RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

Financial Statements and Supplementary Information
For the Years Ended December 31, 2021 and 2020
With Independent Auditor's Report

MITCHELL TITUS
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RETIREMENT PLAN FOR CHICAGO
TRANSIT AUTHORITY EMPLOYEES
For the Years Ended December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Retirement Plan for Chicago Transit Authority Employees

Opinion

We have audited the accompanying financial statements of the Retirement Plan for Chicago Transit Authority Employees (the Plan), which comprise the statements of fiduciary net position as of December 31, 2021 and 2020, the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan as of December 31, 2021 and 2020, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan'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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 GAAS, 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedule of investment and administrative expenses is presented for purposes of additional analysis and is 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. Such information has been subjected to the auditing procedures applied in the audits 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Mitchell & Titus, LLP

September 28, 2022

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

Management’s Discussion and Analysis of the Retirement Plan for Chicago Transit Authority Employees (the Plan) provides an overview and analysis of the financial statements of the Plan, including highlights and comparisons for the years ended December 31, 2021 and 2020. For more detailed information regarding the Plan’s financial activities, review the Plan’s financial statements, including the notes and supplementary schedules.

Overview of the Financial Statements

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), as established by the Governmental Accounting Standards Board (GASB), and are described below:

- *The Statements of Fiduciary Net Position* present the Plan’s assets and liabilities and the resultant net position held in trust for Plan benefits at the end of the year. The statements reflect the Plan’s investments at fair value as well as receivables and liabilities.

- *The Statements of Changes in Fiduciary Net Position* present the additions and deductions to the Plan during the current year. It reflects the investment income and net realized and unrealized gains or losses during the year, along with members’ contributions and employer’s contributions; and then benefit payments, refunds, and administrative expenses.

- *The Notes to Financial Statements* provide additional information for a better understanding of the data provided in the financial statements. They explain the purpose of the Plan, significant accounting policies, investment details and related risks, and other relevant information.

The required supplementary information consists of a schedule of changes in the employer’s net pension liability and related ratios, a schedule of employer contributions and a schedule of investment returns, as well as the related notes to required supplementary information to discuss actuarial assumptions and methods. Such schedules provide information to aid in the analysis of the Plan’s funded status and the internal rate of return on pension plan investments.

- *The Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios* shows the liability of the employer to Plan members and retirees for benefits provided through the pension plan and the changes thereof during the year.

- *The Schedule of Employer Contributions* contains historical trend information of employer contributions. It shows the amounts of required employer contributions and the related amounts the employer has contributed to meet its requirement.

- *The Schedule of Investment Returns* shows the period-by-period returns on pension plan investments that adjust for the changing amounts actually invested. It represents an internal rate of return on pension plan investments, net of pension plan investment expenses.

- *The Notes to the Required Supplementary Information* describe the actuarial method and assumptions used to aid in the understanding of the required supplementary schedules.

The additional schedule provided is the *Schedule of Investment and Administrative Expenses,* which reflects the costs to manage the defined benefit pension plan.

Financial Highlights

- The fiduciary net position held in trust for Plan benefits totaled approximately $2.19 billion at December 31, 2021, compared to $1.94 billion at December 31, 2020 and $1.89 billion at December 31, 2019. The fiduciary net position is available for payment of members' pensions.

- For the 2021 Plan year, the addition to fiduciary net position was $558.1 million, which consisted of contribution revenue of $224.8 million, increased by a net investment gain of $333.3 million. The addition to fiduciary net position for the 2020 Plan year was $347.4 million, which consisted of contribution revenue of $223.8 million, increased by a net investment gain of $123.6 million.

- Benefit payments to retirees increased by $10.4 million in 2021, $8.2 million in 2020, and $6.5 million in 2019. Refunds of member contributions increased by $3.7 million in 2021, decreased by $1.9 million in 2020, and decreased by $0.3 million in 2019.

- The funded ratio of the Plan for pension benefits was 54.99% at December 31, 2021, 53.27% at December 31, 2020, compared to 52.55% at December 31, 2019. The slight increase in the funded ratio at December 31, 2021 compared to December 31, 2020, was mainly due to a market value return of 17.6% compared to an 8.25% assumed rate of return, demographic experience, updated participant data, and greater-than-expected payroll and salary increases. The increase in the funded ratio at December 31, 2020 compared to December 31, 2019, mainly was due to a market value return of 7.6% compared to an 8.25% assumed rate of return, demographic experience, updated participant data, and greater-than-expected payroll and salary increases.

Fiduciary Net Position

A condensed schedule of the Plan's fiduciary net position is presented below:

Fiduciary Net Position
(in millions)
As of December 31, 2021, 2020 and 2019

	2021	2020	2019	2021-2020 Change $	2021-2020 Change %
Cash deposits	$ 0.1	$ 0.1	$ 0.1	$ -	0.0%
Receivables	26.0	25.0	23.7	1.0	4.0%
Brokers–unsettled trades	8.1	3.5	136.2	4.6	131.4%
Investments, at fair value	2,170.9	1,933.1	1,755.6	237.8	12.3%
Invested securities lending collateral	71.0	46.1	53.6	24.9	54.0%
Total assets	2,276.1	2,007.8	1,969.2	268.3	
Brokers–unsettled trades	13.9	17.6	21.5	(3.7)	-21.0%
Securities lending payable	71.0	46.1	53.6	24.9	54.0%
Accounts payable and accrued expenses	2.7	3.0	3.7	(0.3)	-10.0%
Total liabilities	87.6	66.7	78.8	20.9	
Fiduciary net position	$ 2,188.5	$ 1,941.1	$ 1,890.4	$ 247.4	12.7%

Fiduciary net position increased by $247.4 million, or 12.7%, at December 31, 2021 from $1,941.1 million at December 31, 2020. It increased by $50.7 million, or 2.7%, at December 31, 2020 from $1,890.4 million at December 31, 2019.

The increase in fiduciary net position at December 31, 2021, primarily was due to favorable market conditions, which increased investments at year end by $237.8 million. Receivables increased by $0.9 million at December 31, 2021 compared to the prior year because timing of payroll. Also, the brokers-unsettled trades increased by $4.6 because of the timing of investment transactions by money managers.

The increase in fiduciary net position at December 31, 2020, primarily was due to favorable market conditions, which increased investments at year end by $177.5 million. Receivables increased by $1.3 million at December 31, 2020 compared to the prior year because of a slight increase in the employer and employee contribution rate starting in January 2020. Also, the brokers-unsettled trades decreased significantly by $132.7 because of the timing of investment transactions by money managers.

Changes in Fiduciary Net Position

The following schedule presents a condensed comparison of various changes in the Plan’s fiduciary net position:

Changes in Fiduciary Net Position
(in millions)
Years Ended December 31, 2021, 2020 and 2018

	2021	2020	2019	2021-2020 Change $	2021-2020 Change %
Additions					
Member contributions	$ 87.9	$ 87.9	$ 81.2	$ -	0.0%
Employer contributions	136.9	135.9	121.7	1.0	0.7%
Net investment gain (loss) and investment income	333.3	123.6	263.2	209.7	169.7%
Total additions	558.1	347.4	466.1	210.7	
Deductions					
Annuity and disability benefits	299.3	288.9	280.7	10.4	3.6%
Refunds of contributions	8.9	5.2	7.1	3.7	71.2%
Administrative expenses	2.6	2.6	3.1	-	0.0%
Total deductions	310.8	296.7	290.9	14.1	
Net increase (decrease)	$ 247.3	$ 50.7	$ 175.2	$ 196.6	387.8%

Additions to the Plan’s fiduciary net position are derived from member contributions, employer contributions and investment income. Total additions were $558.1 million in 2021, $347.4 million in 2020, and $466.1 million in 2019.

Total additions of $558.1 million in 2021 were higher than the amounts in 2020, primarily due to a net investment gain of $333.3 million in 2021 compared to a net investment gain of $123.6 million in 2020. This represents an increase of $209.7 million, or 169.7%, in 2021 compared to 2020. In 2021, member contributions remained at $87.9, and employer contributions increased slightly by $1.0 million, or 0.7%, compared to 2020.

Total additions of $347.4 million in 2020 were lower than the amounts in 2019, primarily due to a net investment gain of $123.6 million in 2020 compared to a net investment gain of $263.2 million in 2019. This represents a decrease of $139.6 million, or 53.0%, in 2020 compared to 2019. In 2020, member contributions increased by $6.7 million, or 8.3%, and employer contributions increased by $14.2 million, or 11.7%, compared to 2019 due to an increase in labor expense due to an increase in paid time off as a result of the COVID-19 pandemic, also there was an increase in employer and employee contributions beginning on January 1, 2020.

Deductions increased by $14.1 million in 2021, $5.8 million in 2020 and $6.1 million in 2019. The increases in 2021, 2020, and 2019 were mainly due to increases in number of annuity and disability benefits. Administrative expenses remain constant at $2.6 million. Administrative expenses decreased slightly by $0.5 million in 2020, or (16.1)%, mainly due to a slight decrease in legal and professional services during the year.

Plan Membership

The following table presents the changes in Plan membership as of December 31, 2021, 2020 and 2019:

	2021	2020	2019	2021-2020 Change	2021-2020 %
Retirees and beneficiaries receiving benefits	10,633	10,616	10,559	17	0.2 %
Active employees	7,725	8,078	8,057	(353)	(4.4)%
Terminated (inactive members) employees entitled to benefits or refunds of contributions	146	160	151	(14)	(8.8)%
Total	18,504	18,854	18,767	(350)	(1.9)%

Funding Status

The Plan's funding status for pension benefits is as follows:

Funding Status for Pension Benefits
At December 31, 2021, 2020 and 2019
(in millions)

	2021	2020	2019
GASB Statement No. 67			
Employer's net pension liability	$ 1,669	$1,832	$1,766
Plan fiduciary net position as a percentage of the total pension liability	56.73%	51.44%	51.70%
Current funding policy under 40 ILCS 5/22-101(e)			
Unfunded actuarial accrued liability	$1,684	$1,715	$1,700
Funded ratio	54.99%	53.27%	52.55%

Actuarial assumption changes: The Board adopted the recommended changes to the demographic, economic assumptions and optional forms of benefit payment elections at retirement, effective with the January 1, 2020 actuarial valuation. There were no changes to assumptions during the valuation for the year ended December 31, 2021.

The table above presents funding information for pension benefits, reflecting the requirements under GASB Statement No. 67 and the current funding policy under 40 Illinois Compiled Statutes 5 Section 22-101(e).

Effects of Economic Factors

Funding

The Plan's funding objective is to meet long-term benefit obligations by accumulating sufficient assets through contributions and investment income. The Plan is well funded when it has sufficient assets to meet all expected future obligations to participants.

The funded ratio, under 40 ILCS 5/22-101(e), of the Plan was 54.99% at December 31, 2021, 53.27% at December 31, 2020, and 52.55% at December 31, 2019. The slight increase in the funded ratio at December 31, 2021 compared to December 31, 2020, mainly was due to a market value return of 17.6% compared to an 8.25% assumed rate of return, actuarial value of assets returns of approximately 9.8% compared to the 8.25% assumed, demographic experience, updated participant data, and salary increases that were more than expected. The slight increase in the funded ratio at December 31, 2020 compared to December 31, 2019, was mainly due to a market value return of 7.8% compared to an 8.25% assumed rate of return, demographic experience, updated participant data, payroll and salary increases that were greater than expected.

Effective January 1, 2007, the retiree healthcare assets included in the Retirement Plan were marked to the fair market value of the retiree healthcare account and allocated in proportion to the actuarial accrued liabilities. During 2009, the retiree healthcare liability was transferred from the Retirement Plan to the Retiree Health Care Plan.

Public Act 095-0708 changed the structure and funding of the Retirement Plan significantly. The Act requires that the funding and liability for retiree healthcare be removed from the Retirement Plan. The Act also changed the eligibility for retirement benefits for Chicago Transit Authority (CTA) employees hired after January 17, 2008, and created a separate Retiree Healthcare Trust to administer the benefits for retirees. Further, the Act gave the CTA the authority to issue debt in order to fund the Retirement Plan and the Retiree Healthcare Trust, which was created in May 2008.

Changes to the Plan from Public Act 095-0708 effectively removed the liability for retiree healthcare benefits from the Retirement Plan, effective January 1, 2009. There were no Plan assets available for retiree healthcare benefits in the Retirement Plan since December 31, 2009, as the retiree healthcare liability was transferred to the CTA Retiree Health Care Plan in 2009. There were no legislative or administrative changes that affected the Plan's funding during the years ended December 31, 2021, 2020 and 2019.

Investment Activities

The Plan's fiduciary net position held for investment was $2.19 billion at year-end 2021, an increase of $247.4 million over 2020, with a total Plan rate of return of 17.9%. Domestic equity investment managers returned a positive 26.4%, while non-U.S. equity investment managers returned a positive 11.5%, and total fixed income returned a negative 0.5% for the year ended December 31, 2021.The Plan's fiduciary net position held for investment was $1.94 billion at year-end 2020, an increase of $50.7 million over 2019, with a total Plan rate of return of 8.0%. Domestic equity investment managers returned a positive 8.8%, while non-U.S. equity investment managers returned a positive 15.4%, and total fixed income returned a positive 7.1% for the year ended December 31, 2020. The Plan's fiduciary net position held for investment was $1.94 billion at year-end 2019, an increase of $175.2 million over 2018, with a total Plan rate of return of 16.2%. Domestic equity investment managers returned a positive 28.1%, while non-U.S. equity investment managers returned a positive 21.3%, and total fixed income returned a positive 8.4% for the year ended December 31, 2019.

During 2019, a new investment asset allocation was approved by the Board of Trustees as recommended by our Investment Consultants; therefore, the Plan began to move its assets in-line with the newly adopted policy target. Investment asset allocation for 2021 and 2020 was 30% of assets invested in domestic equity, 26% in international equity, 12% in real estate, 7% in infrastructure, 10% in private equity, and 15% in fixed income. During 2021 and 2020, the Plan's investment asset allocation stayed within its target asset allocation ranges.

Investment Returns
(Calendar Year Gross of Fees Performance Basis)
Years Ended December 31, 2021, 2020 and 2019

	2021	2020	2019
Total Plan	17.9%	8.0%	16.2%
Benchmark portfolio	16.6%	8.9%	16.2%
Domestic equities	26.4%	8.8%	28.1%
Global low volatility	11.1%	-	-
International equities	11.5%	15.4%	21.2%
Fixed income	(0.5)%	7.1%	8.4%
Real estate	22.0%	1.2%	3.8%
Private equity	33.7%	17.8%	13.9%
Hedge fund	(69.1)%	7.3%	5.9%
Infrastructure	14.6%	3.4%	21.8%

Contact Information

This financial report is designed to provide the employer, Plan participants, and others with a general overview of the Plan's finances and to show accountability for the monies received. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Mr. Paul Sidrys
Interim Executive Director
Retirement Plan for Chicago Transit Authority Employees
55 West Monroe Street, Suite 1950
Chicago, Illinois 60603

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES
Statements of Fiduciary Net Position
For the Years Ended December 31, 2021 and 2020
(Amounts in thousands)

	2021	2020
ASSETS		
Deposits	$ 104	$ 103
Securities lending cash collateral	71,002	46,060
Total cash	71,106	46,163
Receivables		
Employer contributions	13,926	13,693
Employee contributions	8,612	8,863
Securities sold, but not received	8,140	3,507
Accrued interest and dividends	1,683	1,113
Other	1,738	1,370
Total receivables	34,099	28,546
Prepaid expense	8	15
Investments		
Fixed income	281,994	282,146
Domestic equities	697,527	541,812
International equities	507,835	475,981
Venture capital and partnerships	293,759	230,023
Real estate	240,155	223,058
Hedge funds	66	11,206
Infrastructure	116,498	107,218
Short-term investments	33,098	61,666
Total investments	2,170,932	1,933,110
Total assets	2,276,145	2,007,834
LIABILITIES		
Payables		
Collateral payable for securities lending	71,002	46,060
Accounts payable	1,459	1,595
Other payables	1,288	1,386
Securities purchased, but not paid	13,912	17,627
Total liabilities	87,661	66,668
Net position restricted for pensions	$ 2,188,484	$ 1,941,166

The accompanying notes are an integral part of these financial statements.

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES
Statements of Changes in Fiduciary Net Position
For the Years Ended December 31, 2021 and 2020
(Amounts in thousands)

	2021	2020
ADDITIONS		
Contributions		
Employer	$ 136,908	$ 135,832
Employee	87,897	87,926
Total contributions	224,805	223,758
Investment income		
Net appreciation in fair value of investments	309,713	101,814
Interest and dividends	29,321	27,484
Miscellaneous	6	26
Less: Investment expense, other than from securities lending	(5,858)	(5,952)
Net income from investing, other than from securities lending	333,182	123,372
Securities lending income	157	320
Less: Securities lending expense	(38)	(80)
Net income from securities lending	119	240
Net investment income	333,301	123,612
Total additions	558,106	347,370
DEDUCTIONS		
Benefit payments and contribution refunds		
Benefit payments	299,325	288,940
Contribution refunds, including interest	8,866	5,151
Administrative expenses	2,597	2,579
Total deductions	310,788	296,670
Net increase in net position	247,318	50,700
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of year	1,941,166	1,890,466
End of year	$ 2,188,484	$ 1,941,166

The accompanying notes are an integral part of these financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Accounting principles generally accepted in the United States of America (U.S. GAAP), as established by the Governmental Accounting Standards Board (GASB), define a financial reporting entity as consisting of the primary government and its component units for which the primary government is financially accountable. Financial accountability includes appointing a voting majority of a component unit's governing board, the ability of the primary government to impose its will on the component unit, or the potential for the component unit to provide specific financial benefits to or to impose specific financial burdens on the primary government. A primary government may also be financially accountable for its component units that are fiscally dependent on it.

Based on the above criteria, the Retirement Plan for Chicago Transit Authority Employees (the Plan) has no component units and is not a component unit of any other entity.

Basis of Accounting

The Plan's financial statements are prepared on the accrual basis of accounting. Employee and employer contributions are recognized as additions in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan; expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of fiduciary net position at the date of the financial statements and the actuarial information included in the required supplementary information as of the benefit information date, the changes in fiduciary net position during the reporting period and disclosures of contingent assets and liabilities at the date of the financial statements. Accordingly, actual results may differ from those estimates.

Deposit and Investments

The Plan is authorized to invest in bonds, notes, and other direct obligations of the U.S. Government and U.S. Government agencies; corporate bonds, debentures, and notes; certain notes secured by mortgages (including pass-through securities); common and preferred stocks; and certain real estate funds, private equity funds, hedge funds, and stable value funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Deposit and Investments *(continued)*

The Plan does not have a formal deposit and investment risk policy. Investment risk management is a function of the Plan's asset allocation process. Plan assets are diversified over a broad range of asset classes, utilizing multiple investment strategies to limit concentration risk.

Method Used to Value Investments

To the extent available, investments are recorded at fair value based on quoted market prices in active markets on a trade-date basis. Additional information regarding the fair value measurement of investments is disclosed in Note 6. Because of the inherent uncertainty in the use of estimates, values that are based on estimates may differ from the values that would have been used had a ready market existed for the investments. The net appreciation (depreciation) in the fair value of investments is recognized as a component of investment income.

Deposit and short-term investments are reported at amortized cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Fixed-income securities are valued principally using quoted market prices provided by independent pricing services. For collective investments, the net asset value (NAV) is determined and certified by the investment managers as of the reporting date. Guaranteed investment contracts are carried at contract value, which is principal plus accumulated interest less any withdrawals. The real estate open-end investment funds are reported at NAV of shares held by the Plan at year end based on independent appraisals of the underlying properties. Hedge funds do not have established market prices and are reported at NAV of shares held by the Plan at year end as estimated by money managers. The fair value of investments in certain private equity funds and real estate closed-end funds have been determined using recent observable transaction information for similar investments and non-binding bids received from potential buyers of the investments.

Security Transactions

Purchases and sales of securities are accounted for on the trade dates. For purposes of determining the realized gain or loss on the disposal of investments, the average cost of investments sold is used. Unrealized gains or losses on investments held during the year, as well as realized gains or losses on securities sold, are included in the statements of changes in fiduciary net position in the year in which they occur.

Investment Income

Dividend income is recorded on the ex-dividend date. Income from other investments is recorded when earned.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Furniture and Office Equipment

Furniture and office equipment are not capitalized, as they are immaterial and charged to expenses in the year of purchase.

Administrative Expenses

Administrative expenses are recorded as incurred and budgeted and approved by the Plan's Board of Trustees. Administrative expenses are paid from Plan assets and investment earnings. Certain administrative expenses are allocated between the Plan and the Retiree Health Care Plan based on periodic time and expense studies. The Retiree Health Care Plan provides and administers health care benefits to the CTA's retirees and their dependents and survivors.

Securities Lending Transactions

Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets in the statements of fiduciary net position at fair value. Securities received as collateral are reported as assets only if the Plan has the ability to pledge or sell them without a borrower default. Liabilities resulting from these transactions are reported in the statements of fiduciary net position.

Interest on Refunds of Participant Contributions

Interest on refunds of participant contributions is expensed when the refunds are recorded. Interest on accumulated contributions from continuing participants is reflected in each participant's account annually.

Reclassification of 2020 Financial Statements

Certain prior-year amounts have been reclassified for comparative purposes. These reclassifications did not affect the net position restricted for pensions as of December 31, 2020.

Recently Issued Accounting Pronouncement

During 2017, the GASB issued Statement No. 87, *Leases* (GASB 87). The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Recently Issued Accounting Pronouncement *(continued)*

It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 is effective for the Plan’s December 31, 2022 financial statements. The Plan is evaluating the impact of this Statement on the financial statements, and it is anticipated that there will be no material impact to the financial results from adopting and implementing GASB Statement No. 87.

NOTE 2 PLAN DESCRIPTION

Plan Administration: The following brief description of the Plan is provided for general information purposes only. Arbitration awards are periodically handed down and negotiated changes occur. Certain aspects of the Plan are now governed by Illinois state statute (40 ILCS 5/22-101). These changes can revise certain provisions of the Plan regarding the CTA, employee contributions, and employee death benefits. Those changes that have affected the Plan are summarized in the notes that follow. Participants should refer to the Plan document, as amended, for complete information.

The Plan is a single-employer, contributory defined-benefit public pension plan, covering all full-time CTA permanent employees. The Plan is administered by an 11-member Board of Trustees composed of members appointed by the CTA, the Amalgamated Transit Union (ATU), the Regional Transportation Authority and a member appointed to represent the employees not represented by the ATU. The Board of Trustees has the authority to establish or amend the contribution and benefit provisions under the Plan. The Plan is classified as a “governmental plan” and is, therefore, exempt from certain provisions of the Employee Retirement Income Security Act of 1974.

The Plan was amended, effective January 31, 2012, to comply with applicable laws. Employees who have completed one year of continuous service are eligible for participation.

NOTE 2 PLAN DESCRIPTION *(continued)*

Plan Membership: At December 31, 2021 and 2020, pension plan membership consisted of the following:

	2021	2020
Retirees, disabled participants, and beneficiaries of deceased retirees currently receiving benefits	10,633	10,616
Terminated employees entitled to benefits but not yet receiving benefits	146	160
Active	7,725	8,078
	18,504	18,854

Benefits Provided: Employees are entitled to annual pension benefits upon normal retirement at age 65, in an amount generally based on a percentage of their average annual compensation in the highest four of the 10 preceding years, multiplied by the number of years of continuous participating service. For employees retiring before December 1, 1987, the percentage was 1.65%. The agreement between the CTA and its unions, signed in September 1987, raised the percentage to 1.70% and 1.75% for retirements on or after December 1, 1987 and 1989, respectively. The agreement between the CTA and its unions, signed in August 1993, raised the percentage to 1.80% and 1.85% for retirements on or after January 1, 1993 and January 1, 1995, respectively. The Arbitration Award of November 12, 2003, increased the benefit multiplier for service after June 1, 1949 to 2.00% from 1.85% for employees retiring from January 1, 2000 to December 31, 2000, and to 2.15% for employees retiring on and after January 1, 2001. The multiplier for employees retiring before January 1, 2000 remained at 1.85%.

During 1995, a Voluntary Early Retirement Incentive Program was offered, which provided a percentage of 2.05% for employees retiring after January 1, 1994. Employees who met the requirements for early retirement had to respond by February 28, 1995. During 1997, the Plan offered a Voluntary Early Retirement Program to eligible employees who had 25 years of continuous service on or before December 31, 1999, and had not retired prior to January 1, 1997, in the form of a retirement allowance of 2.40% for each year of continuous service, with a maximum retirement allowance of 70% of the employee’s annual compensation. All eligible employees who elected to participate were allowed to retire as soon as possible, but no later than December 31, 1999.

The Plan permits early retirement at age 55, generally with reduced benefits. However, in the event of early retirement by an employee who has 25 years or more of continuous service, regardless of their age, benefits will not be reduced. In accordance with Public Act 095-0708, for all employees hired after January 17, 2008, eligibility for an unreduced pension benefit has changed to age 64 with 25 years of service. All retirees receive a monthly pension benefit. Married employees can elect to receive their pension benefits in the form of a joint and survivor option.

NOTE 2 PLAN DESCRIPTION *(continued)*

Death Benefits: Lump-sum death benefits based on age and years of service, ranging from $2,000 to $8,000, are paid to the designated beneficiaries. Also, the excess, if any, of employee contributions plus interest on such contributions over pension benefits previously paid to the retiree, and spouse in the case of a survivorship option, is paid to the designated beneficiary.

Disability Allowance: An employee is eligible for a disability allowance if he or she becomes disabled after completing 10 years of continuous service or, if the disability is covered under the Illinois Workers' Compensation Act, after completing five years of continuous service. The disability allowance is based on compensation and service to date of the disability, with a minimum benefit of $400 per month.

Refund of Contributions: A participant's accumulated contributions plus interest (currently 3% annually) are refunded when the participant is separated from service and has less than 10 years of continuous participation, or when a participant with more than 10 years of service is separated and elects to receive a refund of his or her contributions.

Deferred, Vested Retirement: A participant who is separated from service after completing 10 or more years of continuous service who is not eligible for a retirement or disability allowance at separation, and who elects not to receive a refund of his contributions, is entitled to receive, at normal retirement age, a deferred vested pension based on length of service and compensation to date of the separation.

Contributions and Vesting: Contributions from the CTA and employees are based on a percentage of compensation pursuant to various agreements between the CTA and the unions. For years beginning January 1, 2009 through 2040, the amount of contributions to be paid by the CTA, with respect to debt service on bonds issued for contribution to the Plan, is treated as a credit against the amount of required contribution, up to an amount not to exceed 6% of compensation.

Starting January 1, 2020, covered employees are required to contribute 13.324% of their salary to the Plan and the employer is required to contribute 20.647%, which is net of a credit for debt service on pension obligation bonds.

In accordance with Public Act 095-0708 (effective January 18, 2008), the CTA issued bonds and notes in the aggregate amount of $1,348,550,000, of which net proceeds of $1,110,500,000 were deposited into the Plan during the year ended December 31, 2008. No bond proceeds were received in 2021 and 2020.

NOTE 2 PLAN DESCRIPTION *(continued)*

Funding Ratio: According to Public Act 095-0708, beginning in 2009 and ending on December 31, 2039, if the funding ratio is projected to decline below 60% in any year before 2040, the Board of Trustees will determine the increased contribution required each year as a level percentage of payroll over the years remaining until 2040, using the projected-unit credit actuarial cost method, so that the funded ratio does not decline below 60%.

NOTE 3 INVESTMENTS

Investment Policy: The pension plan's policy regarding the allocation of invested assets is established and may be amended by the Board of Trustees. The primary objective of the Plan's investment policy is to provide a structured approach in implementing the Plan's investment strategies to achieve above-average returns consistent with prudent risk and investment volatility.

To minimize the impact of large losses and reduce annual variability of returns, the Plan's assets are allocated across major asset classes and diversified broadly within each asset class.

The following was the Board of Trustees' adopted asset allocation policy as of December 31, 2021 and 2020:

	Target Allocation At December 31	
	2021	2020
Asset Class		
Fixed income	15%	15%
Domestic equities	30	30
International equities	26	26
Venture capital and partnerships	10	10
Real estate	12	12
Infrastructure	7	7

There were no changes to the target asset allocation for the years ended December 31, 2021 and 2020.

Rate of Return: For the years ended December 31, 2021 and 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.26% and 6.94%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 4 INVESTMENT SUMMARY

The Plan's investments were held by The Northern Trust Company (TNT) as Trustee under a 1996 trust agreement. TNT is also the custodian of the Plan.

The following table summarizes the Plan's investments by type at December 31, 2021 and 2020 (amounts in thousands):

	2021	2020
Asset-backed securities	$ 9,957	$ 11,366
Bank loans	41,339	38,131
Commercial mortgage-backed securities	6,219	3,997
Core fixed-income fund	55,261	56,228
Corporate bonds	46,014	51,897
Emerging market	58,112	60,322
U.S. Government agency securities	827	838
U.S. Government bonds	38,137	23,960
U.S. Government mortgage-backed securities	22,147	30,536
U.S. Government-issued commercial mortgage-backed securities (CMOs)	1,764	2,206
Municipal/provincial bonds	1,664	1,929
Non-government-backed CMOs	553	736
U.S. equities	697,527	541,812
Foreign equities	507,835	475,981
Venture capital and partnerships	293,759	230,023
Real estate—pooled funds	240,155	223,058
Hedge funds	66	11,206
Infrastructure	116,498	107,218
Short-term investments and currency positions	33,098	61,666
Total investments, at fair value	$ 2,170,932	$ 1,933,110

NOTE 5 DEPOSIT AND INVESTMENT RISK

The Plan's deposits and investments are subject to risks, including credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk. The following describes those risks:

Credit Risk: Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations to pay interest or principal in a timely manner, or that a negative perception of the issuer's ability to make payments will cause a decline in the security's price. One measure of credit risk is the quality ratings issued by national credit rating agencies, such as Moody's Investors Service and Standard & Poor's Financial Services (S&P). The Plan does not have a formal policy regarding aggregate credit quality of fixed-income holdings.

NOTE 5 DEPOSIT AND INVESTMENT RISK *(continued)*

The Plan utilizes external investment management firms to invest in fixed-income securities and credit quality is addressed within the guidelines of the mandate to the investment managers. Unless allowed by the mutually agreed-upon guidelines of the mandate, all securities invested in are investment grade. If a holding falls below investment grade, the manager will immediately notify the Trustees in writing of the event and describe the portfolio manager's plans for dealing with the security.

The tables on the following pages provide information on the credit ratings associated with the Plan's investments in debt securities. Ratings were obtained from Standard & Poor's (amounts in thousands).

NOTE 5 DEPOSIT AND INVESTMENT RISK *(continued)*

		December 31, 2021										
Investment Type	**Total**	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC**	**CC**	**D**	**Not Rated**	**U.S. Gov't. Guaranteed**
Asset-backed securities	$ 9,957	$ 3,606	$ 1	$ 250	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,100	$ -
Bank loans	41,339	-	-	-	-	-	-	-	-	-	41,339	-
Commercial mortgage-backed securities	6,219	909	-	149	-	-	-	-	-	-	5,161	-
Core fixed income	55,261	-	-	-	-	-	-	-	-	-	55,261	-
Corporate bonds	46,014	331	750	9,015	33,590	1,542	-	-	-	-	786	-
Emerging market	58,112	-	-	-	-	-	-	-	-	-	58,112	-
U.S. Government agency securities	827	-	807	-	20	-	-	-	-	-	-	-
U.S. Government bonds	38,137	-	-	316	624	-	-	-	-	-	-	37,197
U.S. Government mortgage-backed securiti	22,147	-	-	-	56	-	-	-	-	-	145	21,946
U.S. Government-issued commercial mortgage-backed securities	1,764	217	-	-	-	-	-	-	-	-	-	1,547
Municipal/provincial bonds	1,664	-	301	311	419	-	-	-	-	-	633	-
Non-government-backed CMOs	553	53	115	-	-	48	-	-	-	-	337	-
Total	$ 281,994	$ 5,116	$ 1,974	$ 10,041	$ 34,709	$ 1,590	$ -	$ -	$ -	$ -	$ 167,874	$ 60,690

		December 31, 2020										
Investment Type	**Total**	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC**	**CC**	**D**	**Not Rated**	**U.S. Gov't. Guaranteed**
Asset-backed securities	$ 11,366	$ 3,742	$ -	$ 3	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,621	$ -
Bank loans	38,131	-	-	-	-	-	-	-	-	-	38,131	-
Commercial mortgage-backed securities	3,997	420	-	-	-	-	-	-	-	-	3,577	-
Core fixed income	56,228	-	-	-	-	-	-	-	-	-	56,228	-
Corporate bonds	51,897	364	795	10,062	38,636	1,627	-	-	-	-	413	-
Emerging market	60,322	-	-	-	-	-	-	-	-	-	60,322	-
U.S. Government agency securities	838	-	838	-	-	-	-	-	-	-	-	-
U.S. Government bonds	23,960	-	769	-	1,030	-	-	-	-	-	-	22,161
U.S. Government mortgage-backed securities	30,536	-	-	-	-	-	-	-	-	-	201	30,335
U.S. Government-issued commercial			-	-								
mortgage-backed securities	2,206	217	-	-	-	-	-	-	-	-	210	1,779
Municipal/provincial bonds	1,929	-	589	294	405	-	-	-	-	-	641	-
Non-government-backed CMOs	736	88	172	-	-	64	-	-	-	-	412	-
Total	$ 282,146	$ 4,831	$ 3,163	$ 10,359	$ 40,071	$ 1,691	$ -	$ -	$ -	$ -	$ 167,756	$ 54,275

NOTE 5 DEPOSIT AND INVESTMENT RISK *(continued)*

Custodial Credit Risk: The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Plan will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Deposits consist of a certificate of deposit held in the Plan's name by TNT; such certificate of deposit is insured by the Federal Deposit Insurance Corporation. The deposits balance at December 31, 2021 and 2020 was $103,912 and $103,278, respectively.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan, and are held by either the counterparty or the counterparty's trust department or agent, but not in the Plan's name. The Plan's master custodian holds all investments of the Plan in the Plan's name. As of December 31, 2021 and 2020, deposits of $1,319,425 and $228,299, respectively, were exposed to custodial credit risk as uninsured and uncollateralized. These amounts are included in short-term investments on the statements of fiduciary net position.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. According to the Plan's investment policy, no purchase will be made which would cause the holding of any one issuer to exceed 10% of the investment manager's portfolio value at market. The Plan does not have a formal policy in regards to aggregate concentration of credit risk.

Interest Rate Risk: The risk that the fair value of debt securities will decrease due to increases in the prevailing market interest rate. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Plan manages its exposure to interest rate risk by purchasing a combination of short- and long-term investments and by timing cash flow from maturity evenly over time, as necessary, to provide cash flow and liquidity needed for operations.

NOTE 5 DEPOSIT AND INVESTMENT RISK *(continued)*

The following tables show the segmented time distribution of the Plan's investment maturities based on the investments' cash flows.

At December 31, 2021 and 2020, the Plan had the following investments and maturities related to certain fixed-income securities (amounts in thousands):

	2021	Investment Maturities				
Investment Type	Fair Value	Less Than 1 Year	1+ to 6 Years	6+ to 10 Years	More Than 10 Years	Not Determined
Asset-backed securities	$ 9,957	$ -	$ 530	$ 834	$ 8,593	$ -
Bank loans	41,339	-	-	-	-	41,339
Commercial mortgage-backed securities	6,219	-	-	300	5,919	-
Core fixed income fund	55,261	-	-	-	-	55,261
Corporate bonds	46,014	583	21,471	12,771	11,189	-
Emerging market	58,112	-	-	-	-	58,112
U.S. Government agency securities	827	-	570	-	257	-
U.S. Government bonds	38,137	-	17,224	5,553	15,360	-
U.S. Government mortgage-backed securities	22,147	-	-	-	14,948	7,199
U.S. Government-issued commercial			-	-	-	-
mortgage-backed securities	1,764	-	1,219	372	173	-
Municipal/provincial bonds	1,664	-	982	59	623	-
Non-government-backed CMOs	553	3	-	-	550	-
Total	$ 281,994	$ 586	$ 41,996	$ 19,889	$ 57,612	$ 161,911

	2020	Investment Maturities				
Investment Type	Fair Value	Less Than 1 Year	1+ to 6 Years	6+ to 10 Years	More Than 10 Years	Not Determined
Asset-backed securities	$ 11,366	$ -	$ 1,471	$ 1,517	$ 8,378	$ -
Bank loans	38,131	-	-	-	-	38,131
Commercial mortgage-backed securities	3,997	-	-	-	3,997	-
Core fixed income fund	56,228	-	-	-	-	56,228
Corporate bonds	51,897	1,943	22,026	15,213	12,715	-
Emerging market	60,322	-	-	-	-	60,322
U.S. Government agency securities	838	-	589	-	249	-
U.S. Government bonds	23,960	-	6,432	3,547	13,981	-
U.S. Government mortgage-backed securities	30,536	101	-	626	25,559	4,250
U.S. Government-issued commercial						
mortgage-backed securities	2,206	-	1,059	965	182	-
Municipal/provincial bonds	1,929	-	403	763	763	-
Non-government-backed CMOs	736	-	10	-	721	5
Total	$ 282,146	$ 2,044	$ 31,990	$ 22,631	$ 66,545	$ 158,936

NOTE 5 DEPOSIT AND INVESTMENT RISK *(continued)*

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. International equity securities purchased by the Plan meet exchange listing requirements; all foreign equities held by the Plan are denominated in U.S. dollars. The Plan has no formal foreign currency risk policy. The Plan's exposure to foreign currency risk is as follows (amounts in thousands):

Investment Type	(US$) 2021	(US$) 2020
Short-term investments and currency position		
Australian dollar	$ 38	$ 74
British pound sterling	557	23
Canadian dollar	31	21
Danish krone	-	2
European euro	153	5
Hong Kong dollar	45	8
Japanese yen	2	59
New Zealand dollar	7	-
Norwegian krone	30	2
Singapore dollar	21	4
Swiss franc	1	9
Swedish krona	-	1
	$ 885	$ 208

NOTE 5 DEPOSIT AND INVESTMENT RISK *(continued)*

Type of Investment	(US$) 2021	(US$) 2020
Equities		
Australian dollar	$ 14,647	$ 10,975
British pound sterling	24,611	27,290
Canadian dollar	19,231	5,937
Czech koruna	205	190
Danish krone	12,110	11,969
European euro	47,964	45,425
Hong Kong dollar	7,607	13,653
Japanese yen	24,677	44,450
Malaysian ringgit	1,627	2,259
Mexican peso	1,156	3,244
New Zealand dollar	530	559
Norwegian krone	1,296	1,164
Singapore dollar	4,849	2,495
South African rand	255	-
South Korean won	2,954	2,890
Swedish krona	3,171	2,286
Swiss franc	29,072	23,722
Thai baht	976	558
Turkish lira	-	369
	$ 196,938	$ 199,435

Investment Management Fees

Investment management fees from equity and fixed-income managers, including most of the collective funds, are included in the investment management fees on the statements of changes in fiduciary net position. Investment management fees from funds of short-term investments, hedge, real estate, venture capital and private equity are reflected in the net investment income from such investment products. Such investment management fees are not significant to the Plan.

NOTE 6 FAIR VALUE OF INVESTMENTS

GASB Statement No. 72 (GASB 72), *Fair Value Measurements and Application*, clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosures about the use of fair value measurements. GASB 72 established a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liabilities as of the measurement date. The three levels are defined as follows:

NOTE 6 FAIR VALUE OF INVESTMENTS *(continued)*

Level 1: Observable market inputs that are unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2: Inputs other that quoted prices included within Level 1 – that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Plan categorized its fair value measurements within the fair value hierarchy established by U.S. GAAP. The Plan had the following recurring fair value measurements as of December 31, 2021 and 2020 (amounts in thousands):

		Fair Value Measurements Using		
	12/31/2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Fixed-income investments				
Asset-backed securities	$ 9,957	$ -	$ 5,096	$ 4,861
Limited partnership - Bank loans	41,339	-	-	41,339
Commercial mortgage-backed securities	6,219	-	6,219	-
Corporate bonds	46,014	-	46,014	-
U.S. Government agency securities	827	-	827	-
U.S. Government bonds	38,137	-	38,137	-
U.S. Government mortgage-backed securities	22,147	-	22,147	-
U.S. Government-issued commercial mortgage-backed securities	1,764	-	1,764	-
Municipal/provincial bonds	1,664	-	1,664	-
Non-government-backed CMOs	553	-	553	-
Total fixed-income investments	168,621	-	122,421	46,200
Equity investments				
Common stock and other equity	561,443	561,184	-	259
Common and collective trusts	60,631	60,631	-	-
Total equity investments	622,074	621,815	-	259
Private equity funds				
Private equity - non-real estate focus	204,769	-	-	204,769
Limited partnership - infrastructure	60,432	-	-	60,432
Real estate - closed-end funds	21,503	-	-	21,503
Total private equity	286,704	-	-	286,704
Total investments by fair value level	$ 1,077,399	$ 621,815	$ 122,421	$ 333,163

NOTE 6 FAIR VALUE OF INVESTMENTS *(continued)*

	12/31/2020	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Fixed-income investments				
Asset-backed securities	$ 11,366	$ -	$ 6,505	$ 4,861
Limited partnership - Bank loans	38,131	-	-	38,131
Commercial mortgage-backed securities	3,997	-	3,997	-
Corporate bonds	51,897	-	51,897	-
U.S. Government agency securities	838	-	838	-
U.S. Government bonds	23,960	-	23,960	-
U.S. Government mortgage-backed securities	30,536	-	30,536	-
U.S. Government-issued commercial mortgage-backed securities	2,206	-	2,206	-
Municipal/provincial bonds	1,929	-	1,929	-
Non-government-backed CMOs	736	-	736	-
Total fixed-income investments	165,596	-	122,604	42,992
Equity investments				
Common stock and other equity	479,093	478,173	322	598
Common and collective trusts	61,122	61,122	-	-
Total equity investments	540,215	539,295	322	598
Private equity funds				
Private equity - non-real estate focused	155,497	-	-	155,497
Limited partnership - infrastructure	54,663	-	-	54,663
Real estate - closed-end funds	28,349	-	-	28,349
Total private equity	238,509	-	-	238,509
Total investments by fair value level	$ 944,320	$ 539,295	$ 122,926	$ 282,099

NOTE 6 FAIR VALUE OF INVESTMENTS *(continued)*

	December 31, 2021	December 31, 2020
Investments measured at NAV		
Collective investment funds, fixed	$ 55,261	$ 56,228
Collective investment funds, global fixed	58,112	60,322
Collective investment funds, U.S. equity	349,956	272,226
Collective investment funds, non-U.S. equity	289,398	257,907
Venture capital - open-end funds	88,990	74,526
Real estate funds - open-end funds	218,652	194,709
Hedge funds	66	11,206
Total investments measured at NAV	1,060,435	927,124
Total investments by fair value level	$2,137,834	$1,871,444
Investments not subject to fair value leveling		
Short-term investments and currency positions	$ 33,098	$ 61,666
Total investments not subject to fair value leveling	$ 33,098	$ 61,666

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Fixed-income securities classified in Level 2 of the fair market hierarchy are valued using either a bid evaluation or a matrix pricing technique maintained by various pricing vendors. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Fixed-income investments, equity investments and private equity funds classified in Level 3 of the fair value hierarchy are securities whose stated market price is unobservable by the marketplace. Many of these securities are priced by the issuers of industry groups. These prices are obtained from various pricing sources by the fund's custodian bank.

The valuation method for investments measured at NAV per share (or its equivalent) is presented on the following tables (amounts in thousands):

NOTE 6 FAIR VALUE OF INVESTMENTS *(continued)*

	2021			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Investments measured at NAV				
Collective investment fund, fixed	$ 55,261	$ -	Daily	1 to 3 days
Collective investment fund, global fixed	58,112	-	Daily	1 to 3 days
Collective investment fund, U.S. equity	349,956	-	Daily	1 to 3 days
Collective investment fund, non-U.S. equity	289,398	-	Daily	1 to 3 days
Private equity open-end funds	88,990	-	Quarterly	90 days
Real estate open-end funds	218,652	-	Quarterly	90 days
Hedge funds	66	-	Quarterly	90 days
Total investments measured at NAV	$ 1,060,435			
Private equity - non-real estate	$ 204,769	$ 114,114	NA	NA
Limited partnership - infrastructure	$ 60,432	$ -	NA	NA
Real estate - closed-end funds	$ 21,503	$ 28,751	NA	NA

	2020			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Investments measured at NAV				
Collective investment fund, fixed	$ 56,228	$ -	Daily	1 to 3 days
Collective investment fund, global fixed	60,322	-	Daily	1 to 3 days
Collective investment fund, U.S. equity	272,226	-	Daily	1 to 3 days
Collective investment fund, non-U.S. equit	257,907	-	Daily	1 to 3 days
Private equity open-end funds	74,526	-	Quarterly	90 days
Real estate open-end funds	194,709	-	Quarterly	90 days
Hedge funds	11,206	-	Quarterly	90 days
Total investments measured at NAV	$ 927,124			
Private equity - non-real estate	$ 155,497	$ 125,766	NA	NA
Limited partnership - infrastructure	$ 54,663	$ -	NA	NA
Real estate - closed-end funds	$ 28,349	$ 976	NA	NA

Collective investment fund, fixed. This fund seeks to capture the performance of a wide spectrum of securities representative of the U.S. investment-grade bond market.

Collective investment funds, global fixed. This type includes investments in two funds: the emerging debt collective trust fund and the global bond plus trust fund.

Emerging market debt collective trust fund. This fund invests in a diversified portfolio of debt securities and other permitted investments. The fair value in this type of investment has been determined using the NAV per unit of the fund and is calculated on each business day by dividing the total value of assets, less liabilities, by the number of units outstanding.

Global plus trust fund. This fund will invest in a portfolio of fixed- and floating-rate debt securities and debt obligations of governments or government-related issuers worldwide as well as derivatives. Units of the fund are issued and redeemed at NAV per unit as determined on the valuation date.

NOTE 6 FAIR VALUE OF INVESTMENTS *(continued)*

Collective investment funds, U.S. equity. At December 31, 2021 and 2020, this type includes investments that match the return of the S&P 500, S&P 600 and Russell 1000 indexes through investment in substantially all of the stock contained in such indexes.

Collective investment funds, non-U.S. equity. This type of fund includes investments in four funds: two emerging markets funds, emerging markets small-cap fund and non-U.S. large cap core.

Emerging markets funds. These funds invests in equity securities of issuers in emerging markets. The fair value in this type of investment has been determined using the NAV per unit of the fund and is calculated on each business day by dividing the total value of assets, less liabilities, by the number of units outstanding.

Emerging markets small-cap fund. This fund invests primarily in equity securities of small to mid-capitalization companies. The fair value in this type of investment has been determined using the NAV per unit of the fund and is calculated on each business day by dividing the total value of assets, less liabilities, by the number of units outstanding.

Non-U.S. large-cap core. This fund seeks to approximate the risk and return characterized by the MSCI ACWI ex-U.S. Index.

Real estate funds. This type of fund consists of core, value-add, and opportunistic real estate funds. Open-end private funds provide liquidity to investors quarterly, subject to each fund's ability to honor investment and redemption requests. The remaining closed-end private real estate funds include finite-life pooled private market investment vehicles that are typically structured as limited partnerships, where the investors are limited partners (LPs) and the fund sponsor/manager is the general partner (GP). The LPs have limited control and limited liability. The fair value of the investments in these types of funds has been determined using the NAV per share (or its equivalent) of the investments.

Hedge funds. This type of fund consists of equity long/short, event-driven, multi-strategy, distressed debt and hedged equity fund of funds. The fair value of the investments in these types has been determined using the NAV per share (or its equivalent) of the investments.

Private equity. These investments can never be redeemed with the funds. Instead, the nature of the private equity investments is that distributions are received through the liquidation of the underlying assets of the fund. The fair value of investments in certain private equity funds has been determined using recent observable transaction information for similar investments and non-binding bids received from potential buyers of the investments.

NOTE 7 NET PENSION LIABILITY OF THE EMPLOYER (CTA)

The components of the net pension liability of the CTA at December 2021 and 2020 were as follows (amounts in thousands):

	2021	2020
Total pension liability	$ 3,857,936	$ 3,773,577
Plan fiduciary net position	(2,188,484)	(1,941,166)
CTA net pension liability	$ 1,669,452	$ 1,832,411
Plan fiduciary net position as a percentage of the total pension liability	56.73%	51.44%

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of December 31, 2021 and 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

	2021	2020
Inflation	3.10%	3.10%
Salary increases		
Years of service		
1	11%	11%
2	12%	12%
3	16%	16%
4	8%	8%
Equal to or more than 5	3.5%	3.5%
Investment rate of return (net of pension plan investment expense, including inflation)	8.25%	8.25%

For 2021 and 2020, the SOA Public Mortality General Below Median Generational with Improvement Scale MP-2018, with an adjustment for females, was used for active members and healthy retirees. The SOA Public Survivor Mortality General Below Median generational with Improvement Scale MP-2018 was used for survivors. The SOA Public Disability Mortality General Below Median generational with Improvement Scale MP-2018 was used for disabled retirees.

The actuarial assumptions used in the December 31, 2021 and 2020 valuation were based on the results of an actuarial experience study, covering Plan years from January 1, 2013 through December 31, 2017.

NOTE 7 NET PENSION LIABILITY OF THE EMPLOYER (CTA) *(continued)*

Long-Term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2021 and 2020 are summarized in the following table:

Asset Class	**2021**	**2020**
Fixed income	3.85%	3.60%
Domestic equities	8.35	7.53
International equities	6.90	6.32
Venture capital and partnerships	8.48	9.23
Real estate	6.16	7.22
Hedge funds	-	6.11
Infrastructure	4.87	6.19

Discount Rate: The discount rate used to measure the total pension liability was 8.25%. The projection of cash flows used to determine the discount rate assumed that Plan members and employer contributions will continue to follow the current funding policy. Based on those assumptions, the 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 CTA, calculated using the discount rate of 8.25%, as well as what the CTA's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.25%) or 1 percentage point higher (9.25%) than the current rate (amounts in thousands):

Net Pension Liability	**1% Decrease (7.25%)**	**Current Discount Rate (8.25%)**	**1% Increase (9.25%)**
December 31, 2021	$2,034,866	$1,669,452	$1,356,066
December 31, 2020	$2,190,523	$1,832,411	$1,525,210

NOTE 8 DERIVATIVES

The Plan's investment managers may enter into derivative transactions as permitted by their guidelines for hedging or risk reduction, but not for speculative purposes. A derivative financial instrument's payoff depends on the value of an underlying security, such as bond or stock prices, a market index, or commodity prices. Derivative financial instruments involve credit risk and market risk in varying degrees. The Plan did not invest in derivative instruments during 2021 and 2020.

NOTE 9 SECURITIES LENDING PROGRAM

On July 10, 1996, the Board of Trustees entered into a securities lending agreement with TNT. The Plan participates in TNT's securities lending program by lending certain securities to borrowers, thereby earning additional income, which is included in net investment income on the statements of changes in fiduciary net position. Loans of securities through TNT are collateralized by cash, letters of credit, or securities issued or guaranteed by the U.S. Government or its agencies, equal to at least 102% of the current fair value of the loaned U.S. securities and 105% of the current fair value of the loaned non-U.S. securities. There are risks associated with lending securities, with the most significant being the risk that a borrower may fail to return a portfolio security.

Additionally, the Plan would be exposed to the credit risk of the borrower should the market value of the securities loaned exceed the market value of the collateral pledged. At years ended December 31, 2021 and 2020, the Plan did not have credit risk exposure to borrowers because the amounts the Plan owes the borrowers exceeded the amounts the borrowers owe the Plan.

All securities loans can be terminated on demand by either the Plan or the borrower. At December 31, 2021 and 2020, the average term of the loans was 163 and 111 days, respectively. Cash collateral is invested in the lending agent's short-term investment pool, which at years ended December 31, 2021 and 2020 had an interest sensitivity of 28 and 30 days, respectively. The relationship between the maturities of the investment pool and the Plan's loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the Plan cannot determine. The Plan cannot pledge or sell collateral securities received unless the borrower defaults.

NOTE 9 SECURITIES LENDING PROGRAM *(continued)*

Loans outstanding as of December 31, 2021 and 2020 were as follows (amounts in thousands):

	2021	2020
Fair value of securities loaned for cash collateral	$ 69,426	$ 45,115
Total fair value of securities loaned	$ 69,426	$ 45,115
Fair value of cash collateral from borrowers	$ 71,002	$ 46,040
Total fair value of collateral from borrowers	$ 71,002	$ 46,040

NOTE 10 UNFUNDED INVESTMENT COMMITMENTS

The Plan had unfunded commitments of approximately $142.86 million at December 31, 2021 and $126.74 million at December 31, 2020 in connection with real estate and private equity investments.

NOTE 11 RISKS AND UNCERTAINTIES

The Plan invests in investment securities that are exposed to various risks, such as interest rate, market volatility, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term. The changes could materially affect the amounts reported in the statements of fiduciary net position.

Contributions to the Plan and the actuarial information included in the required supplementary information are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee compensation and demographics. Due to the changing nature of these assumptions, it is reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Because actuarial calculations reflect a long-term perspective, actuarially determined amounts are subject to continual revision, as results are compared to past expectations and new estimates made about the future. Examples include assumptions about mortality, investment returns, and future employment.

NOTE 11 RISKS AND UNCERTAINTIES *(continued)*

The Plan is subject to various claims and legal proceedings arising in the ordinary course of business which, in management's opinion, will be resolved without any material adverse effect on the Plan's financial position or changes in its financial position.

NOTE 12 LEGAL PROCEEDINGS

Matthews v. Chicago Transit Authority, et al., No. 11 CH 15446 (Circuit Court of Cook County, Illinois) (n/k/a Williams v. Retirement Plan for Chicago Transit Authority Employees, et al.). There is a new judge appointed after Judge Walker recused himself and transferred the case for reassignment. Judge Walker on July 26, 2022, ordered the parties to meet and confer on a potential settlement. The outcome is still uncertain and this matter and related obligations, if any, are not reflected in the financial statements. At this time, Plan management is unable to determine the amount or range of any potential loss in the event of an unfavorable outcome.

NOTE 13 PRIORITIES AT PLAN TERMINATION

While the CTA intends to maintain the Plan permanently, should the Plan terminate, the Plan's fiduciary net position held in trust for pension benefits would be allocated and used generally to provide the following, in the order indicated:

a. Refunds of participant contributions plus interest, less benefits paid.
b. Retirement and disability benefits to participants who have retired or reached age 65 on the date of termination.
c. In the event a balance remains, it will be used to provide for reduced retirement and disability benefits for all other participants.

NOTE 14 TAX STATUS

The IRS issued a letter of determination dated March 8, 2017, stating that the Plan meets the requirements of a governmental plan under Section 414(d) of the Internal Revenue Code (the Code).

The Plan is required to operate in conformity with the Code to maintain this qualification. The Plan's management is not aware of any course of action or series of events that have occurred, which may adversely affect the Plan's tax status.

NOTE 15 OPERATING LEASE

During 2013, the Plan entered into a new lease agreement for office space, which expires on December 31, 2028. Concurrently with the execution of the lease, the Plan has deposited $100,000 in the form of an irrevocable letter of credit. At December 31, 2021, the remaining future rental lease payments are as follows (amounts in thousands):

Year	Amount
2022	$ 91
2023	93
2024	87
2025	89
2026	91
Thereafter	186
	$ 637

Rent and utilities paid by the Plan were $118,857 in 2021 and $125,462 in 2020. The amount of rent paid for 2021 and 2020 represents 75% of the total amount paid by the Plan. The other 25% is reimbursed by the CTA Retiree Health Care Plan based on management’s expense allocation for the shared office space.

REQUIRED SUPPLEMENTARY INFORMATION

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

(Unaudited)

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	$ 51,675,474	$ 54,560,054	$ 53,967,282	$ 54,814,019	$ 50,432,791	$ 50,111,555	$ 51,357,649	$ 49,066,078
Interest	303,111,459	294,244,949	286,687,425	283,756,721	278,183,536	269,898,773	264,578,983	259,592,822
Difference between expected and actual experience	38,032,686	62,819,793	41,530,311	7,455,309	13,679,323	51,517,655	13,082,408	-
Change in assumptions	-	-	-	(24,726,963)	-	-	-	-
Benefit payments, including refunds of member contributions	(308,461,220)	(294,353,073)	(288,113,446)	(281,867,646)	(276,485,263)	(266,566,974)	(260,141,627)	(246,037,562)
Net change in total pension liability	84,358,399	117,271,723	94,071,572	39,431,440	65,810,387	104,961,009	68,877,413	62,621,338
Total pension liability - beginning	3,773,577,241	3,656,305,518	3,562,233,946	3,522,802,506	3,456,992,119	3,352,031,110	3,283,153,697	3,220,532,359
Total pension liability - ended	$ 3,857,935,640	$ 3,773,577,241	$ 3,656,305,518	$ 3,562,233,946	$ 3,522,802,506	$ 3,456,992,119	$ 3,352,031,110	$ 3,283,153,697
Plan's fiduciary net position								
Contributions - employer	$ 136,907,904	$ 135,831,883	$ 121,667,942	$ 117,114,749	$ 104,523,053	$ 83,855,066	$ 82,799,918	$ 82,268,465
Contributions - member	87,896,658	87,925,661	81,298,269	78,339,932	70,285,731	59,560,473	58,993,284	58,566,279
Net investment income	333,301,626	123,612,775	263,201,019	(61,342,883)	233,739,435	118,613,412	8,230,003	71,524,132
Benefit payments, including refunds of member contributions	(308,461,220)	(294,353,073)	(288,113,446)	(281,867,646)	(276,485,263)	(266,566,974)	(260,141,627)	(246,037,562)
Administrative expense	(2,327,614)	(2,316,997)	(2,814,677)	(2,917,728)	(2,531,493)	(2,309,231)	(2,577,197)	(3,123,365)
Net change in Plan fiduciary net position	247,317,354	50,700,249	175,239,107	(150,673,576)	129,531,463	(6,847,254)	(112,695,619)	(36,802,051)
Plan's fiduciary net position - beginning	1,941,166,421	1,890,466,172	1,715,227,065	1,865,900,641	1,736,369,178	1,743,216,432	1,855,912,051	1,892,714,102
Plan's fiduciary net position - ended	$ 2,188,483,775	$ 1,941,166,421	$ 1,890,466,172	$ 1,715,227,065	$ 1,865,900,641	$ 1,736,369,178	$ 1,743,216,432	$ 1,855,912,051
Net pension liability - ended	$ 1,669,451,865	$ 1,832,410,820	$ 1,765,839,346	$ 1,847,006,881	$ 1,656,901,865	$ 1,720,622,941	$ 1,608,814,678	$ 1,427,241,646
Plan's fiduciary net position as a percentage of the total pension liability	56.73%	51.44%	51.70%	48.15%	52.97%	50.23%	52.00%	56.53%
Covered-employee payroll	$ 637,524,000	$ 640,442,000	$ 645,799,138	$ 623,036,951	$ 595,046,668	$ 575,443,885	$ 573,548,196	$ 564,827,965
Employer's net pension liability as a percentage of covered-employee payroll	261.86%	286.12%	273.43%	296.45%	278.45%	299.01%	280.50%	252.69%

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

Schedule of Employer Contributions

(Amounts in thousands)

(Unaudited)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Employer portion of required contribution on a statutory basis*	$ 131,630	$ 132,232	$ 116,367	$ 112,265	$ 106,662	$ 82,001	$ 81,731	$ 80,488	$ 76,899	$ 61,982	$ 55,976	$ 56,474
Actual employer contributions	136,908	135,832	121,668	117,115	104,523	83,855	82,800	82,268	79,518	62,788	60,318	56,216
Contribution deficiency (excess)	$ (5,278)	$ (3,600)	$ (5,301)	$ (4,850)	$ 2,139	$ (1,854)	$ (1,069)	$ (1,780)	$ (2,619)	$ (806)	$ (4,342)	$ 258
Covered-employee payroll	$ 637,524	$ 640,442	$ 645,799	$ 623,037	$ 595,047	$ 575,444	$ 573,548	$ 564,827	$ 550,616	$ 548,515	$ 541,354	$ 528,288
Contributions as a percentage of covered-employee payroll	20.65%	20.65%	18.02%	18.02%	17.93%	14.25%	14.25%	14.25%	13.97%	11.30%	10.34%	10.69%

*Actuarially determined contributions.

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES
Schedule of Investment Returns
(Unaudited)

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense (%)	17.26	6.94	15.6	(3.58)	13.61	6.54	(0.27)	4.70

The above information is required for a 10-year period beginning in 2014. Information for the next two years will be presented in future years.

Actuarial Methods and Assumptions

The total pension liability as of December 31, 2021 was determined by rolling forward the total pension liability as of January 1, 2021 to December 31, 2021, using the following actuarial methods and assumptions that were applied to all periods included in the measurement.

Valuation date:	January 1, 2021
Actuarial cost method:	Entry Age Normal – Level Percentage of Pay
Amortization method:	For pension expense, the difference between expected and actual liability experience and changes of assumptions are amortized over the average of the expected remaining service lives of all members. The difference between projected and actual earnings is amortized over a closed period of five years.
Salary Inflation	3.10%
Projected salary increases:	11% for one year of service, 12% for two years of service, 16% for three years of service, 8% for four years of service, and 3.5% thereafter.
Investment rate of return:	8.25%
Retirement age:	Normal retirement age is 65
Mortality:	Active members and Healthy pensioners – The SOA Public Mortality General Below Median Generational with Improvement Scale MP-2018 with an adjustment for females. Disabled pensioners – The SOA Public Disability Mortality General Below Median Generational with Improvement Scale MP-2018. Survivors – The SOA Public Survivor Mortality General Below Median Generational with Improvement Scale MP-2018.
Experience study:	The actuarial assumptions used were based on the results of an actuarial experience study covering Plan years from January 1, 2013 through December 31, 2017.

OTHER INFORMATION

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

Schedule of Investment and Administrative Expenses

For the Years Ended December 31, 2021 and 2020

(Amounts in thousands)

	2021	2020
INVESTMENT EXPENSES		
Investment management fees	$ 5,204	$ 5,299
Investment consultant	325	325
Trustee fees	329	328
Total investment expenses	$ 5,858	$ 5,952
ADMINISTRATIVE EXPENSES		
Personal services		
Staff salaries and fringe benefits	$ 930	$ 991
Professional services		
Actuarial	70	51
Auditing	94	183
Data processing	79	91
Cybersecurity services	9	7
Legal	571	427
Benefit payments administration	265	259
Disability administration	269	262
	1,357	1,280
Communication		
Telephone	10	6
Postage and messenger	8	7
	18	13
Office and equipment		
Office space	117	122
Utilities	2	3
Equipment	10	38
Equipment rental	9	10
	138	173
Insurance		
Fiduciary and other insurance	101	91
Miscellaneous		
Seminars and travel	21	1
Supplies	15	16
Court reporting	11	10
Other	6	4
	53	31
Total administrative expenses	$ 2,597	$ 2,579