



**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY  
NOTICE DATED OCTOBER 10, 2023,  
REGARDING FISCAL YEAR 2022 FINANCIAL STATEMENTS**

After the release of its audit report for the year ended December 31, 2022, it was discovered that an adjustment was needed to the Illinois Tollway's audited financial statements regarding the Tollway's other postemployment benefits (OPEB) amounts. This adjustment impacts the following accounts:

- 1) Deferred outflows of resources – OPEB related;
- 2) Deferred inflows of resources – OPEB related;
- 3) Unrestricted net position; and
- 4) Recovery of OPEB expense (reduction of operating expenses)

This adjustment was the result of recognizing a change in proportion resulting from a legislative change in the State Employees Group Insurance Act of 1971, which was effective January 9, 2023. This legislative change amended the manner in which the Tollway's proportionate share of the State of Illinois' unfunded OPEB liability is calculated. This change resulted in a large recovery of OPEB expense (reduction in operating expenses). The Tollway reflected this recovery fully in the year ended December 31, 2022. It is the determination of the Tollway's external auditors that under GASB 75 this expense recovery should be accreted to revenue over the remaining service lives of current and anticipated future recipients of OPEB. Per the Illinois State Employees Group Insurance Program Actuarial Valuation Report as of June 30, 2021, such remaining service lives has been actuarially computed to be an average of 5.276 years. Consequently, an adjustment is needed to the Tollway's 2022 financial statements which will decrease the Tollway's December 31, 2022, net position by \$ 447 million. Such change will essentially be reversed over the next 4.276 years as the deferred inflow is accreted.

The Tollway will reissue its audited financial statements for the year ended December 31, 2022, reflecting correction of the misstated timing of this accounting, revising it from current year accounting to accounting over a 5.276 year period.