



# ILLINOIS TOLLWAY

## *Financial Results Year Ended December 31, 2022*

Controller Patricia J. Pearn  
December 14, 2023



# Annual Reporting

## Two financial reports are issued for the Tollway annually

### Audited financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP)

- Contains an opinion on the accuracy of the financial report issued by an external audit firm hired by the Illinois Auditor General
- The report is released by the Illinois Auditor General on its website

### Annual Comprehensive Financial Report (ACFR)

- Issued by the Tollway but also contains the external audit opinion
- Submitted to Government Finance Officers Association for Certificate of Achievement of Excellence in Financial Reporting – the Tollway has received this award for 26 years





# Basis of Accounting

**Tollway financial statements are prepared in accordance with GAAP**

**GAAP accounting differs from Trust Indenture accounting used for budgeting and quarterly budget-to-actual presentations**

## **Major differences in Trust Indenture accounting**

- Capital assets are recorded as expenses vs. fixed assets, no depreciation
- Bond principal retirements are recorded as expenses when paid rather than a reduction of a liability
- Long-term fiber-optic revenue is recorded as revenue when received
- GASB 68 pension liability and expense are not recognized for Trust Indenture reporting
- GASB 75 OPEB liability and expense are not recognized for Trust Indenture reporting
- Other GASB accounting standards are not recognized for Trust Indenture reporting



# 2022 Financial Highlights

- In 2022, toll revenue increased by 3.4 percent (\$44 million) compared to 2021 as the result of the continued recovery of the traffic decline due to the COVID-19 pandemic and a commercial toll rate increase
- Evasion recovery increased by 35.4 percent (\$52 million) as the result of invoicing missed tolls to patrons
- Operating expenses (excluding depreciation and OPEB expense recovery) totaled \$368 million, \$10 million more than 2021



# 2022 Financial Highlights

- The Tollway reported a favorable OPEB cost recovery in 2022, which will be recognized over approximately five years. This favorable recovery was due a substantial adjustment to the portion of the State of Illinois' unfunded OPEB liability and related deferred outflows and inflows allocated to the Tollway.
  - This adjustment was due to the State of Illinois' successful negotiation of favorable retiree health insurance premium contracts and a legislative change to the methodology to compute the Tollway's allocated share of the unfunded OPEB liability. This recovery reduced the 2022 operating expenses by \$70 million



# 2022 Financial Highlights

- In 2022, the Tollway posted favorable operating results (revenues in excess of expenses) of \$438 million (compared to \$300 million in 2021)
- Investment in capital assets increased by \$572 million as the result of continued infrastructure investments under the *Move Illinois* Program



# Statement of Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>Percent Change (2022 vs 2021)</u>
Tolls	1,337	1,292	3.4%
Evasion Recovery	199	147	35.4%
Concessions and Other	19	20	-5.0%
<b>Total operating revenue</b>	<b>1,555</b>	<b>1,459</b>	<b>6.6%</b>
Depreciation and Amortization	532	518	2.7%
Other Operating Expenses	368	358	2.8%
OPEB expense recovery	-70	-	100.0%
<b>Total operating expenses</b>	<b>830</b>	<b>876</b>	<b>-5.3%</b>
<b>Operating income</b>	<b>725</b>	<b>583</b>	<b>24.4%</b>
Net Non-Operating Expense	-287	-283	1.4%
<b>Change in net position</b>	<b>438</b>	<b>300</b>	<b>46.0%</b>

(Amounts in Millions)



# Statement of Net Position

## *Assets and Deferred Outflows*

	<b>2022</b>	<b>2021</b>	<b>Percent Change (2022 vs 2021)</b>
Unrestricted cash and cash equivalents	994	1,157	-14.1%
Accounts receivable, net	135	70	92.9%
IGA receivables - current portion	54	74	-27.0%
Other	12	9	33.3%
<b>Total current unrestricted</b>	<b>1,195</b>	<b>1,310</b>	<b>-8.8%</b>
Restricted cash - debt service	214	206	3.9%
I-PASS cash in escrow	210	207	1.4%
Other current restricted	3	-	100.0%
<b>Total current restricted</b>	<b>427</b>	<b>413</b>	<b>3.4%</b>
<b>Total current assets</b>	<b>1,622</b>	<b>1,723</b>	<b>-5.9%</b>
Capital assets, net of depreciation	11,428	10,856	5.3%
Other non-current assets & deferred outflow of resources	866	1,203	-28.0%
<b>Total assets</b>	<b>13,916</b>	<b>13,782</b>	<b>1.0%</b>

(Amounts in Millions)





# Statement of Net Position

## *Liabilities and Net Position*

	<u>2022</u>	<u>2021</u>	<u>Percent Change (2022 vs 2021)</u>
Accounts payable and accruals	259	273	-5.1%
Deposits and retainage	93	78	19.2%
Other unrestricted liabilities	87	92	-5.4%
<b>Current - payable from unrestricted</b>	<b>439</b>	<b>443</b>	<b>-0.9%</b>
Bonds payable - current portion	46	145	-68.3%
Interest payable	160	146	9.6%
Deposits - I-PASS escrow	210	207	1.4%
<b>Current - payable from restricted</b>	<b>416</b>	<b>498</b>	<b>-16.5%</b>
<b>Total current liabilities</b>	<b>855</b>	<b>941</b>	<b>-9.1%</b>
Revenue bonds payable	7744	7703	0.5%
Other	58	183	-68.3%
Net pension and OPEB liability and related deferred inflows	1452	1586	-8.4%
<b>Total liabilities</b>	<b>10,109</b>	<b>10,413</b>	<b>-2.9%</b>
<b>Net position</b>	<b>3,807</b>	<b>3,369</b>	<b>13.0%</b>

(Amounts in Millions)



An aerial photograph of a highway toll plaza at dusk. The scene shows multiple lanes of traffic moving through toll gantries. The gantries are illuminated with warm lights, and the sky is a mix of blue and orange. In the background, there's a building and some parked cars. The overall atmosphere is that of a busy infrastructure project.

THANK YOU