



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, 2023**

**Release Date: March 28, 2024**

| <b>FINDINGS THIS AUDIT: 1</b> |            |               |              | <b>AGING SCHEDULE OF REPEATED FINDINGS</b> |                   |                   |                   |
|-------------------------------|------------|---------------|--------------|--|-------------------|-------------------|-------------------|
|                               | <u>New</u> | <u>Repeat</u> | <u>Total</u> | <b>Repeated Since</b>                      | <b>Category 1</b> | <b>Category 2</b> | <b>Category 3</b> |
| <b>Category 1:</b>            | <b>1</b>   | <b>0</b>      | <b>1</b>     | <b>No Repeat Findings</b>                  |                   |                   |                   |
| <b>Category 2:</b>            | <b>0</b>   | <b>0</b>      | <b>0</b>     |  |                   |                   |                   |
| <b>Category 3:</b>            | <u>0</u>   | <u>0</u>      | <u>0</u>     |  |                   |                   |                   |
| <b>TOTAL</b>                  | <b>1</b>   | <b>0</b>      | <b>1</b>     |  |                   |                   |                   |
| <b>FINDINGS LAST AUDIT: 0</b> |            |               |              |  |                   |                   |                   |

**SYNOPSIS**

- **(23-1)** The Illinois Department of Transportation (Department) did not have adequate controls for calculating its net investment in capital assets and unrestricted net position.

**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, 2023**

| <b>STATEMENT OF ACTIVITIES - GOVERNMENTAL<br/>ACTIVITIES (expressed in thousands)</b> | <b>Fiscal Year<br/>2023</b> | <b>Fiscal Year<br/>2022</b> |
|---|-----------------------------|-----------------------------|
| Program Revenues  |                             |                             |
| Charges for Services.....   | \$ 101,996                  | \$ 100,891                  |
| Operating Grants.....   | 278,146                     | 286,001                     |
| Capital Grants.....   | 1,994,086                   | 1,666,257                   |
| Total Revenues.....   | <u>2,374,228</u>            | <u>2,053,149</u>            |
| Expenses  |                             |                             |
| Total Expenses.....   | <u>5,250,598</u>            | <u>5,502,140</u>            |
| Net (Expenses) Revenues.....  | (2,876,370)                 | (3,448,991)                 |
| Total General Revenues and Transfers.....   | <u>4,918,598</u>            | <u>4,445,166</u>            |
| Change in Net Position.....   | 2,042,228                   | 996,175                     |
| Net Position, July 1, (as restated).....  | 16,065,884                  | 15,069,709                  |
| Net Position, June 30.....  | <u>\$ 18,108,112</u>        | <u>\$ 16,065,884</u>        |

| <b>STATEMENT OF NET POSITION - GOVERNMENTAL<br/>ACTIVITIES (expressed in thousands)</b> | <b>Fiscal Year<br/>2023</b> | <b>Fiscal Year<br/>2022</b> |
|---|-----------------------------|-----------------------------|
| Cash Equity with State Treasurer.....   | \$ 1,309,110                | \$ 885,541                  |
| Cash and Cash Equivalents.....  | 71,456                      | 60,342                      |
| Receivables, Net.....   | 541,694                     | 476,607                     |
| Inventories.....  | 115,630                     | 88,694                      |
| Capital Assets, Net.....  | 21,728,486                  | 20,323,694                  |
| Other Assets.....   | 1,006,961                   | 955,286                     |
| Total .....   | <u>24,773,337</u>           | <u>22,790,164</u>           |
| Deferred Outflows of Resources - Pension.....   | 454,066                     | 500,851                     |
| Deferred Outflows of Resources - Other postemployment benefits.....                     | 462,150                     | 689,536                     |
| Total Assets and Deferred Outflows of Resources.....                                    | <u>25,689,553</u>           | <u>23,980,551</u>           |
| Accounts Payable.....   | 577,745                     | 437,194                     |
| Long Term Obligations.....  | 100,660                     | 65,389                      |
| Net Pension Liability.....  | 3,036,238                   | 3,249,233                   |
| Other postemployment benefits.....  | 947,422                     | 2,354,207                   |
| Other Liabilities.....  | 802,498                     | 634,302                     |
| Total .....   | <u>5,464,563</u>            | <u>6,740,325</u>            |
| Deferred Inflows of Resources - Leases.....   | 1,924                       | -                           |
| Deferred Inflows of Resources - Pension.....  | 421,381                     | 362,301                     |
| Deferred Inflows of Resources - Other postemployment benefits.....                      | 1,693,573                   | 812,041                     |
| Total Liabilities and Deferred Inflows of Resources.....                                | <u>7,581,441</u>            | <u>7,914,667</u>            |
| Net Position  |                             |                             |
| Net Investment in Capital Assets.....   | 21,118,685                  | 20,306,348                  |
| Restricted for Transportation Programs.....   | 116,159                     | 90,308                      |
| Unrestricted.....   | (3,126,732)                 | (4,330,772)                 |
| Total Net Position.....   | <u>\$ 18,108,112</u>        | <u>\$ 16,065,884</u>        |

**AGENCY SECRETARY**

During Examination Period: Omer Osman  
Currently: Omer Osman

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**AUDIT ADJUSTMENT**

The Illinois Department of Transportation (Department) did not have adequate controls for calculating its net investment in capital assets and unrestricted net position.

**Inaccurate underlying calculations for net position**

The Department's underlying calculations used to determine the net position at the end of the fiscal year inappropriately allocated amounts to net investment in capital assets as opposed to unrestricted net position, resulting in a necessary adjustment.

**Overstatement of net investment in capital assets and understatement of unrestricted net position of \$561 million**

The effect of this misstatement in the Department's government-wide financial statement was an overstatement of net investment of capital assets and an understatement of unrestricted net position of \$560,626,000 as of June 30, 2023. The Department posted an audit adjustment to correct this classification error in its financial statements as of and for the year ended June 30, 2023. Total net position was not impacted. (Finding 1, page 62)

We recommended the Department review the calculations used to determine net position classifications so that all components of net position are properly recorded for presentation in the Department's financial statements.

**Department agreed**

The Department agreed with the finding and stated the error in the calculation of net position has been fixed. The Department also stated it will continue to enhance review processes to avoid such errors in the future. Finally, the Department stated it will also continue to research accounting standards that may impact future calculations of net position.

**AUDITOR'S OPINION**

The auditors stated the financial statements of the Agency as of and for the year ended June 30, 2023, 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**

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FRANK J. MAUTINO  
Auditor General

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