



Record of Meeting | August 29, 2024

The Illinois State Toll Highway Authority (“Tollway”) held the regularly scheduled Finance & Audit Committee meeting on Thursday, August 29, 2024, in the Boardroom of Tollway headquarters in Downers Grove, Illinois. The meeting was held pursuant to the By-Laws of the Tollway upon call and notice of the meeting executed by Chairman Arnaldo Rivera and posted in accordance with the requirements of the Open Meetings Act, 5 ILCS 120/1, *et seq.*

[Bolded entries indicate issues which may require follow-up to present or report to Directors.]

Call to Order / Roll Call

Committee Chair Perinar called the meeting to order at approximately 9:04 a.m. Given Director Connolly’s advance notice to the Board Secretary of his inability to attend due to illness and given that a quorum of the committee was physically present, in accordance with the Open Meetings Act and Tollway By-laws, Committee Chair Perinar entertained a motion to allow Director Connolly’s participation by audio conference. Director Gomez made such a motion, seconded by Director McConnaughay. The motion PASSED unanimously by voice vote.

Committee Chair Perinar asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Committee Members Present:
Committee Chair Gary Perinar
Director James Connolly
Director Jacqueline Gomez
Director Karen McConnaughay
Director Scott Paddock

Other Directors in Attendance:
Director Melissa Neddermeyer
Director James Sweeney
Director Mark Wright
Chairman Arnaldo Rivera

Committee Members Not Present:
None

The Board Secretary declared a quorum present.

Public Comment



Committee Chair Perinar opened the floor for public comment. No public comment was offered.

Committee Chair's Items

Committee Chair Perinar entertained a motion to approve **Committee Chair's Item 1**, the minutes of the regular Finance & Audit Committee meeting held on July 24, 2024. Director Gomez made a motion to approve the minutes, seconded by Director McConnaughay. The motion PASSED unanimously by voice vote.

Having no further items, Committee Chair Perinar called on Executive Director Cassandra Rouse.

Executive Director

Executive Director Rouse introduced Chief Financial Officer Cathy Williams to present the 2024 Second Quarter Budget to Actual (Preliminary and Unaudited). [See attached presentation.](#)

Upon conclusion of the presentation and discussion, Controller Patti Pearn provided the Financial Results for the Year Ended December 31, 2023. [See attached presentation.](#)

Committee Chair Perinar thanked Ms. Williams and Ms. Pearn for their presentations.

Items for Consideration

Finance

Executive Director Rouse asked Chief Financial Officer Cathy Williams to present the following item:

***Item 1:** Payment to the Illinois Auditor General Audit Expense Fund for the Fiscal Year 2023 Financial Audit in the amount of \$480,000.00.*

Upon conclusion of the item presentation, Committee Chair Perinar entertained a motion to approve placement of **Finance Item 1** on the August Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Gomez made a motion to approve this item, seconded by Director McConnaughay. The motion PASSED unanimously by voice vote.

Adjournment



There being no further Committee business, Committee Chair Perinar entertained a motion to adjourn. Director Gomez made a motion to adjourn, seconded by Director McConnaughay. The motion PASSED unanimously by voice vote.

The meeting was adjourned at approximately 9:22 a.m.

A handwritten signature in cursive script that reads 'Christi Regnery'.

Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



ILLINOIS TOLLWAY

Financial Results Year Ended December 31, 2023

Controller Patricia J. Pearn
August 29, 2024



Annual Reporting

Audited GAAP Financial Statement

Issued by External Audit Firm

Audit Opinion

Basic Financial Statements

Required Supplementary Information

Released by Auditor General

Annual Comprehensive Financial Report (ACFR)

Prepared by Tollway

Audit Opinion

Basic Financial Statements

Required Supplementary Information

Additional Background Information

Annual Reporting – continued

- **Government Finance Officers' Association Certificate of Achievement for Excellence in Financial Reporting**
 - Tollway submits ACFR annually for review
 - Tollway has received the Certificate of Achievement for 27 consecutive years
- **External Audit Findings**
 - No audit findings for 2023



Basis of Accounting

GAAP Accounting

- Capital assets recorded as fixed assets and depreciated
- Bond principal repayments recorded as reduction of liability
- Long term fiber optic revenue recognized ratably over term of agreement
- GASB accounting standards required to be recognized

Trust Indenture Accounting

- Capital assets recorded as expense - no depreciation
- Bond principal repayments recorded as expense
- Long term fiber optic revenue recognized as revenue in full when received
- GASB accounting standards generally not recognized



2023 Financial Highlights

- Toll revenue increased by 3.2% (\$42.5 million) compared to 2022.
- Evasion recovery revenue - which represents the invoicing of missed tolls - totaled \$129.2 million.
- Operating expenses (excluding depreciation, amortization, and OPEB expense recovery) totaled \$418.0 million, an increase of 13.7% over 2022.
 - Increase due to adjustments to salaries and wages for contractual increases and higher utilities and operational materials, offset by reductions in other categories of expense.



2023 Financial Highlights

- The Tollway posted favorable operating results (revenues in excess of expenses) of \$421.9 million (compared to \$438.0 million in 2022)
- Investment in capital assets increased to \$11.4 billion, net of depreciation.



Statement of Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>Percent Change (2023 vs 2022)</u>
Tolls	1,379	1,337	3.1%
Evasion Recovery	129	199	-35.2%
Concessions and Other	21	19	10.5%
Total operating revenue	1,529	1,555	-1.7%
Depreciation and Amortization	523	532	-1.7%
Other Operating Expenses	417	368	13.3%
OPEB expense recovery	-74	-70	5.7%
Total operating expenses	866	830	4.3%
Operating income	663	725	-8.6%
Net Non-Operating Expense	-241	-287	-16.0%
Change in net position	422	438	-3.7%

(Amounts in Millions)



Statement of Net Position

Assets and Deferred Outflows

	2023	2022	Percent Change (2023 vs 2022)
Unrestricted cash and cash equivalents	1,285	994	29.3%
Accounts receivable, net	128	135	-5.2%
IGA receivables - current portion	46	54	-14.8%
Other	17	12	41.7%
Total current unrestricted	1,476	1,195	23.5%
Restricted cash - debt service	334	214	56.1%
I-PASS cash in escrow	211	210	0.5%
Other current restricted	6	3	100.0%
Total current restricted	551	427	29.0%
Total current assets	2,027	1,622	25.0%
Capital assets, net of depreciation	11,851	11,428	3.7%
Other non-current assets & deferred outflow of resources	857	866	-1.0%
Total assets	14,735	13,916	5.9%

(Amounts in Millions)



Statement of Net Position

Liabilities and Net Position

	2023	2022	Percent Change (2023 vs 2022)
Accounts payable and accruals	279	259	7.7%
Deposits and retainage	101	93	8.6%
Other unrestricted liabilities	92	87	5.7%
Current - payable from unrestricted	472	439	7.5%
 Bonds payable - current portion	 155	 46	 237.0%
Interest payable	174	160	8.8%
Deposits - I-PASS escrow	211	210	0.5%
Current - payable from restricted	540	416	29.8%
 Total current liabilities	 1,012	 855	 18.4%
 Revenue bonds payable	 8090	 7744	 4.5%
Other	54	58	-6.9%
Net pension and OPEB liability and related deferred inflows	1350	1452	-7.0%
Total liabilities	10,506	10,109	3.9%
 Net position	 4,229	 3,807	 11.1%

(Amounts in Millions)



An aerial photograph of a multi-lane highway interchange at dusk. Several tollbooths with curved metal roofs are visible, with some interior lights glowing. Vehicles are captured in motion, creating light trails on the road. In the background, a building and more highway lanes are visible under the twilight sky.

THANK YOU





2024 June YTD Budget to Actual (Preliminary and Unaudited)

Cathy Williams
August 29, 2024

June YTD 2024 – Budget vs. Actual

CATEGORY	BUDGET	(\$ millions)		% CHANGE
		ACTUAL	\$ CHANGE	
Revenue	\$803	\$824	\$21	2.6%
M&O Expenditures	\$225	\$205	(\$20)	(9.0%)
Debt Service Transfers	\$261	\$237	(\$24)	(9.1%)
Capital Expenditures	\$613	\$481	(\$132)	(21.5%)

Key Drivers

Revenue

- 2.6 percent above budget due to passenger vehicle toll revenue and higher short-term investment rates

M&O

- 9.0 percent below budget due to personnel related to Illinois State Police and unfilled positions as well as equipment maintenance

Debt Service

- 9.1 percent below budget due to savings from January refunding of Series 2013A/2014B bonds and deferral of anticipated 2nd Quarter bond issuance

Capital Expenditures

- 21.5 percent below budget due to construction activity timing on the I-490 Tollway Project and bridge and ramp repairs

Note: Numbers may not add to totals due to rounding.

REVENUE

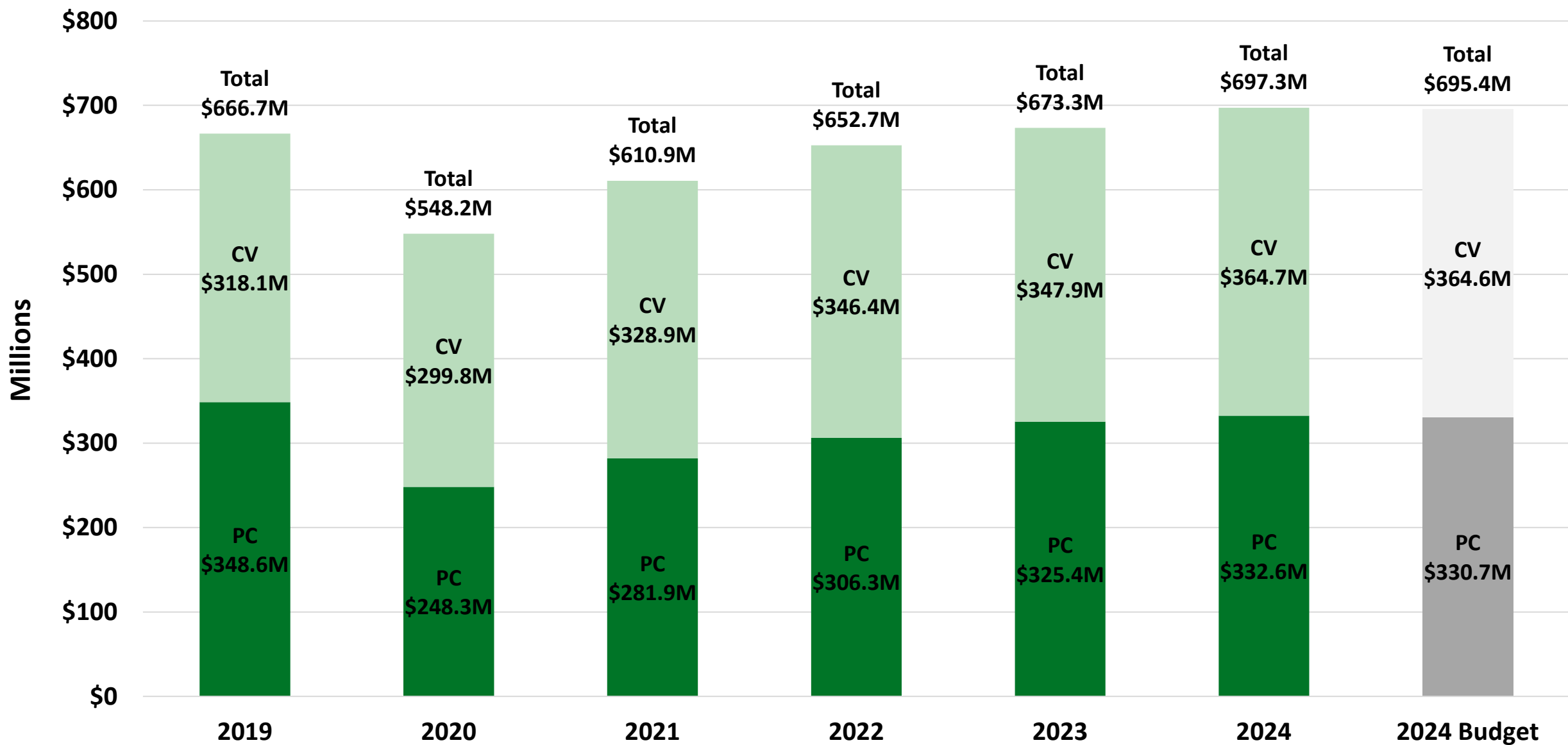


June YTD 2024 - Revenue

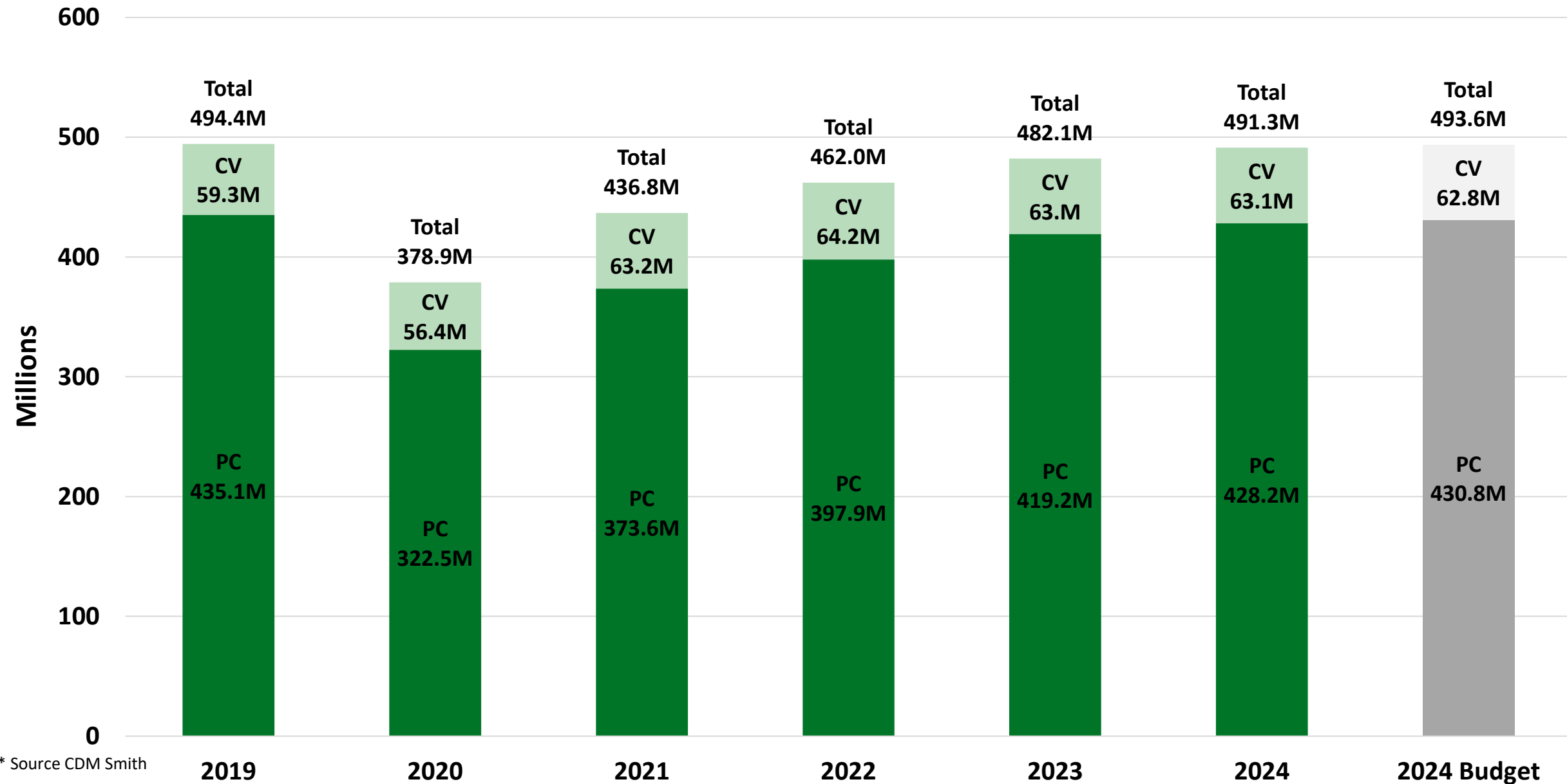
CATEGORY	BUDGET	(\$ millions)		% CHANGE
		ACTUAL	\$ CHANGE	
Total Revenue	\$802.9	\$823.6	\$20.7	2.6%
Toll Revenue and Evasion Recovery	\$773.3	\$776.3	\$3.0	0.4%
Concession and Miscellaneous Income	\$2.1	\$2.2	\$0.0	0.0%
Investments	\$27.5	\$45.2	\$17.7	64.2%

Note: Numbers may not add to totals due to rounding.

June YTD Toll Revenue 2019 - 2024



June YTD Vehicle Transactions 2019 - 2024



* Source CDM Smith

June YTD 2024 – Maintenance and Operations

CATEGORY	BUDGET	(\$ millions)		% CHANGE
		ACTUAL	\$ CHANGE	
Total M&O	\$225.1	\$204.8	(\$20.3)	(9.0%)
Payroll and Related Costs	\$86.1	\$82.3	(\$3.9)	(4.5%)
Contractual Services	\$75.1	\$63.0	(\$12.0)	(16.0%)
Group Insurance	\$17.5	\$15.4	(\$2.1)	(12.0%)
Other Post Employment Benefits	\$4.5	\$4.5	\$0.0	0.0%
Equipment Maintenance	\$19.9	\$17.8	(\$2.1)	(10.5%)
All Other Insurance	\$7.6	\$7.9	\$0.3	4.1%
Materials/Operational Supplies/Other Expenses	\$5.4	\$4.7	(\$0.6)	(11.6%)
Utilities	\$4.7	\$4.3	(\$0.4)	(9.5%)
Parts and Fuel	\$4.5	\$4.9	\$0.3	7.1%
Other Miscellaneous Expenses	\$0.3	\$0.1	(\$0.2)	NA

Key Drivers

Payroll and Related Cost

- \$3.9 million below budget due to unfilled positions

Contractual Services

- \$12 million below budget due to reorganization of personnel related to Illinois State Police and timing of customer service costs

Group Insurance

- \$2.1 million below budget due to prescription rebates and lower than expected claims

Equipment Maintenance

- \$2.1 million below budget due to efficiencies from Business Systems cloud-based tools reduced IT maintenance costs

Note: Numbers may not add to totals due to rounding

CAPITAL PROGRAM



Illinois
Tollway

June YTD 2024 - Capital Program

CATEGORY	BUDGET	(\$ millions)		% CHANGE
		ACTUAL	\$ CHANGE	
Tri-State (I-94/I-294/I-80)	\$203.5	\$206.2	\$2.7	1.3%
Reagan Memorial (I-88)	\$2.4	\$1.7	(\$0.6)	(27.4%)
Jane Addams Memorial (I-90)	\$2.6	\$1.3	(\$1.3)	(49.3%)
Veterans Memorial (I-355)	\$3.2	\$1.1	(\$2.1)	(66.5%)
Systemwide Improvements	\$132.4	\$93.1	(\$39.3)	(29.7%)
Tri-State (I-294)/I-57 Interchange	\$0.1	\$2.8	\$2.7	NA
Elgin O'Hare Western Access	\$261.6	\$180.7	(\$80.9)	(30.9%)
Total Capital Expenditures	\$613.4	\$491.7	(\$121.7)	(19.8%)
Agreement Reimbursements and Other Adjustments	\$0.0	(\$10.3)	(\$10.3)	NA
Total Capital with Reimbursements	\$613.4	\$481.4	(\$132.0)	(21.5%)

Note: Numbers may not add to totals due to rounding

Key Drivers

EOWA Project

- \$80.9 million lower due to construction activity timing related to I-490 Tollway bridges over the CPKC Railroad Bensenville Yard and Metra Railroad

Systemwide

- \$39.3 million less than budget due to timing of construction and pre-construction activities on bridge and ramp repairs, drainage improvements, pavement and structural rehabilitation



THANK YOU



APPENDIX

2024 vs 2023 Results



Illinois
Tollway

June YTD - Maintenance and Operations – 2024 vs 2023

CATEGORY	(\$ millions)					
	2023*		2024		2024 ACTUAL/	
					2023 ACTUAL CHANGE	
	BUDGET	ACTUAL	BUDGET	ACTUAL	\$ CHANGE	% CHANGE
Payroll and Related Costs*	\$81.3	\$72.3	\$86.1	\$82.3	\$10.0	13.8%
Contractual Services*	\$73.2	\$70.4	\$75.1	\$63.0	(\$7.4)	(10.5%)
Group Insurance	\$15.8	\$15.7	\$17.5	\$15.4	(\$0.4)	(2.3%)
Other Post Employment Benefits	\$4.1	\$4.5	\$4.5	\$4.5	\$0.0	0.0%
Equipment Maintenance	\$20.4	\$20.6	\$19.9	\$17.8	(\$2.8)	(13.8%)
All Other Insurance	\$6.3	\$6.4	\$7.6	\$7.9	\$1.4	22.5%
Materials/Operational Supplies/Other Expenses	\$6.2	\$6.3	\$5.4	\$4.7	(\$1.6)	(24.7%)
Utilities	\$4.4	\$4.3	\$4.7	\$4.3	(\$0.0)	0.0%
Parts and Fuel	\$4.5	\$4.0	\$4.5	\$4.9	\$0.8	20.6%
Other Miscellaneous Expenses	(\$0.1)	\$0.1	\$0.3	\$0.1	(\$0.0)	0.0%
Total Maintenance and Operations Expenditures	\$216.1	\$204.7	\$225.1	\$204.8	\$0.1	0.0%

Note: Numbers may not add to totals due to rounding.
 *All ISP expenses have been reclassified from other categories to contractual services in 2023.

June YTD - Capital Program 2024 vs 2023

CATEGORY	(\$ millions)					
	2023		2024		2024 ACTUAL/ 2023 ACTUAL CHANGE	
	BUDGET	ACTUAL	BUDGET	ACTUAL	\$ CHANGE	% CHANGE
Tri-State (I-94/I-294/I-80)	\$297.8	\$253.1	\$203.5	\$206.2	(\$46.9)	(18.5%)
Reagan Memorial (I-88)	\$1.5	\$5.4	\$2.4	\$1.7	(\$3.7)	(68.2%)
Jane Addams Memorial (I-90)	\$1.0	\$0.6	\$2.6	\$1.3	\$0.7	108.2%
Veterans Memorial (I-355)	\$2.2	\$0.3	\$3.2	\$1.1	\$0.8	NA
Systemwide Improvements	\$103.9	\$96.9	\$132.4	\$93.1	(\$3.7)	(3.9%)
Tri-State (I-294)/I-57 Interchange	\$9.0	\$6.5	\$0.1	\$2.8	(\$3.8)	(57.9%)
Elgin O'Hare Western Access	\$180.7	\$82.7	\$261.6	\$180.7	\$98.0	118.5%
Total Capital Expenditures	\$599.0	\$446.0	\$613.4	\$491.7	\$45.7	10.3%
Agreement Reimbursements and Other Adjustments	\$0.0	(\$13.9)	\$0.0	(\$10.3)	\$3.6	25.6%
Total Capital with Reimbursements	\$599.0	\$432.1	\$613.4	\$481.4	\$49.3	11.4%

Note: Numbers may not add to totals due to rounding