



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF TRANSPORTATION

Financial Audit
For the Year Ended June 30, 2020

Release Date: June 16, 2021

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS			
	Repeated Since	Category 1	Category 2	Category 3
Category 1:				
Category 2:				
Category 3:				
TOTAL				
FINDINGS LAST AUDIT: 1	No Repeat Findings			

SYNOPSIS

- (20-1) The Department did have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans was complete and accurate.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).
Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.
Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

DEPARTMENT OF TRANSPORTATION

FINANCIAL AUDIT

For the Year Ended June 30, 2021

STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES (expressed in thousands)	Fiscal Year 2020	Fiscal Year 2019
Program Revenues		
Charges for Services.....	\$ 45,983	\$ 54,225
Operating Grants.....	202,050	324,816
Capital Grants.....	1,619,382	1,261,325
Total Revenues.....	<u>1,867,415</u>	<u>1,640,366</u>
Expenses		
Total Expenses.....	<u>5,657,020</u>	<u>5,125,419</u>
Net (Expenses) Revenues.....	(3,789,605)	(3,485,053)
Total General Revenues and Transfers.....	<u>4,094,033</u>	<u>3,188,447</u>
Change in Net Position.....	304,428	(296,606)
Net Position, July 1,.....	14,057,279	14,353,885
Net Position, June 30.....	<u>\$ 14,361,707</u>	<u>\$ 14,057,279</u>

STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES (expressed in thousands)	Fiscal Year 2020	Fiscal Year 2019
Cash Equity with State Treasurer.....	\$ 436,790	\$ 194,250
Cash and Cash Equivalents.....	57,091	48,256
Receivables, Net.....	394,395	356,590
Inventories.....	97,134	81,194
Capital Assets, Net.....	19,053,090	19,009,086
Other Assets.....	1,302,239	1,325,333
Total	<u>21,340,739</u>	<u>21,014,709</u>
Deferred Outflows of Resources - Pension.....	362,723	456,154
Deferred Outflows of Resources - Other postemployment benefits.....	120,915	45,150
Total Assets and Deferred Outflows of Resources.....	<u>21,824,377</u>	<u>21,516,013</u>
Accounts Payable.....	467,036	435,714
Long Term Obligations.....	55,500	54,231
Net Pension Liability.....	3,193,723	3,396,976
Other postemployment benefits.....	2,122,593	2,167,241
Other Liabilities.....	838,143	823,166
Total	<u>6,676,995</u>	<u>6,877,328</u>
Deferred Inflows of Resources - Pension.....	294,556	221,373
Deferred Inflows of Resources - Other postemployment benefits.....	491,119	360,033
Total Liabilities and Deferred Inflows of Resources.....	<u>7,462,670</u>	<u>7,458,734</u>
Net Position		
Net Investment in Capital Assets.....	19,036,411	18,990,151
Restricted for Transportation Programs.....	61,452	47,399
Restricted for Debt Service.....	-	1,664
Unrestricted.....	(4,736,156)	(4,981,935)
Total Net Position.....	<u>\$ 14,361,707</u>	<u>\$ 14,057,279</u>

AGENCY SECRETARY

During Examination Period: Omer Osman (Acting)

Currently: Omer Osman

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

LACK OF CENSUS DATA RECONCILIATIONS

The Department of Transportation (Department) did not have a reconciliation process to provide assurance census data submitted to its pension and other post-employment benefits (OPEB) plans was complete and accurate.

Initial complete reconciliation of census data was not performed

During testing, we noted the Department had not performed an initial complete reconciliation of its census data recorded by the State Employees Retirement System (SERS) and the Department of Central Management Services (CMS) to its internal records to establish a base year of complete and accurate census data. (Finding 1, pages 61-62)

We recommended the Department work with SERS and CMS to develop an annual reconciliation process of its active members' census data from its underlying records to a report from each plan of census data submitted to the plan's actuary. After completing an initial full reconciliation, the Department may limit the annual reconciliations to focus on the incremental changes to the census data file from the prior actuarial valuation, provided no risks are identified that incomplete or inaccurate reporting of census data may have occurred during prior periods.

Department agreed with auditors

Department officials agreed with the finding and stated they will work with SERS and CMS to develop an annual reconciliation process. Department officials further stated they currently audit the incoming OPEB files from the Benefits Administrator each pay period against the Department payroll system data and that of the Benefits Administrator.

AUDITOR'S OPINION

The auditors stated the financial statements of the Department as of and for the year ended June 30, 2020 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

FJM:PH