



To: EMMA, Municipal Securities Rulemaking Board's
Electronic Municipal Market Access System

From: The Illinois State Toll Highway Authority

Date: July 1, 2021

Re: NOTICE REGARDING FISCAL YEAR 2018 FINANCIAL STATEMENTS
AND FISCAL YEAR 2019 FINANCIAL STATEMENTS

During the ongoing Fiscal Year 2020 financial audit of The Illinois State Toll Highway Authority (Tollway), the Tollway was advised of a material error regarding the Tollway's other postemployment benefits (OPEB) amounts, specifically an understatement of the Tollway's net OPEB liability and errors in other OPEB-related accounts, recorded within the Tollway's Fiscal Year 2018 financial statements¹ and Fiscal Year 2019 financial statements². This error likely impacts the following accounts:

- 1) Net OPEB Liability;
- 2) Deferred outflows of resources – OPEB related;
- 3) Deferred inflows of resources – OPEB related;
- 4) Unrestricted net position; and,
- 5) Operating expenses within the following functions to the extent OPEB-related:
 - a. Engineering and maintenance of roadway and structures;
 - b. Services and toll collection;
 - c. Traffic control, safety patrol, and radio communications; and,
 - d. Procurement, IT, finance, and administration.

This specific error does not materially impact the Tollway's net revenues.

At this time, the full impact of this error cannot be reasonably estimated. Accordingly, the Tollway's Fiscal Year 2018 and Fiscal Year 2019 financial statements should no longer be relied upon.

More information about this error will be forthcoming upon the completion and release of the Tollway's Fiscal Year 2020 financial statements (to be contained with the Tollway's Fiscal Year 2020 Annual Comprehensive Financial Report), which will be released later this year.

¹ The Tollway's Fiscal Year 2018 financial statements (contained with the Tollway's Fiscal Year 2018 Comprehensive Annual Financial Report) as filed on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system on July 9, 2019.

² The Tollway's Fiscal Year 2019 financial statements (contained with the Tollway's Fiscal Year 2018 Comprehensive Annual Financial Report) as filed on the EMMA system on June 30, 2020.



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS STATE TOLL HIGHWAY AUTHORITY

Financial Audit
For the Year Ended December 31, 2019

Release Date: June 30, 2020

FINDINGS THIS AUDIT:	0
FINDINGS LAST AUDIT:	1

INTRODUCTION

This digest covers the Illinois State Toll Highway Authority's Financial Audit as of and for the year ended December 31, 2019. The Illinois State Toll Highway Authority's Compliance Examination covering the year ended December 31, 2019 will be issued under a separate cover.

AUDITOR'S OPINION

The auditors stated the financial statements of the Illinois State Toll Highway Authority as of and for the year ended December 31, 2019, are fairly stated in all material respects.

This financial audit was conducted by CliftonLarsonAllen LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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ILLINOIS STATE TOLL HIGHWAY AUTHORITY
FINANCIAL AUDIT
For the Year Ended December 31, 2019

FINANCIAL OPERATIONS (GAAP Basis)	2019	2018
Operating Revenues		
Toll Revenue.....	\$ 1,380,750,754	\$ 1,341,051,225
Toll Evasion Recovery.....	81,554,193	70,468,847
Concessions.....	1,717,551	2,151,574
Miscellaneous.....	20,483,584	22,731,739
Total Operating Revenues.....	<u>1,484,506,082</u>	<u>1,436,403,385</u>
Operating Expenses		
Depreciation and Amortization.....	475,602,597	446,202,899
Services and Toll Collection.....	171,529,366	181,194,076
Engineering and Maintenance of Roadway and Structures....	122,363,797	107,851,143
Traffic Control, Safety Patrol, and Radio Communications...	44,806,282	57,373,555
Procurement, IT, Finance and Administration.....	55,443,876	55,591,666
Total Operating Expenses.....	<u>869,745,918</u>	<u>848,213,339</u>
Operating Income.....	614,760,164	588,190,046
Total Nonoperating (Expenses), net.....	<u>(240,132,940)</u>	<u>(234,363,824)</u>
Change in Net Position.....	374,627,224	353,826,222
Net Position, beginning of year, as restated.....	<u>3,076,484,598</u>	<u>2,722,658,376</u>
Net Position, end of year.....	<u>\$ 3,451,111,822</u>	<u>\$ 3,076,484,598</u>
SIGNIFICANT ACCOUNT BALANCES (GAAP Basis)	2019	2018
Cash/Cash Equivalents/Investments (Unrestricted).....	\$ 1,231,100,261	\$ 1,084,560,400
Cash and Cash Equivalents Restricted for Debt Service.....	\$ 166,333,664	\$ 178,457,419
Cash and Cash Equivalents - I-PASS Accounts.....	\$ 193,796,386	\$ 186,712,910
Accounts Receivable - Current (net).....	\$ 30,711,519	\$ 20,223,377
Intergovernmental Receivable - Less Current Portion.....	\$ 94,603,878	\$ 212,200,376
Capital Assets.....	\$ 9,511,797,253	\$ 9,086,240,066
Deferred Outflows of Resources.....	\$ 355,038,496	\$ 305,688,697
Revenue Bonds Payable.....	\$ 6,842,198,755	\$ 6,443,610,720
Net Pension Liability.....	\$ 853,819,076	\$ 882,540,010
Net OPEB Liability.....	\$ 131,448,041	\$ 140,125,903
Deferred Inflows of Resources.....	\$ 104,052,074	\$ 91,233,858
Total Net Position.....	\$ 3,451,111,822	\$ 3,076,484,598
EXECUTIVE DIRECTOR		
During Audit Period: Elizabeth Gorman (3/15/19); Vacant (3/16/19 - 4/30/19); Jose Alvarez (effective 5/1/19)		
Current: Jose Alvarez		