3.00%
TIPS	4.50%	3.00%
High-Yield Bonds	7.30%	3.00%
Emerging Market Bonds (local)	6.00%	2.00%
Emerging Market Bonds (major)	6.40%	2.00%
Real Estate	7.80%	8.00%
Real Assets	8.00%	5.00%

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 10 DEFINED CONTRIBUTIONS PLANS

a. Pace Administrative Defined Contribution Plan

In addition to the RTA Defined Benefit Plan, all Pace employees who are not covered by a retirement plan which is the subject of a Collective Bargaining Agreement, are eligible to participate in a voluntary 401(K) Plan. Employees are eligible to participate after 60 days of service. A participant is fully vested in his/her account immediately. Contributions to the plan are voluntary for each participant. The Internal Revenue Code places limits on the amounts which employees may elect to contribute. There is no employer obligation to contribute. Plan provisions and contribution requirements are established and may be amended by the Administrative Plan Committee. For 2023, Pace contributed \$431,050 and the participants contributed \$2,213,662 which includes \$385,688 contributed to the Roth 401(K).

In 2022, the RTA implemented a new benefit for employees hired after January 1, 2022. Eligible new hires can elect to receive an employer contribution of 7% of eligible earnings in lieu of participating in the RTA Defined Benefit Plan. Employee who elect the 401(K) employer contribution are fully vested after 3 years of service. For 2023, Pace contributed \$26,612 in employer contributions.

In 2022, Pace implemented a new 457(B) defined contribution plan. Employees are eligible to make contributions to the 457(B) plan in addition to the 401(K) plan. There is no employer obligation to contribute. In 2023, Pace contributed \$30,000 in employer contributions and participants contributed \$188,010.

b. Union 401(K) and Defined Contribution Plans

The operating divisions of the Pace Suburban Bus Division have established 401(K) plans and defined contribution plans through their respective Collective Bargaining Agreements with the bargained for (union) employees at the divisions. Each division contributes a percentage of compensation for each participant as provided in their respective Collective Bargaining Agreement. In some cases, there is a required employee 401(K) contribution pursuant to the Collective Bargaining Agreement. Each 401(K) plan allows the employee participant to elect to contribute a percentage of the participant's compensation up to a maximum percentage. The defined contribution plans provide only for an employer contribution at the percentage of compensation specified in the Collective Bargaining Agreement. The plans can be amended by the Collective Bargaining Agreement or in writing by the parties to the Collective Bargaining Agreement. The plans issue a financial report that includes financial statements and required supplementary information.

Basis of Accounting. The financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. The plans are all self-directed by the participant from a selection of mutual funds. All assets of the plan are valued at fair value.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 10 DEFINED CONTRIBUTIONS PLANS (Continued)

b. Union 401(K) and Defined Contribution Plans (Continued)

Contributions. The following table provides additional information regarding these defined contribution plans:

<u>Plan Name</u>	<u>Type of Plan</u>	<u>Number of Covered Employees</u>	<u>Employer Contribution Requirement</u>	<u>Employee Contribution Requirement</u>	<u>Employer Contribution Amount</u>	<u>Employee Contribution Amount</u>
Fox Valley	401(K)	71	4% of Compensation	None	\$191,679	\$110,828
Heritage	401(K)	68	4% of Compensation	4% of Compensation	\$158,743	\$234,080
North Shore	401(K)	66	4% of Compensation	None	\$168,012	\$211,530
Northwest	401(K)	221	4.5% of Compensation	4% of Compensation	\$716,859	\$911,341
River	401(K)	115	4% of Compensation	None	\$313,943	\$315,748
River	Defined Contribution	3	4% of Compensation	4% of Compensation	\$9,048	\$9,048
South	401(K)	224	4% of Compensation	4% of Compensation	\$529,227	\$704,697
Southwest	401(K)	105	4% of Compensation	2% of Compensation	\$217,156	\$194,941

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 11 OTHER POST EMPLOYMENT BENEFITS

Pace offers two single employer retiree health plans to bargained for union employees that are not administered through a trust. The North Division Retiree Health Plan is offered to employees in Amalgamated Transit Union Local 900 and the West Division Retiree Health Plan is offered to employees in Pace West Division and Local 241, Amalgamated Transit Union.

For purposes of measuring the total Other Post Employment Benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense of the North Division Retiree Health Plan and the West Division Retiree Plan (“the plans”) have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as these are pay-as-you-go plans.

In 2022, Pace implemented a Medical Insurance Premium Reimbursement Program for non-bargained employees who meet certain requirements upon retirement. Employees who retired from Pace employment on or after January 1, 2021 are eligible. The OPEB liability was recorded as of December 31, 2022.

The aggregate amount of OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense for the North Division and West Division Retiree Health Plans and the Administrative Medical Insurance Premium Reimbursement Plan as of December 31, 2023 are as follows:

	North Division Retiree Health Plan	West Division Retiree Health Plan	Administrative Non-Bargained For Plan	Total
Total OPEB Liability	\$ 304,079	\$ 11,892,856	\$ 2,131,450	\$ 14,328,385
Deferred Outflows of Resources	33,408	1,357,890	-	1,391,298
Deferred Inflows of Resources	(236,271)	(3,838,002)	(847,188)	(4,921,461)
OPEB Expense	43,758	621,138	98,210	763,106

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

a. North Division Retiree Health Plan

Pace provides a retiree health plan upon retirement to bargained for employees in Amalgamated Transit Union Local 900 after completion of 10 years of service. The plan includes Hospital, Surgical, Health and Accident Insurance for retired employees age 62 to 65. Pace contributes 50% of the premium for the retirees and the North Division Pension Plan pays the other 50%. Spouses are not covered under the plan. This plan is not administered by a trust and does not have a separate financial report.

At December 31, 2023, total OPEB liability totaled \$304,079. The reporting date for determining plan assets and obligations is December 31, 2023. The valuation date is January 1, 2023. The changes in total OPEB liability are as follows:

	Total OPEB Liability
Balances at 01/01/2023	\$ 329,307
Changes for year:	
Service Cost	53,960
Interest	18,154
Benefit Changes	-
Assumption Changes	(31,271)
Differences Between Expected and Actual Experience	(60,940)
Contributions - Employer	<u>(5,131)</u>
Net Changes	<u>(25,228)</u>
Balances at 12/31/2023	<u><u>\$ 304,079</u></u>

At January 1, 2023 and January 1, 2022 the number of participants were:

	<u>2023</u>	<u>2022</u>
Actives not yet Fully Eligible to Retire	51	50
Actives Fully Eligible to Retire	-	-
Retirees Receiving Coverage	<u>1</u>	<u>1</u>
Total	<u><u>52</u></u>	<u><u>51</u></u>

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

a. North Division Retiree Health Plan (Continued)

Sensitivity of the total OPEB liability to changes in healthcare trend rate and discount rate.
The following represents the effect of increasing or decreasing both the assumed annual healthcare trend rate and the discount rate by 1%.

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Total OPEB Liability	\$ 285,119	\$ 304,079	\$ 325,493

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 318,812	\$ 304,079	\$ 290,227

At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to OPEB were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 160,370
Changes in Assumptions	33,408	75,901
Total	\$ 33,408	\$ 236,271

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,		
2024	\$	(28,354)
2025		(28,354)
2026		(28,354)
2027		(28,354)
2028		(28,650)
Total Thereafter		(60,797)

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

a. North Division Retiree Health Plan (Continued)

The OPEB Expense recorded at December 31, 2023 is comprised of the following:

	<u>2023</u>
Service Cost	
Beginning of year service cost	\$ 21,148
Interest on service cost to end of year	911
Service Cost and Interest for Measurement Period adjustment	31,901
Interest on total OPEB Liability	
Total OPEB liability at beginning of year	\$ 271,396
Benefit payments	1,051
Average OPEB Liability for the year	270,871
Interest on average OPEB liability for the year	11,675
Interest cost for Measurement Period adjustment	6,479
Recognition of Deferred (Inflows)/Outflows from:	
Experience	(22,747)
Asset (Gain)/Loss	-
Assumption Changes	(5,609)
Total Amortization	<u>(28,356)</u>
Administrative expenses	-
Effect of plan changes	-
Projected Earnings on OPEB investments	N/A
Retiree Contributions	-
OPEB Expense	<u><u>\$ 43,758</u></u>

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

a. North Division Retiree Health Plan (Continued)

Assumptions. The OPEB liability was determined by an actuarial valuation as of January 1, 2023 using the following actuarial assumptions:

Measurement Date	December 31, 2023
Reporting Date	December 31, 2023
Actuarial Cost Method	Entry age normal, level percent of pay
Asset Valuation Method	Not applicable
Amortization Method	Closed, straight line for average remaining service period
Mortality	Pub. H 2010 General Generational Mortality projected with Scale MP-2021
Discount Rate	4.31%
Salary increases	5.00%
Retirement Age	Age 62 with 10 years of service
Participation	100% of all eligible active and retired participants

The discount rate is the equivalent index rate for 20-year Municipal Bonds with an average rate of AA or higher. The S&P Municipal Bond 20-Year High Grade Rate Index is used.

Additional Assumptions used are:

Health Care Cost Trend Rates

<u>Fiscal Year</u>	<u>Medical</u>	<u>Dental</u>
2023 - 2024	6.67%	4.00%
2024 - 2025	6.33%	4.00%
2025 - 2026	6.00%	4.00%
2026 - 2027	5.67%	4.00%
2027 - 2028	5.33%	4.00%
2028+	5.00%	4.00%

Withdrawal Rates

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	9.80%	14.40%
30	3.70%	4.50%
40	1.20%	2.30%
50	0.20%	0.30%
60	0.00%	0.00%

Retirement Rates

<u>Age</u>	<u>Rate</u>
62	50.0%
63	50.0%
64	50.0%
65	100.0%

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

b. West Division Retiree Health Plan

The contractual obligation to provide retiree health coverage is under the Collective Bargaining Agreement with Pace West Division and Local 241, Amalgamated Transit Union. Effective January 1, 2004, a retiree health plan was established where Pace contributes 2.5% of earnings to cover the costs of retirees' health coverage per the Collective Bargaining Agreement. On August 2, 2013, a new Collective Bargaining Agreement was signed which resulted in an increase to the employer retiree health contribution. Effective the first full pay period after January 1, 2011, the employer contribution increased to 3.5%. The most recent Collective Bargaining Agreement effective January 1, 2016 did not increase the contribution and it remains at 3.5%. In the event such amount is insufficient to pay the cost of retirees' health coverage, Pace will advance the funds. If the insufficiency is \$10,000 or less, Pace agrees to pay. If the insufficiency is greater, then Pace and Local 241 Amalgamated Transit Union will resolve the insufficiency. This plan is not administered by a trust and does not have a separate financial report.

Active employees hired prior to December 5, 2003 are eligible to receive HMO benefits from the retiree health plan either upon attainment of age 55 and completion of 25 years of service or attainment of age 62 with completion of 20 years of service. Former employees who were age 57 or older on or before the ratification of the Collective Bargaining Agreement that also qualify as a deferred vested pensioner under the Retirement Plan for Pace West Division are eligible for retiree health and life insurance coverage subject to the terms of the agreement. Retiree health coverage consists of enrollment in Pace's HMO plan or payment of a single coverage cash equivalent ("stipend") as outlined in the Collective Bargaining Agreement. Retirees also qualify for a \$2,000 life insurance benefit. Retirees can maintain spouse coverage provided the retiree pays 50% of the difference between single and spouse coverage. Spouse coverage is available until the retiree reaches age 65.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

b. West Division Retiree Health Plan (Continued)

At December 31, 2023, total OPEB liability totaled \$11,892,856. The reporting date for determining plan assets and obligations is December 31, 2023. The valuation date is January 1, 2023. The changes in total OPEB liability are as follows:

	Total OPEB Liability
Balances at 01/01/2023	\$ 15,543,959
Changes for year:	
Service Cost	490,626
Interest	839,082
Changes of Benefits	-
Changes of Assumptions	(3,364,007)
Differences Between Expected and Actual Experience	(438,885)
Contributions - Employer	<u>(1,177,919)</u>
Net Changes	<u>(3,651,103)</u>
Balances at 12/31/2023	<u><u>\$ 11,892,856</u></u>

At January 1, 2023 and January 1, 2022, the number of participants were:

	<u>2023</u>	<u>2022</u>
Actives not yet Fully Eligible to Retire	33	38
Actives Fully Eligible to Retire	22	24
Retirees Receiving a Stipend	91	92
Retirees Receiving Medical Coverage	15	15
Spouses	-	-
Total	<u><u>161</u></u>	<u><u>169</u></u>

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

b. West Division Retiree Health Plan (Continued)

Sensitivity of the total OPEB liability to changes in healthcare trend rate and discount rate.
The following represents the effect of increasing or decreasing both the assumed annual healthcare trend rate and the discount rate by 1%.

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Total OPEB Liability	\$ 10,709,716	\$ 11,892,856	\$ 13,297,929

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 13,205,337	\$ 11,892,856	\$ 10,781,168

At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to OPEB were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 258,355	\$ 480,655
Changes in Assumptions	1,099,535	3,357,347
Total	\$ 1,357,890	\$ 3,838,002

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2024	\$	(846,747)
2025		(573,398)
2026		(1,059,967)
2027		-
Total Thereafter		-

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

b. West Division Retiree Health Plan (Continued)

The OPEB Expense recorded at December 31, 2023 is comprised of the following:

	<u>2023</u>
Service Cost	
Beginning of year service cost	\$ 185,248
Interest on service cost to end of year	7,984
Service Cost and Interest for Measurement Period adjustment	297,394
Interest on total OPEB Liability	
Total OPEB liability at beginning of year	\$ 11,804,739
Benefit payments	600,949
Average OPEB Liability for the year	11,504,265
Interest on average OPEB liability for the year	495,834
Interest cost for Measurement Period adjustment	343,248
Recognition of Deferred (Inflows)/Outflows from:	
Experience	(34,809)
Asset (Gain)/Loss	-
Assumption Changes	(673,761)
Total Amortization	<u>(708,570)</u>
Administrative expenses	-
Effect of plan changes	-
Projected Earnings on OPEB investments	N/A
Retiree Contributions	-
OPEB Expense	<u><u>\$ 621,138</u></u>

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

b. West Division Retiree Health Plan (Continued)

Assumptions. The OPEB liability was determined by an actuarial valuation as of January 1, 2023 using the following actuarial assumptions:

Measurement Date	December 31, 2023
Reporting Date	December 31, 2023
Actuarial Cost Method	Entry age normal, level percent of pay
Asset Valuation Method	Not applicable
Amortization Method	Closed, straight line for average remaining service period
Mortality	Pub. H 2010 General Generational Mortality projected with Scale MP-2021
Discount Rate	4.31%
Salary increases	5.00%
Participation	100% of all eligible active and retired participants
Stipend Trend Rate	Stipend amount is assumed to increase \$120 per year

The discount rate used is the equivalent index rate for 20-year Municipal Bonds with an average rate of AA or higher. The S&P Municipal Bond 20-Year High Grade Rate Index is used.

Additional assumptions used are:

Health Care Cost Trend Rates

<u>Fiscal Year</u>	<u>Pre-65</u>	<u>65+</u>
2023 - 2024	6.67%	5.00%
2024 - 2025	6.33%	5.00%
2025 - 2026	6.00%	5.00%
2026 - 2027	5.67%	5.00%
2027 - 2028	5.33%	5.00%
2028+	5.00%	5.00%

Withdrawal Rates

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	9.80%	14.40%
30	3.70%	4.50%
40	1.20%	2.30%
50	0.20%	0.30%
60	0.00%	0.00%

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

b. West Division Retiree Health Plan (Continued)

For stipend election, 50% are assumed to take the stipend and 50% are assumed to take the medical benefit. Actual elections were used for current retirees. For retirement marriage assumptions, 80% of actives are assumed to be married with husbands three years older than wives. Actual spouse data was used for current retirees.

Retirement Rates

<u>Age</u>	<u>Less Than 25 Years of Service</u>	<u>25 or More Years of Service</u>
57	5.0%	33.0%
58	5.0%	33.0%
59	5.0%	33.0%
60	20.0%	33.0%
61	5.0%	33.0%
62	50.0%	33.0%
63	25.0%	33.0%
64	50.0%	33.0%
65	100.0%	100.0%

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

c. Medical Insurance Premium Reimbursement Plan

In fiscal year 2022, Pace implemented a medical insurance premium reimbursement program (“Program”) for retired non-bargained employees. The benefit provides eligible employees with a non-taxable reimbursement that can be used toward their premiums for supplemental medical coverage in retirement.

Non-bargained employees are eligible to apply for reimbursement under the Program if they retire from Pace employment on or after January 1, 2021. At date of retirement the employee must be either:

- 65 years old or older, or
- 55 to 64 years old and have completed at least 10 years of continuous, full-time employment with Pace, or
- 65 years old or older if they elected early retirement under Pace’s Early Retirement Incentive Program.

Employees must also be fully vested in the RTA Pension Plan and be enrolled in Medicare Part B, Medicare supplemental insurance, and/or alternative medical insurance and have paid the premiums for their coverage.

Eligible employees who are approved for reimbursement under the Program will receive up to \$78.00 per month toward their paid premiums. The amount of reimbursement will not exceed the cost of coverage.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

c. Medical Insurance Premium Reimbursement Plan (Continued)

At December 31, 2023, total OPEB liability totaled \$2,131,450. The reporting date for determining plan assets and obligations is December 31, 2023. The valuation date is January 1, 2023. The changes in total OPEB liability are as follows:

	Total OPEB Liability
Balances at 01/01/2023	\$ 2,888,693
Changes for year:	
Service Cost	108,590
Interest	83,754
Changes of Benefits	-
Changes of Assumptions	(726,892)
Differences Between Expected and Actual	(214,427)
Contributions - Employer	(8,268)
Net Changes	<u>(757,243)</u>
Balances at 12/31/2023	<u>\$ 2,131,450</u>

At January 1, 2023, the number of participants were:

	2023	2022
Actives not yet Fully Eligible to Retire	135	139
Actives Fully Eligible to Retire	312	278
Retirees Receiving Medical Coverage	<u>20</u>	<u>21</u>
Total	<u>467</u>	<u>438</u>

Sensitivity of the total OPEB liability to changes in discount rate. The following represents the effect of increasing or decreasing the discount rate by 1%.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 1,815,890	\$ 2,131,450	\$ 1,871,659

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

**c. Medical Insurance Premium Reimbursement Program for Retired Employees
(Continued)**

The OPEB Expense for fiscal year 2023 is comprised of the following:

	<u>2023</u>
Service Cost	
Beginning of year service cost	\$ 104,101
Interest on service cost to end of year	4,487
Interest on total OPEB Liability	
Total OPEB liability at beginning of year	\$ 1,947,374
Benefit payments	8,268
Average OPEB Liability for the year	1,943,240
Interest on average OPEB liability for the year	83,754
Recognition of Deferred (Inflows)/Outflows from:	
Experience	(21,443)
Asset (Gain)/Loss	-
Assumption Changes	<u>(72,689)</u>
Total Amortization	<u>(94,132)</u>
Administrative expenses	-
Effect of plan changes	-
Projected Earnings on OPEB investments	N/A
Retiree Contributions	<u>-</u>
OPEB Expense	<u><u>\$ 98,210</u></u>

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

**c. Medical Insurance Premium Reimbursement Program for Retired Employees
(Continued)**

At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to OPEB were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 192,984
Changes in Assumptions	-	654,204
Total	<u>\$ -</u>	<u>\$ 847,188</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2024	\$ (94,132)
2025	\$ (94,132)
2026	\$ (94,132)
2027	\$ (94,132)
2028	\$ (94,132)
Total Thereafter	(376,528)

Assumptions. The OPEB liability was determined by an actuarial valuation as of January 1, 2023 using the following actuarial assumptions:

Measurement Date	December 31, 2023
Reporting Date	December 31, 2023
Actuarial Cost Method	Entry age normal, level percent of pay
Asset Valuation Method	Not applicable
Amortization Method	Closed, straight line for average remaining service period
Mortality	Pub. H 2010 General Generational Mortality projected with Scale MP-2021
Discount Rate	4.31%
Salary increases	5.00%
Participation	100% of all eligible active and retired participants

The discount rate used is the equivalent index rate for 20-year Municipal Bonds with an average rate of AA or higher. The S&P Municipal Bond 20-Year High Grade Rate Index is used.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

**c. Medical Insurance Premium Reimbursement Program for Retired Employees
(Continued)**

Additional actuarial assumptions used are:

Withdrawal Rates

<u>Five or More Years of Service</u>			<u>First Four Years of Service</u>		
<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Service</u>	<u>Male</u>	<u>Female</u>
30	8.00%	8.00%	1	14.00%	12.00%
35	5.50%	7.50%	2	10.00%	10.00%
40	4.00%	6.00%	3	10.00%	10.00%
45	2.75%	4.75%	4	8.00%	8.00%
50	2.00%	3.00%			
55	2.00%	3.00%			

Retirement Rates

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
55	5.00%	65	30.00%
56	5.00%	66	30.00%
57	5.00%	67	30.00%
58	5.00%	68	30.00%
59	5.00%	69	30.00%
60	20.00%	70	30.00%
61	18.00%	71	35.00%
62	18.00%	72	35.00%
63	18.00%	73	35.00%
64	18.00%	74	35.00%
		75+	100.00%

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 12 NET POSITION

a. Restricted Net Position

Restricted Net Position represents a legal debt restriction of \$1,200,000 for repayment of the Revenue Bond Series of 2015 that were issued for the South Cook Compressed Natural Gas facility.

b. Unrestricted Net Position

The change in Unrestricted Net Position for fiscal year 2023 is as follows:

Unrestricted Net Position at 12/31/2022	\$ 251,725,357
Suburban Services Surplus	10,974,597
ADA Surplus	200,815
Pace Capital Grants	(7,329,090)
Restricted for Debt Repayment	(1,200,000)
Change in Lease Liability	(165,469)
Change in SBITA Liability	(704,661)
GASB 96 SBITA Assets Prepaid in Prior Year	<u>(2,345,300)</u>
Unrestricted Net Position at 12/31/2023	<u><u>\$ 251,156,249</u></u>

c. Working Capital Policy

In December 2018, the Board of Directors approved a Working Capital Policy for the Suburban Services Fund that replaces the previous Working Cash Policy. The policy adopts best practices outlined by the Government Finance Officers Association (GFOA). Working Capital is defined by GFOA as the difference between current assets and current liabilities, or cash availability. For Pace's policy, the current unexpended, approved PBV capital projects balance is also deducted from current assets. The policy requires a working capital of between 45 and 90 days.

At December 31, 2023, the Working Capital calculation for Suburban Services is as follows:

Current Assets	\$ 379,117,698
Less: Current Liabilities	51,691,770
Less: PBV Projects	<u>(22,460,394)</u>
	\$ 408,349,074
Operating Expenses	\$ 324,302,256
Working Capital Ratio	126%
Days of Liquidity	460

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 12 NET POSITION (Continued)

d. Designated Net Position

While net position represents residual equity in addition to investment in capital assets, it is important to note that management has designated a portion of this balance for future commitments. These obligations are not legal restrictions on net position and therefore are not segregated on the statement of net position, but are for future consideration. Refer to Schedule 7 on page 107 for the detail of these designations.

NOTE 13 COMMITMENTS AND CONTINGENCIES

- a. Agreements with Pace's paratransit public funded carriers generally provide that Pace will reimburse the lesser of the approved budget, \$3.25 per ride, or up to 75% of defined operating deficits incurred, within defined service guidelines, in the provision of specified demand response public transportation services.
- b. 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.
- c. Pace receives significant financial assistance from federally assisted programs, principal of which is FTA. These programs are subject to audit under the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) for which a separate report is issued.

NOTE 14 PLEDGED REVENUES

Pace has pledged future portions of the Suburban Service Fund's operating revenue to repay the Special Revenue Bonds Series 2015 bonds. Proceeds from the bonds provided financing to convert the South Division location into a compressed natural gas facility. The bonds are payable from 2015 through years ended 2024. If the pledged revenues from these sources are insufficient to provide for the principal and interest payments on the bonds, a debt service reserve fund would be used to make the payments. Annual principal and interest payments on the bonds are expected to require less than 2.7% of the operating revenue. The total principal and interest remaining to be paid on the bonds is \$1,242,000. Principal and interest paid for the current year is \$1,282,200 and the Suburban Service Funds' operating revenue for the current year is \$36,680,656.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AMALGAMATED TRANSIT UNION LOCAL 900 PENSION PLAN**

LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	\$ 156,349	\$ 164,786	\$ 170,518	\$ 180,056	\$ 170,220	\$ 179,341	\$ 186,026	\$ 195,168	\$ 133,375
Interest	632,288	613,595	595,415	575,551	546,461	518,429	487,814	449,547	333,911
Changes of benefit terms	-	85,068	-	-	-	-	-	-	1,191,632
Differences between expected and actual experience	62,469	(5,811)	31,006	144,499	(43,211)	15,719	(2,557)	10,612	-
Changes of assumptions	-	195,793	-	-	101,203	-	-	-	-
Benefit payment, including refunds of employee contributions	(629,057)	(520,083)	(501,396)	(523,024)	(443,304)	(302,450)	(246,872)	(193,903)	(123,505)
Net change in total pension liability	222,049	533,348	295,543	377,082	331,369	411,039	424,411	461,424	1,535,413
Total pension liability - beginning	8,816,930	8,283,582	7,988,039	7,610,957	7,279,590	6,868,551	6,444,141	5,982,717	4,447,304
Total pension liability - ending (a)	\$ 9,038,979	\$ 8,816,930	\$ 8,283,582	\$ 7,988,039	\$ 7,610,959	\$ 7,279,590	\$ 6,868,552	\$ 6,444,141	\$ 5,982,717
Plan Fiduciary Net Position									
Contributions - employer	\$ 192,989	\$ 160,945	\$ 172,095	\$ 175,889	\$ 178,389	\$ 169,821	\$ 164,182	\$ 165,936	\$ 149,926
Contributions - employee	241,237	201,181	211,910	219,862	222,987	212,279	205,226	204,980	149,926
Net investment income (loss)	(1,145,971)	851,525	1,201,645	1,111,779	(231,782)	887,068	358,789	6,897	312,685
Benefit payments, including refunds of employee contributions	(629,057)	(520,083)	(501,396)	(523,024)	(443,304)	(302,450)	(246,872)	(193,903)	(123,505)
Administrative expense	(76,583)	(93,981)	(70,006)	(77,447)	(88,973)	(85,266)	(96,731)	(76,406)	(73,634)
Other	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	(1,417,385)	599,587	1,014,248	907,059	(362,683)	881,452	384,594	107,504	415,398
Plan fiduciary net position - beginning	8,412,751	7,813,164	6,798,916	5,891,857	6,254,540	5,373,088	4,988,494	4,880,990	4,465,592
Plan fiduciary net position - ending (b)	\$ 6,995,366	\$ 8,412,751	\$ 7,813,164	\$ 6,798,916	\$ 5,891,857	\$ 6,254,540	\$ 5,373,088	\$ 4,988,494	\$ 4,880,990
Net Pension Liability - ending (a) - (b)	\$ 2,043,613	\$ 404,179	\$ 470,418	\$ 1,189,123	\$ 1,719,102	\$ 1,025,050	\$ 1,495,464	\$ 1,455,647	\$ 1,101,727
Plan fiduciary net position as a percentage of the total pension liability	77.39%	95.42%	94.32%	85.11%	77.41%	85.92%	78.23%	77.41%	81.58%
Covered payroll	\$ 4,889,063	\$ 4,026,708	\$ 4,276,772	\$ 4,314,849	\$ 4,514,789	\$ 4,140,722	\$ 4,104,533	\$ 4,121,289	\$ 3,748,150
Net pension liability as a percentage of covered- employee payroll	41.80%	10.04%	11.00%	27.56%	38.08%	24.76%	36.43%	35.32%	29.39%

Notes:

In 2015, A change in benefits of \$1,191,632 contributed to the increase in Net Pension Liability. A change to the collective bargaining agreement effective January 1, 2014 outlined various benefit changes including an increased multiplier for all service, a 13th check provision and adjusted early retirement requirements. These changes accounted for the increase in Net Pension Liability for Changes in Benefits.

This schedule is intended to show ten years of information. Additional years will be included as they become available.

See Independent Auditors' Report

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
RETIREMENT PLAN FOR PACE WEST DIVISION EMPLOYEES**

LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	\$ 1,064,454	\$ 1,039,740	\$ 1,004,289	\$ 1,035,862	\$ 933,694	\$ 849,708	\$ 807,716	\$ 808,140	\$ 752,719
Interest	2,925,397	2,857,963	2,760,288	2,714,014	2,539,774	2,588,128	2,488,260	2,376,281	2,313,170
Changes of benefit terms	192,138	-	-	-	-	-	-	-	-
Differences between expected and actual experience	103,097	70,032	(751,412)	924,050	(506,487)	(72,392)	(217,077)	(449,032)	-
Changes of assumptions	900,307	-	-	-	564,986	-	-	-	-
Benefit payment, including refunds of employee contributions	(3,044,113)	(2,703,524)	(2,431,951)	(2,267,857)	(2,085,121)	(2,051,407)	(1,983,048)	(1,937,718)	(1,775,689)
Net change in total pension liability	2,141,280	1,264,211	581,214	2,406,069	1,446,846	1,314,037	1,095,851	797,671	1,290,200
Total pension liability - beginning	39,612,366	38,348,155	37,766,941	35,360,872	33,914,027	32,599,990	31,504,140	30,706,469	29,416,269
Total pension liability - ending (a)	\$ 41,753,646	\$ 39,612,366	\$ 38,348,155	\$ 37,766,941	\$ 35,360,873	\$ 33,914,027	\$ 32,599,991	\$ 31,504,140	\$ 30,706,469
Plan Fiduciary Net Position									
Contributions - employer	\$ 1,116,050	\$ 1,057,641	\$ 1,105,921	\$ 1,054,746	\$ 1,070,037	\$ 900,263	\$ 889,323	\$ 846,152	\$ 790,856
Contributions - employee	1,116,007	1,056,869	1,105,790	1,054,759	1,069,998	900,222	888,736	850,243	794,934
Net investment income (loss)	(5,128,624)	3,404,875	3,431,682	4,280,546	(867,620)	2,765,608	1,569,326	(271,311)	850,200
Benefit payments, including refunds of employee contributions	(3,044,113)	(2,703,524)	(2,431,951)	(2,267,857)	(2,085,121)	(2,051,407)	(1,983,048)	(1,937,718)	(1,775,689)
Administrative expense	(90,239)	(91,132)	(96,323)	(99,510)	(90,901)	(89,884)	(119,224)	(102,386)	(87,594)
Other	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	(6,030,919)	2,724,729	3,115,119	4,022,684	(903,607)	2,424,802	1,245,113	(615,020)	572,707
Plan fiduciary net position - beginning	32,203,362	29,478,633	26,363,514	22,340,830	23,244,437	20,819,635	19,574,522	20,189,542	19,616,835
Plan fiduciary net position - ending (b)	\$ 26,172,443	\$ 32,203,362	\$ 29,478,633	\$ 26,363,514	\$ 22,340,830	\$ 23,244,437	\$ 20,819,635	\$ 19,574,522	\$ 20,189,542
Net Pension Liability - ending (a) - (b)	\$ 15,581,203	\$ 7,409,004	\$ 8,869,522	\$ 11,403,427	\$ 13,020,043	\$ 10,669,590	\$ 11,780,356	\$ 11,929,618	\$ 10,516,927
Plan fiduciary net position as a percentage of the total pension liability	62.68%	81.30%	76.87%	69.81%	63.18%	68.54%	63.86%	62.13%	65.75%
Covered payroll	\$ 16,977,131	\$ 15,942,095	\$ 16,682,665	\$ 15,835,729	\$ 16,531,830	\$ 14,056,417	\$ 13,640,822	\$ 12,899,438	\$ 12,349,946
Net pension liability as a percentage of covered- employee payroll	91.78%	46.47%	53.17%	72.01%	78.76%	75.91%	86.36%	92.48%	85.16%

Note:

This schedule is intended to show ten years of information. Additional years will be included as they become available.

See Independent Auditors' Report

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF CHANGES IN PROPORTIONATE SHARE OF NET PENSION LIABILITY AND RELATED RATIOS
REGIONAL TRANSPORTATION AUTHORITY PENSION PLAN**

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	33.1000%	36.1000%	35.6000%	36.0000%	36.0000%	35.8000%	36.5000%	39.1000%	40.7553%
Proportionate share of the net pension liability (asset)	\$ 52,273,323	\$ 29,284,572	\$ 40,093,743	\$ 18,238,882	\$ 21,735,562	\$ 6,399,210	\$ 13,798,380	\$ 13,520,828	\$ 28,527,177
Covered payroll	\$ 30,996,800	\$ 35,194,375	\$ 37,888,869	\$ 36,975,759	\$ 35,470,140	\$ 33,774,264	\$ 33,890,431	\$ 31,278,732	\$ 30,225,262
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	168.64%	83.21%	105.82%	49.33%	61.28%	18.95%	40.71%	43.23%	94.38%
Plan fiduciary net position as a percentage of the total pension liability	67.45%	82.22%	74.91%	86.00%	81.73%	94.32%	87.38%	87.67%	73.51%

Note:

This schedule is intended to show ten years of information. Additional years will be included as they become available.

See Independent Auditors' Report

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF PENSION CONTRIBUTIONS
AMALGAMATED TRANSIT UNION LOCAL 900 PENSION PLAN**

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	Not Available	\$ 48,410	\$ 124,726	\$ 171,957	\$ 245,009	\$ 150,323	\$ 208,938	\$ 204,842	\$ 156,328	\$ 97,358
Contributions in relation to the actuarially determined contribution	<u>192,385</u>	<u>192,989</u>	<u>160,945</u>	<u>170,670</u>	<u>175,889</u>	<u>178,389</u>	<u>169,821</u>	<u>164,182</u>	<u>165,936</u>	<u>149,926</u>
Contribution deficiency (excess)	<u>Not Available</u>	<u>\$ (144,579)</u>	<u>\$ (36,219)</u>	<u>\$ 1,287</u>	<u>\$ 69,120</u>	<u>\$ (28,066)</u>	<u>\$ 39,117</u>	<u>\$ 40,660</u>	<u>\$ (9,608)</u>	<u>\$ (52,568)</u>
Covered payroll	Not Available	\$ 4,889,063	\$ 4,026,708	\$ 4,276,772	\$ 4,314,849	\$ 4,514,789	\$ 4,140,722	\$ 4,104,533	\$ 4,121,289	\$ 3,748,150
Contribution as a percentage of covered payroll		3.95%	4.00%	3.99%	4.08%	3.95%	4.10%	4.00%	4.03%	4.00%

Valuation Date:	Not Available	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015
Methods and assumptions used to determine contribution rates:	Not Available									
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	Straight Line	Straight Line	Straight Line	Straight Line	Straight Line	Straight Line	Straight Line	Straight Line	Straight Line	Straight Line
Remaining amortization period	20 years	20 years	20 years	20 years	20 years	20 years	20 years	20 years	20 years	20 years
Asset valuation method	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Inflation	Included in salary increases	Included in salary increases	Included in salary increases	Included in salary increases	Included in salary increases	Included in salary increases	Included in salary increases	Included in salary increases	Included in salary increases	Included in salary increases
Salary increases	2.00%	2.00%	2.00%	2.00%	2.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Investment rate of return	7.25%	7.25%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Retirement age	Age 65	Age 65	Age 65	Age 65	Age 65	Age 65	Age 65	Age 65	Age 65	Age 65
Mortality	RP-2014 Combined Healthy Mortality Tables with no assumed mortality improvement	RP-2014 Combined Healthy Mortality Tables with no assumed mortality improvement	RP-2014 Combined Healthy Mortality Tables with no assumed mortality improvement	RP-2014 Combined Healthy Mortality Tables with no assumed mortality improvement	RP-2014 Combined Healthy Mortality Tables with no assumed mortality improvement	RP-2014 Combined Healthy Mortality Tables with no assumed mortality improvement	RP-2014 Combined Healthy Mortality Tables with no assumed mortality improvement	RP-2000 Mortality Table with Blue Collar Adjustment projected to 2012 using Scale AA	RP-2000 Mortality Table with Blue Collar Adjustment projected to 2012 using Scale AA	RP-2000 Mortality Table with Blue Collar Adjustment projected to 2006 using Scale AA
	RP-2014 Disabled Mortality Table with no assumed mortality improvement	RP-2014 Disabled Mortality Table with no assumed mortality improvement	RP-2014 Disabled Mortality Table with no assumed mortality improvement	RP-2014 Disabled Mortality Table with no assumed mortality improvement	RP-2014 Disabled Mortality Table with no assumed mortality improvement	RP-2014 Disabled Mortality Table with no assumed mortality improvement	RP-2014 Disabled Mortality Table with no assumed mortality improvement			

Note:
The amounts presented for each fiscal year were determined as of the year end that occurred one year prior. This schedule is intended to show 10 years of information. Additional years will be included as they become available.

An actuarial valuation with the actuarially determined contribution for fiscal year 2023 is not available.

See Independent Auditors' Report

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF PENSION CONTRIBUTIONS
RETIREMENT PLAN FOR PACE WEST DIVISION EMPLOYEES**

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	Not available	\$ 1,053,637	\$ 1,073,568	\$ 1,028,463	\$ 1,158,835	\$ 886,516	\$ 1,022,858	\$ 779,214	\$ 819,246	\$ 813,565
Contributions in relation to the actuarially determined contribution	<u>1,323,317</u>	<u>1,116,050</u>	<u>1,057,636</u>	<u>1,105,921</u>	<u>1,054,746</u>	<u>1,070,037</u>	<u>900,263</u>	<u>889,323</u>	<u>846,152</u>	<u>790,856</u>
Contribution deficiency (excess)	<u>Not Available</u>	<u>\$ (62,413)</u>	<u>\$ 15,932</u>	<u>\$ (77,458)</u>	<u>\$ 104,089</u>	<u>\$ (183,521)</u>	<u>\$ 122,595</u>	<u>\$ (110,109)</u>	<u>\$ (26,906)</u>	<u>\$ 22,709</u>
Covered payroll	Not Available	\$ 16,977,131	\$ 15,942,095	\$ 16,682,665	\$ 15,835,729	\$ 16,531,830	\$ 14,056,417	\$ 13,640,822	\$ 12,899,438	\$ 12,349,946
Contribution as a percentage of covered payroll		6.57%	6.63%	6.63%	6.66%	6.47%	6.40%	6.52%	6.56%	6.40%

Valuation Date:	Not Available	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015
Methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Straight Line	Straight Line	Straight Line	Straight Line	Straight Line	Straight Line	Straight Line	Straight Line	Straight Line	Straight Line
Remaining amortization period	30 years	30 years	30 years	30 years	30 years	30 years	30 years	30 years	30 years	30 years
Asset valuation method	Smoothed Market Value	Smoothed Market Value	Smoothed Market Value	Smoothed Market Value	Smoothed Market Value	Smoothed Market Value	Smoothed Market Value	Smoothed Market Value	Smoothed Market Value	Smoothed Market Value
Inflation	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Salary increases	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Investment rate of return	7.25%	7.50%	7.50%	7.50%	7.50%	7.50%	8.00%	8.00%	8.00%	8.00%
Retirement age	Age 65	Age 65	Age 65	Age 65	Age 65	Age 65	Age 65	Age 65	Age 65	Age 65
Mortality	RP-2014 Combined Healthy Mortality Tables with no assumed mortality improvement	RP-2014 Combined Healthy Mortality Tables with no assumed mortality improvement	RP-2014 Combined Healthy Mortality Tables with no assumed mortality improvement	RP-2014 Combined Healthy Mortality Tables with no assumed mortality improvement	RP-2014 Combined Healthy Mortality Tables with no assumed mortality improvement	RP-2014 Combined Healthy Mortality Tables with no assumed mortality improvement	RP-2000 Combined Mortality Table with Blue Collar Adjustment projected to 2006 using Scale AA	RP-2000 Combined Mortality Table with Blue Collar Adjustment projected to 2006 using Scale AA	RP-2000 Combined Mortality Table with Blue Collar Adjustment projected to 2006 using Scale AA	RP-2000 Combined Mortality Table with Blue Collar Adjustment projected to 2006 using Scale AA
	RP-2014 Disabled Mortality Table with no assumed mortality improvement	RP-2014 Disabled Mortality Table with no assumed mortality improvement	RP-2014 Disabled Mortality Table with no assumed mortality improvement	RP-2014 Disabled Mortality Table with no assumed mortality improvement	RP-2014 Disabled Mortality Table with no assumed mortality improvement	RP-2014 Disabled Mortality Table with no assumed mortality improvement				

Note:
The amounts presented for each fiscal year were determined as of the year end that occurred one year prior. This schedule is intended to show 10 years of information. Additional years will be included as they become available.

An actuarial valuation with the actuarially determined contribution for fiscal year 2023 is not available.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF PENSION CONTRIBUTIONS
REGIONAL TRANSPORTATION AUTHORITY PENSION PLAN**

LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 8,904,765	\$ 8,185,139	\$ 8,586,995	\$ 6,095,031	\$ 4,530,458	\$ 4,173,155	\$ 3,788,251	\$ 3,479,971	\$ 5,317,168	\$ 5,579,076
Contributions in relation to the actuarially determined contribution	<u>8,904,765</u>	<u>8,185,139</u>	<u>8,586,995</u>	<u>6,095,031</u>	<u>4,530,458</u>	<u>4,173,155</u>	<u>3,788,251</u>	<u>3,479,971</u>	<u>5,317,168</u>	<u>5,579,076</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	Not Available	\$ 36,612,270	\$ 35,194,375	\$ 37,888,869	\$ 36,975,759	\$ 35,470,140	\$ 33,774,264	\$ 33,890,431	\$ 31,278,732	\$ 30,225,262
Contribution as a percentage of covered payroll		22.36%	24.40%	16.09%	12.25%	11.77%	11.22%	10.27%	17.00%	18.46%

Valuation Date:	January 1 2023	January 1 2022	January 1 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015	January 1, 2014
Methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Projected unit credit
Amortization method	Level dollar closed	Level dollar closed	Level dollar closed	Level dollar closed	Level dollar closed	Level dollar closed	Level dollar closed	Level dollar closed	Level dollar closed	Level dollar closed
Remaining amortization period	30 years	30 years	30 years	30 years	30 years	30 years	30 years	30 years	30 years	30 years
Asset valuation method	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market
Inflation	2.50%	2.50%	2.50%	2.45%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	2.85% to 8.60% including inflation	2.85% to 8.60% including inflation	2.85% to 8.60% including inflation	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Investment rate of return	6.00%	6.00%	6.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Retirement age	Age-based tables that are specific to the type of eligibility condition	Age-based tables that are specific to the type of eligibility condition	Age-based tables that are specific to the type of eligibility condition	Age-based tables that are specific to the type of eligibility condition	Age-based tables that are specific to the type of eligibility condition	Age-based tables that are specific to the type of eligibility condition	Age-based tables that are specific to the type of eligibility condition	Age-based tables that are specific to the type of eligibility condition	Age-based tables that are specific to the type of eligibility condition	Age-based tables that are specific to the type of eligibility condition
Mortality	Pub-2010 (General Employees) Employee Mortality table for pre-retirement mortality and post-retirement mortality, sex-distinct, with mortality improvement projected for 2010 using projection scale MP-2018	Pub-2010 (General Employees) Employee Mortality table for pre-retirement mortality and post-retirement mortality, sex-distinct, with mortality improvement projected for 2010 using projection scale MP-2018	Pub-2010 (General Employees) Employee Mortality table for pre-retirement mortality and post-retirement mortality, sex-distinct, with mortality improvement projected for 2010 using projection scale MP-2018	RP-2014 Mortality Table, sex-distinct, with white collar adjustment, projected to the year 2018 for post-retirement mortality.	RP-2014 Mortality Table, sex-distinct, with white collar adjustment, projected to the year 2018 for post-retirement mortality.	RP-2014 Mortality Table, sex-distinct, with white collar adjustment, projected to the year 2018 for post-retirement mortality.	RP-2014 Mortality Table, sex-distinct, with white collar adjustment, projected to the year 2018 for post-retirement mortality.	RP-2014 Mortality Table, sex-distinct, with white collar adjustment, projected to the year 2018 for post-retirement mortality.	RP-2014 Mortality Table, sex-distinct, with white collar adjustment, projected to the year 2018 for post-retirement mortality.	RP-2014 Mortality Table, sex-distinct, with white collar adjustment, projected to the year 2018 for post-retirement mortality.

Notes:
 In 2015, employer contributions of \$33,844,343 were made and are reflected in the Net Pension Liability as of December 31, 2016. These contributions were \$28,527,175 in excess of the actuarially determined contribution.
 In 2023, employer contributions of \$20,404,765 were made and will be reflected in the Net Pension Liability as of December 31, 2023. These contributions were \$11,500,000 in excess of the actuarially determined contribution.

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior. This schedule is intended to show 10 years of information. Additional years will be included as they become available.

See Independent Auditors' Report

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
NORTH DIVISION RETIREE INSURANCE PLAN**

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service cost	\$ 53,960	\$ 31,898	\$ 27,070	\$ 32,483	\$ 35,985	\$ 30,750
Interest	18,154	6,479	10,028	12,287	11,639	12,257
Differences between expected and actual experience	(60,940)	(36,484)	(45,790)	(38,696)	(32,162)	(9,009)
Changes of assumptions	(31,271)	(6,265)	40,890	(31,865)	(42,083)	11,963
Benefit payment, including refunds of employee contributions	<u>(5,131)</u>	<u>(4,080)</u>	<u>(4,080)</u>	<u>(4,221)</u>	<u>(4,078)</u>	<u>(11,960)</u>
Net change in total OPEB liability	(25,228)	(8,452)	28,118	(30,012)	(30,699)	34,001
Total OPEB liability - beginning	<u>329,307</u>	<u>337,759</u>	<u>309,641</u>	<u>339,654</u>	<u>370,353</u>	<u>336,352</u>
Total OPEB liability - ending	<u>\$ 304,079</u>	<u>\$ 329,307</u>	<u>\$ 337,759</u>	<u>\$ 309,642</u>	<u>\$ 339,654</u>	<u>\$ 370,353</u>
Covered payroll	\$ 4,828,889	\$ 4,026,208	\$ 4,282,511	\$ 4,398,507	\$ 4,457,984	\$ 4,121,289
Net OPEB liability as a percentage of covered payroll	6.3%	8.2%	7.9%	7.0%	7.6%	9.0%

Notes:

There are no assets accumulated in a trust and therefore no fiduciary net position is reported.

This schedule is intended to show ten years of information. Additional years will be included as they become available.

See Independent Auditors' Report

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
WEST DIVISION RETIREE INSURANCE PLAN**

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service cost	\$ 490,626	\$ 341,355	\$ 264,401	\$ 268,824	\$ 334,146	\$ 289,842
Interest	839,082	303,659	430,077	479,956	450,875	487,210
Differences between expected and actual experience	(438,885)	263,774	(315,995)	500,452	(150,559)	62,153
Changes of assumptions	(3,364,007)	(809,992)	2,748,838	(704,445)	(1,244,745)	766,909
Benefit payment, including refunds of employee contributions	(1,177,919)	(576,970)	(595,498)	(480,142)	(464,489)	(476,025)
Net change in total OPEB liability	(3,651,103)	(478,174)	2,531,823	64,645	(1,074,772)	1,130,089
Total OPEB liability - beginning	15,543,959	16,022,133	13,490,310	13,425,667	14,500,439	13,370,350
Total OPEB liability - ending	<u>\$ 11,892,856</u>	<u>\$ 15,543,959</u>	<u>\$ 16,022,133</u>	<u>\$ 13,490,312</u>	<u>\$ 13,425,667</u>	<u>\$ 14,500,439</u>
Covered payroll	\$ 17,273,244	\$ 16,513,742	\$ 17,206,897	\$ 16,503,427	\$ 16,652,222	\$ 14,101,334
Net OPEB liability as a percentage of covered payroll	68.9%	94.1%	93.1%	81.7%	80.6%	102.8%

Notes:

There are no assets accumulated in a trust and therefore no fiduciary net position is reported.

This schedule is intended to show ten years of information. Additional years will be included as they become available.

See Independent Auditors' Report

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**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
MEDICAL INSURANCE PREMIUM REIMBURSEMENT PLAN**

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>
Total OPEB Liability		
Service cost	\$ 108,590	\$ 169,166
Interest	83,754	59,900
Changes of benefits	-	2,664,853
Differences between expected and actual experience	(214,427)	-
Changes of assumptions	(726,892)	-
Benefit payment, including refunds of employee contributions	<u>(8,268)</u>	<u>(5,226)</u>
Net change in total OPEB liability	(757,243)	2,888,693
Total OPEB liability - beginning	<u>2,888,693</u>	<u>-</u>
Total OPEB liability - ending	<u><u>\$ 2,131,450</u></u>	<u><u>\$ 2,888,693</u></u>
Covered payroll	\$ 36,612,270	\$ 35,194,375
Net OPEB liability as a percentage of covered payroll	5.8%	8.2%

Notes:

Fiscal Year 2022 was the first year the benefit was provided.

This schedule is intended to show ten years of information. Additional years will be included as they become available.

See Independent Auditors' Report

**THE SUBURBAN BUS DIVISION OF THE
REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION BY FUND
DECEMBER 31, 2023
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022**

ASSETS	Suburban Services Fund <u>2023</u>	Regional ADA Paratransit Services Fund <u>2023</u>	Total <u>2023</u>	Unaudited Total <u>2022</u>
<u>Current Assets</u>				
Cash:				
Cash and Investments	\$ 270,367,227	\$ 40,471,795	\$ 310,839,022	\$ 240,656,095
Restricted Cash	1,212,149	-	1,212,149	1,210,029
Cash and Investments	<u>271,579,376</u>	<u>40,471,795</u>	<u>312,051,171</u>	<u>241,866,124</u>
Accounts Receivable:				
Regional Transportation Authority	80,043,437	400,433	80,443,870	86,337,147
Interfund Receivable	1,122,899	-	1,122,899	1,630,939
Capital Grant Projects-FTA & IDOT	4,183,921	-	4,183,921	83,258,532
Other	6,682,484	590,304	7,272,788	3,981,374
Total Accounts Receivable	<u>92,032,741</u>	<u>990,737</u>	<u>93,023,478</u>	<u>175,207,992</u>
<u>Other Current Assets</u>				
Prepaid Expenses	2,299,347	1,122,655	3,422,002	6,014,447
Inventory-Spare Parts	13,206,235	-	13,206,235	11,609,079
Total Other Current Assets	<u>15,505,582</u>	<u>1,122,655</u>	<u>16,628,237</u>	<u>17,623,526</u>
Total Current Assets	<u>379,117,699</u>	<u>42,585,187</u>	<u>421,702,886</u>	<u>434,697,642</u>
<u>Noncurrent Assets</u>				
Capital Assets not Being Depreciated/Amortized				
Land	34,108,698	-	34,108,698	34,108,698
Capital Projects in Progress	26,814,512	-	26,814,512	28,179,842
Total Capital Assets not Being Depreciated/Amortized	<u>60,923,210</u>	<u>-</u>	<u>60,923,210</u>	<u>62,288,540</u>
Capital Assets Being Depreciated/Amortized, Net				
Equipment	512,364,823	27,946,768	540,311,591	526,152,652
Building and Improvements	316,134,321	-	316,134,321	311,691,771
Building Right to Use Lease Assets	2,679,841	4,706,897	7,386,738	7,386,738
SBITA Right to Use Assets	5,239,417	200,814	5,440,231	-
Less Accumulated Depreciation	(530,600,288)	(19,227,735)	(549,828,023)	(535,060,314)
Total Capital Assets Being Depreciated/Amortized, Net	<u>305,818,114</u>	<u>13,626,744</u>	<u>319,444,858</u>	<u>310,170,847</u>
Total Noncurrent Assets	<u>366,741,324</u>	<u>13,626,744</u>	<u>380,368,068</u>	<u>372,459,387</u>
Total Assets	<u>745,859,023</u>	<u>56,211,931</u>	<u>802,070,954</u>	<u>807,157,029</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow - Pension	50,760,580	5,320,619	56,081,199	30,756,825
Deferred Outflow - OPEB	1,391,298	-	1,391,298	2,838,322
Total Deferred Outflow of Resources	<u>52,151,878</u>	<u>5,320,619</u>	<u>57,472,497</u>	<u>33,595,147</u>

PACE
THE SUBURBAN BUS DIVISION OF THE
REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION BY FUND (Continued)
DECEMBER 31, 2023
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022

LIABILITIES	Suburban Services Fund <u>2023</u>	Regional ADA Paratransit Services Fund <u>2023</u>	Total <u>2023</u>	Unaudited Total <u>2022</u>
<u>Current Liabilities</u>				
Accounts Payable:				
Operating	\$ 2,522,027	\$ 9,619,274	\$ 12,141,301	\$ 5,036,186
Capital	12,334,475	-	12,334,475	8,523,190
Accrued Payroll Expenses	10,547,709	249,035	10,796,744	10,129,316
Other Accrued Expenses	11,101,620	30,357,020	41,458,640	60,234,176
Unearned Revenue	4,640,167	1,628,881	6,269,048	5,570,905
Interfund Payable	-	1,122,899	1,122,899	1,630,939
Bonds Payable - Current	1,200,000	-	1,200,000	1,200,000
Lease Liability - Current	177,309	-	177,309	165,468
SBITA Liability - Current	828,221	-	828,221	-
Current Portion of Insurance Reserves	8,340,243	148,157	8,488,400	9,318,304
	<u>51,691,771</u>	<u>43,125,266</u>	<u>94,817,037</u>	<u>101,808,484</u>
Total Current Liabilities				
	<u>51,691,771</u>	<u>43,125,266</u>	<u>94,817,037</u>	<u>101,808,484</u>
<u>Noncurrent Liabilities</u>				
Insurance Reserve, Non-Current Portion	23,160,373	-	23,160,373	24,182,238
Net Pension Liability	65,522,862	4,375,277	69,898,139	37,097,755
Total Other Post Employment Benefits (OPEB) Liability	14,328,385	-	14,328,385	18,761,962
Advance From State	14,849,197	-	14,849,197	13,344,362
Bonds Payable, Non-Current	-	-	-	1,200,000
Lease Liability, Non-Current	253,047	-	253,047	430,356
SBITA Liability, Non-Current	1,428,763	-	1,428,763	-
Other Liabilities	3,154,470	114,158	3,268,628	2,975,548
	<u>122,697,097</u>	<u>4,489,435</u>	<u>127,186,532</u>	<u>97,992,221</u>
Total Noncurrent Liabilities				
	<u>122,697,097</u>	<u>4,489,435</u>	<u>127,186,532</u>	<u>97,992,221</u>
Total Liabilities	<u>174,388,868</u>	<u>47,614,701</u>	<u>222,003,569</u>	<u>199,800,705</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflow - Pension	3,490,339	291,105	3,781,444	16,800,381
Deferred Inflow - OPEB	4,921,461	-	4,921,461	1,762,170
	<u>8,411,800</u>	<u>291,105</u>	<u>8,702,905</u>	<u>18,562,551</u>
Total Deferred Inflow of Resources				
	<u>8,411,800</u>	<u>291,105</u>	<u>8,702,905</u>	<u>18,562,551</u>
NET POSITION				
Net Investment in Capital Assets	362,853,984	13,626,744	376,480,728	369,463,563
Restricted for Bond Repayment	1,200,000	-	1,200,000	1,200,000
Unrestricted	251,156,249	-	251,156,249	251,725,357
	<u>\$ 615,210,233</u>	<u>\$ 13,626,744</u>	<u>\$ 628,836,977</u>	<u>\$ 622,388,920</u>
Total Net Position				
	<u>\$ 615,210,233</u>	<u>\$ 13,626,744</u>	<u>\$ 628,836,977</u>	<u>\$ 622,388,920</u>

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PACE
THE SUBURBAN BUS DIVISION OF THE
REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION BY FUND FOR THE YEAR ENDED DECEMBER 31, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022

	Suburban Services Fund 2023	Regional ADA Paratransit Services Fund 2023	Total 2023	Unaudited Total 2022
<u>Operating Revenue</u>				
Pace-owned service revenue	\$ 18,672,688	\$ -	\$ 18,672,688	\$ 18,467,001
CMAQ/JARC Services	59,551	-	59,551	188,525
Fixed route carrier revenue	1,921,624	-	1,921,624	1,689,956
Paratransit revenue	12,540,961	9,565,923	22,106,884	15,469,471
Vanpool revenue	973,617	-	973,617	924,566
CARES Funding - Operating	-	-	-	-
CRRSSA Funding - Operating	-	-	-	-
Reduced fare reimbursement	1,345,862	-	1,345,862	1,345,862
Advertising revenue	46,014	-	46,014	732,895
Miscellaneous	1,120,339	1,546,599	2,666,938	1,487,195
Total Operating Revenue	<u>36,680,656</u>	<u>11,112,522</u>	<u>47,793,178</u>	<u>40,305,471</u>
<u>Operating expenses:</u>				
Pace-owned service expenses	130,025,460	-	130,025,460	113,570,555
CMAQ/JARC expenses	1,481,960	-	1,481,960	5,497,024
Contract Payments:				
Fixed route carriers	7,164,606	-	7,164,606	6,194,332
Paratransit carriers	22,900,388	210,686,386	233,586,774	202,214,914
Vanpool expenses	1,465,133	-	1,465,133	1,287,966
Centralized operations	68,282,910	9,916,214	78,199,124	76,668,504
Administrative expenses	44,721,758	8,160,692	52,882,450	47,535,341
Depreciation/Amortization	56,846,245	2,285,587	59,131,832	52,708,243
Indirect overhead allocation	(8,586,204)	8,586,204	-	-
Total Operating Expenses	<u>324,302,256</u>	<u>239,635,083</u>	<u>563,937,339</u>	<u>505,676,879</u>
Operating Income (Loss)	<u>(287,621,600)</u>	<u>(228,522,561)</u>	<u>(516,144,161)</u>	<u>(465,371,408)</u>
<u>Non-Operating Revenue (Expenses)</u>				
Retailers' occupation and use tax from RTA (85% Formula)	127,231,328	-	127,231,328	123,182,482
RTA Sales Tax/PTF (PA 95-0708)	20,409,243	-	20,409,243	19,797,410
RTA PTF Funding I	12,478,823	-	12,478,823	11,249,705
RTA PTF Funding II	25,178,515	-	25,178,515	24,271,518
Regional ADA Paratransit Funding	-	216,219,519	216,219,519	188,450,192
ADA State Funding	-	8,394,800	8,394,800	8,394,802
Suburban Community Mobility Fund (SCMF)	33,196,378	-	33,196,378	31,948,290
South Suburban Job Access Fund	7,500,000	-	7,500,000	7,500,000
CARES Funding - Public Funding	-	-	-	741,648
CRRSSA Funding - Public Funding	-	-	-	6,213,925
APRA Funding - Public Funding	-	-	-	71,263,074
Innovation Coordination and Enhancement Fund (ICE)	247,581	-	247,581	-
Federal Operating Grants	2,380,692	-	2,380,692	8,773,520
Interfund Asset Allocation	(7,463,038)	7,463,038	-	-
Interest on Investments	13,333,891	1,823,470	15,157,361	3,632,582
Interest Expense	(206,501)	-	(206,501)	(137,879)
Total Non-Operating Revenue (Expenses)	<u>234,286,912</u>	<u>233,900,827</u>	<u>468,187,739</u>	<u>505,281,269</u>
Income Before Other Revenues, Expenses, Gains, Losses and Transfers	<u>(53,334,688)</u>	<u>5,378,266</u>	<u>(47,956,422)</u>	<u>39,909,861</u>
Other Revenues, Expenses, Gains, Losses and Transfers				
Capital Grant Reimbursements	54,404,479	-	54,404,479	85,584,267
Total Other Revenues, Expenses, Gains, Losses and Transfers	<u>54,404,479</u>	<u>-</u>	<u>54,404,479</u>	<u>85,584,267</u>
Change in Net Position	1,069,791	5,378,266	6,448,057	125,494,128
Beginning Net Position	614,140,442	8,248,478	622,388,920	496,894,792
Ending Net Position	<u>\$ 615,210,233</u>	<u>\$ 13,626,744</u>	<u>\$ 628,836,977</u>	<u>\$ 622,388,920</u>

PACE
THE SUBURBAN BUS DIVISION OF THE
REGIONAL TRANSPORTATION AUTHORITY
SUBURBAN SERVICES FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Actual	Final Amended Budget	Variance
<u>Operating Revenue</u>			
Pace-Owned Service Revenue	\$ 18,672,688	\$ 15,417,086	\$ 3,255,602
CMAQ/JARC/ICE Passenger Revenue	59,551	782,605	(723,054)
Fixed Route Carrier Revenue	1,921,624	2,208,639	(287,015)
Paratransit Revenue	12,540,961	7,964,531	4,576,430
Vanpool Revenue	973,617	1,108,796	(135,179)
CARES Funding - Operating	-	-	-
Reduced Fare Reimbursement	1,345,862	1,345,862	-
Advertising Revenue	46,014	1,095,000	(1,048,986)
Miscellaneous/Other Revenue	1,120,339	946,402	173,937
Total Operating Revenue	36,680,656	30,868,921	5,811,735
<u>Operating Expenses</u>			
Pace-Owned Service Expenses	130,025,460	133,420,340	3,394,880
CMAQ/JARC/ICE Expenses	1,481,960	4,746,560	3,264,600
Contract Payments:		-	
Fixed Route Carriers	7,164,606	12,640,417	5,475,811
Paratransit Carriers	22,900,388	16,763,686	(6,136,702)
Vanpool Expenses	1,465,133	1,571,610	106,477
Centralized Operations	68,282,910	84,215,002	15,932,092
Indirect Overhead Allocation	(8,586,204)	(9,027,717)	(441,513)
Administrative Expenses	44,721,758	59,013,268	14,291,510
Total Operating Expenses	267,456,011	303,343,166	35,887,155
Operating Income (Loss)	(230,775,355)	(272,474,245)	41,698,890
<u>Non-Operating Revenue</u>			
Retailers' occupation and use tax from RTA (85% Formula)	127,231,328	119,753,614	7,477,714
RTA Sales Tax/PTF (PA 95-0708)	20,409,243	18,237,486	2,171,757
RTA PTF Funding I	12,478,823	12,132,718	346,105
RTA PTF Funding II	25,178,515	24,019,116	1,159,399
Suburban Community Mobility Fund (SCMF)	33,196,378	31,621,177	1,575,201
South Suburban Job Access Fund	7,500,000	7,500,000	-
Innovation Coordination and Enhancement Fund (ICE)	247,581	-	247,581
CARES Funding - Public Funding	-	-	-
CRRSSA Funding - Public Funding	-	-	-
ARPA Funding - Public Funding	-	51,935,612	(51,935,612)
Federal Operating Grants - Suburban Services	2,380,692	4,820,372	(2,439,680)
Interest on Investments	13,333,891	2,536,350	10,797,541
Interest Expense	(206,501)	(82,200)	(124,301)
Total Non-Operating Revenue	241,749,950	272,474,245	(30,724,295)
Increase (Decrease) in Net Position	\$ 10,974,595	\$ -	\$ 10,974,595
Reconciliation of Budgetary Basis to GAAP Basis:			
Provision for Depreciation	(56,846,245)		
Capital Grant Reimbursements	54,404,479		
Interfund Asset Allocation	(7,463,038)		
Increase (Decrease) in Net Position - GAAP Basis	\$ 1,069,791		

PACE
THE SUBURBAN BUS DIVISION OF THE
REGIONAL TRANSPORTATION AUTHORITY
REGIONAL ADA PARATRANSIT SERVICES FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Actual	Final Amended Budget	Variance
<u>Operating Revenue</u>			
ADA Service Revenue	\$ 9,565,923	\$ 10,560,094	\$ (994,171)
CRRSSA Funding - Operating	-	-	-
Miscellaneous/Other Revenue	1,546,599	1,851,302	(304,703)
Total Operating Revenue	<u>11,112,522</u>	<u>12,411,396</u>	<u>(1,298,874)</u>
<u>Operating Expenses</u>			
ADA Service Expenses	210,686,386	209,561,987	(1,124,399)
Centralized Operations	9,916,214	11,229,930	1,313,716
Indirect Overhead Allocation	8,586,204	9,027,717	441,513
Administrative Expenses	8,160,692	8,680,836	520,144
Total Operating Expenses	<u>237,349,496</u>	<u>238,500,470</u>	<u>1,150,974</u>
Operating Income (Loss)	<u>(226,236,974)</u>	<u>(226,089,074)</u>	<u>(147,900)</u>
<u>Non-Operating Revenue</u>			
Regional ADA Paratransit Funding from RTA	216,219,519	217,544,274	(1,324,755)
Regional ADA Paratransit Reserve Fund from RTA	-	-	-
ADA State Funding	8,394,800	8,394,800	-
CARES Funding - Public Funding	-	-	-
CRRSSA Funding - Public Funding	-	-	-
Interest on Investments	1,823,470	150,000	1,673,470
Total Non-Operating Revenue	<u>226,437,789</u>	<u>226,089,074</u>	<u>348,715</u>
Increase (Decrease) in Net Position	<u>\$ 200,815</u>	<u>\$ -</u>	<u>\$ 200,815</u>
Reconciliation of Budgetary Basis to GAAP Basis:			
Provision for Depreciation	(2,285,587)		
Interfund Asset Allocation	7,463,038		
Increase (Decrease) in Net Position - GAAP Basis	<u>\$ 5,378,266</u>		

PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
SUBURBAN SERVICES FUND
SCHEDULE OF FAREBOX RECOVERY RATIO
FOR THE YEAR ENDED DECEMBER 31, 2023

REVENUE	
Pace-Owned Service Revenue	\$ 18,672,688
CMAQ/JARC Passenger Revenue	59,551
Fixed Route Carrier Revenue	1,921,624
Paratransit Revenue	12,540,961
Van Pool Revenue	973,617
CARES funding - Operating	-
Reduced Fare Reimbursement	1,345,862
Advertising Revenue	46,014
Interest on Investments	13,333,891
Miscellaneous	1,120,339
¹ Senior's Ride Free	1,254,737
² Not-For-Profit Service Providers Revenue	8,964,265
Total System Generated Revenue	\$ 60,233,549
OPERATING EXPENSES	
Pace-Owned Service Expenses	\$ 130,025,460
CMAQ/JARC Expenses	1,481,960
Contract Payments:	
Fixed Route Carriers	7,164,606
Paratransit Carriers	22,900,388
Van Pool Expenses	1,465,133
Centralized Operations	68,282,910
Administrative Expenses	44,721,758
Indirect Overhead Allocation	(8,586,204)
Interest Expense	206,501
² Not-For-Profit Service Providers Expense	8,964,265
⁵ South Cook Job Access Expense Credit	(7,500,000)
⁶ Bus Rapid Transit Expense Credit	(17,928,113)
Interest Expense Credit	(206,501)
Total Operating Expenses	\$ 250,992,163
FAREBOX RECOVERY RATIO	24.0%

¹ Legislation was created in 2011 for the Seniors Circuit Ride Free program and the Seniors Reduced Fare program. Due to the revenue lost from these free and reduced fare rides, the RTA has allowed Pace to reflect the uncollected fares in its recovery ratio calculation.

² Pace has a relationship with entities involved in the Advantage Program in which Pace leases a vehicle to that entity in order to provide public transportation. Revenues and expenses incurred by such entities can be included in the recovery ratio calculation.

³ It is the opinion of the RTA that pension expense in excess of actual contributions can be excluded from Operating Expenses for recovery ratio calculation purposes.

⁴ The 2023 approved Budget Ordinance for the Service Boards allows expenditures of amounts for Innovation, Coordination, and Enhancement (ICE) for operating purposes to be exempted from the recovery ratio calculation.

⁵ The 2023 approved Budget Ordinance for the Service Boards allows for recovery ratio exclusions for South Cook Job Access funded services.

⁶ The 2023 approved Budget Ordinance for the Service Boards allows for recovery ratio exclusions for the expense of operating bus rapid transit service.

**PACE
THE SUBURBAN BUS DIVISION
OF THE REGIONAL TRANSPORTATION AUTHORITY
REGIONAL ADA PARATRANSIT SERVICES FUND
SCHEDULE OF FAREBOX RECOVERY RATIO
FOR THE YEAR ENDED DECEMBER 31, 2023**

REVENUE	
ADA Services Revenue	\$ 9,565,923
Interest on Investments	1,823,470
Miscellaneous	1,546,599
¹ TAP/TNC Fare Credit	1,534,840
Total System Generated Revenue	\$ 14,470,832
OPERATING EXPENSES	
ADA Services Expenses	\$ 210,686,386
Centralized Operations	9,916,214
Administrative Expenses	8,160,692
Indirect Overhead Allocation	8,586,204
² Capital Cost of Contracting	(96,491,017)
Total Operating Expenses	\$ 140,858,479
FAREBOX RECOVERY RATIO	10.3%

¹ The 2023 Budget approved by RTA included a revenue recovery credit to offset fare revenue losses associated with temporary reduction of Taxi Access Program (TAP) and other user-directed Transportation Network Company (TNC) service fares. TAP and user-directed TNC services are cost-effective alternatives to traditional ADA Paratransit service and the \$3 per ride fare suspension continued through March 2023 and was set at \$2 thereafter to encourage ADA Paratransit customers to shift modes to these services. Actual 2023 TAP/TNC ridership was 979,788, resulting in a revenue credit of \$1,534,840.

² Under a 2008 change in legislation, the ADA Paratransit recovery ratio calculation now includes an expense credit for costs incurred by ADA Paratransit contractors for their capital expenses. For 2023, a credit of \$96,491,017 in Capital Cost of Contracting funding is included in the recovery ratio calculation.

**THE SUBURBAN BUS DIVISION OF THE
REGIONAL TRANSPORTATION AUTHORITY
COMBINING SCHEDULE OF FIXED ROUTE CARRIER FINANCIAL
RESULTS - PUBLIC FUNDED CARRIERS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Direct Expense</u>	<u>Total Centralized Expense</u>	<u>PACE Funding</u>	<u>Net Passenger Revenue</u>	<u>Public Funding</u>
City of Highland Park	\$ 1,212,946	\$ 65,144	\$ 1,278,090	\$ 384,533	\$ 893,557
Village of Niles	1,382,601	96,602	1,479,203	501,521	977,682
Village of Schaumburg	503,721	47,061	550,782	333,812	216,970
TOTAL	<u><u>\$ 3,099,268</u></u>	<u><u>\$ 208,807</u></u>	<u><u>\$ 3,308,075</u></u>	<u><u>\$ 1,219,866</u></u>	<u><u>\$ 2,088,209</u></u>

**PACE
 THE SUBURBAN BUS DIVISION OF THE
 REGIONAL TRANSPORTATION AUTHORITY
 COMBINING SCHEDULE OF FIXED ROUTE CARRIER
 FINANCIAL RESULTS - PRIVATE CONTRACT CARRIERS
 FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Regular Fixed Route</u>	<u>Operating Expenses</u>	<u>Passenger Revenue</u>	<u>Net Expenses</u>
First Transit	\$ 736,413	\$ 9,983	\$ 726,430
MV Transportation	2,529,218	689,676	1,839,542
River North	799,707	2,099	797,608
	<hr/>	<hr/>	<hr/>
TOTALS	<u>\$ 4,065,338</u>	<u>\$ 701,758</u>	<u>\$ 3,363,580</u>

**PACE
THE SUBURBAN BUS DIVISION OF THE
REGIONAL TRANSPORTATION AUTHORITY
COMBINING SCHEDULE OF
PARATRANSIT MUNICIPAL - CARRIER EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>CARRIER</u>	<u>TOTAL REVENUE</u>	<u>TOTAL EXPENSE</u>	<u>OPERATING DEFICIT</u>	<u>PACE ASSISTANCE</u>	<u>NON-PACE ASSISTANCE</u>
Bloom	\$ 18,254	\$ 407,554	\$ 389,300	\$ 92,879	\$ 296,421
Crestwood	4,544	96,803	92,259	30,718	61,541
Forest Park	19,645	258,216	238,571	83,831	154,740
Lemont	3,559	57,712	54,154	17,099	37,055
Lyons	13,859	322,988	309,129	33,433	275,696
Norridge	2,100	45,584	43,484	10,596	32,888
Palatine	16,288	287,831	271,542	47,335	224,207
Palos Hills	4,371	65,257	60,886	13,935	46,951
Park Forest	9,436	83,743	74,307	26,769	47,538
Rich Township	23,454	463,259	439,805	89,743	350,062
Schaumburg	65,545	1,746,526	1,680,981	308,494	1,372,487
Total	\$ 181,055	\$ 3,835,473	\$ 3,654,418	\$ 754,832	\$ 2,899,586

PACE
THE SUBURBAN BUS DIVISION OF THE
REGIONAL TRANSPORTATION AUTHORITY
COMBINING SCHEDULE OF PARATRANSIT CARRIER FINANCIAL
RESULTS - PRIVATE CONTRACT CARRIERS - NON -ADA SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Project</u>	<u>Contract Expense</u>	<u>Passenger Revenue</u>	<u>Non - Pace Assistance</u>	<u>Net Contract Cost</u>
Bloomington Township	\$ 344,429	\$ 12,518	\$ 72,865	\$ 259,046
Call Centers	1,470,852	-	-	1,470,852
Call in Rides	2,521,361	67,222	-	2,454,139
Central Lake	763	-	-	763
Central Will	865,147	34,552	177,526	653,069
Community Service Transit	28,018	105,862	-	(77,844)
Downers Grove	125,268	7,728	25,319	92,221
DuPage County	6,591	818	-	5,773
DuPage Township	85,128	2,177	17,242	65,709
Elk Grove	326,883	8,164	143,680	175,039
Leyden Township	188,116	9,399	81,841	96,876
McHenry County	129,895	3,800	14,751	111,344
Milton Township	390,649	39,970	48,442	302,237
Naperville/Lisle	823,233	107,535	522,938	192,760
Northeast Lake	3,408	24	-	3,384
Northwest Kane - Hampshire	20,014	508	4,876	14,630
North Suburban Cook - Non-ADA	335,393	27,361	-	308,032
TNC Regional Access Program	61,701	-	-	61,701
Ride DuPage	2,217,195	163,508	1,515,991	537,696
Ride In Kane	3,559,835	262,127	2,680,034	617,674
Ride Lake	1,604,724	111,780	696,227	796,717
Ride McHenry	3,443,875	191,363	1,871,622	1,380,890
South Cook	32,511	-	-	32,511
Southwest Lake-Wauconda	5,392	-	-	5,392
Southwest Will	7,411	408	311	6,692
Wayne Township	34,242	859	6,147	27,236
Will County	432,882	27,004	395,820	10,058
Total	<u>\$ 19,064,916</u>	<u>\$ 1,184,687</u>	<u>\$ 8,275,632</u>	<u>\$ 9,604,597</u>

PACE
THE SUBURBAN BUS DIVISION OF THE
REGIONAL TRANSPORTATION AUTHORITY
COMBINING SCHEDULE OF PARATRANSIT CARRIER FINANCIAL
RESULTS - PRIVATE CONTRACT CARRIERS - ADA SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Project</u>	<u>ADA SERVICES</u>		
	<u>Contract Expense</u>	<u>Passenger Revenue</u>	<u>Net Contract Cost</u>
South Cook	\$ 12,399,943	\$ 764,995	11,634,948
North Suburban Cook	9,042,365	536,689	8,505,676
West Cook (Suburban)	3,012,986	239,233	2,773,753
North Lake	1,494,972	94,722	1,400,250
Kane County	751,500	38,691	712,809
Southwest/Central Will	948,292	51,110	897,182
DuPage County	3,220,948	144,992	3,075,956
TNC Regional Access Program	1,319,376	58,006	1,261,370
Chicago ADA	178,496,003	7,637,485	170,858,518
Total	<u>\$ 210,686,385</u>	<u>\$ 9,565,923</u>	<u>\$ 201,120,462</u>

PACE
THE SUBURBAN BUS DIVISION OF THE
REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF PROJECTS FUNDED/TO BE FUNDED
FROM UNRESTRICTED NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022

The Unrestricted Net Position detailed in footnote 12 on pages 82 - 83 is comprised of the unexpended portion of the accumulated positive budget variance.

	<u>2023</u>	<u>2022</u>
Group I: Approved and Completed	<u>\$ 38,986,102</u>	<u>\$ 31,030,191</u>
Group II: Approved and in Progress		
Electric 40 Foot Fixed Route Buses	\$ 12,800,000	\$ -
Computer Equipment - IT Equipment	214,152	-
Facilities Environmental Cleanup	511,337	511,337
Barrington Rd (1-90) BRT Ramp/underpass	-	2,500,000
Barrington Rd (1-90) Pedestrian Bridge	-	8,400,000
Plainfield Park and Ride Lot - Engineering	-	1,000,000
Plainfield Park and Ride Lot - Construction	4,585,848	4,800,000
Orland Square Mall Passenger Facility	600,000	600,000
I-90 Corridor Infrastructure	954,895	954,895
Milwaukee Ave Infrastructure	-	-
Facilities Site/Environment Review	350,119	350,119
Bus Shelters/Pads	986,268	986,268
Bus Stop Shelters/Signs	999,999	999,999
Bus Stop Infrastructure Improvements	1,246,894	1,246,894
MNWTC - Mid Life Improvements	365,634	-
Sales proceeds designated for Capital Projects	5,009,392	4,264,124
A/E for Capital Projects	4,281,691	4,281,691
Land Easement	-	350,000
South Div CNG Construction/General Contingency	1,986,513	1,986,513
A/E for Capital Projects	1,273,770	1,273,770
Improvements to Facilities	908,844	-
Improvements to Garages	291,642	291,642
Unanticipated Capital - Multiple Years	3,695,599	3,695,599
Totals Approved and in Progress	<u>41,062,597</u>	<u>38,492,851</u>
Group III: Approved But Not Yet Started		
River Land Acquisition	630,000	630,000
NWTC - Mid life Improvements	488,892	854,526
Unanticipated Capital - Multiple Years	500,000	500,000
Totals Approved But Not Yet Started	<u>1,618,892</u>	<u>1,984,526</u>
Total Commitments	81,667,591	71,507,568
Previously Recognized Expenditures	<u>(59,207,197)</u>	<u>(58,718,022)</u>
Net Commitments	<u>\$ 22,460,394</u>	<u>\$ 12,789,546</u>