

Comprehensive Annual Financial Report GAAP Basis

July 28, 2016

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Tollway CAFR Includes

**Audited Generally Accepted Accounting Principles (GAAP)
financial statement and footnotes**

Supplementary Information

- Trust Indenture financial statements

Statistical Information

- Traffic and revenue statistics
- Economic and demographic information

Basis of Accounting

Tollway financial statements are prepared in accordance with GAAP

GAAP accounting is different from Trust Indenture accounting used for quarterly budget-to-actual presentations

Under Trust Indenture accounting

- Fixed assets are expensed, no depreciation
- Bond principal retirements are expensed when paid
- Long-term fiber optic revenue recorded as revenue when received
- GASB 68 pension liability and increased expense are not recognized

2015 Financial Results

Operating revenues increased 17.8 percent (\$186 million) to \$1,229 million as passenger and commercial traffic continued to increase and the commercial vehicle toll rates increased.

Operating expenses (excluding depreciation) increased 12.5 percent (\$36.3 million), due mainly to the implementation of GASB Statements No. 68 and 71, which required the Tollway to record a portion of the State Employee Retirement System's (SERS) unfunded pension liability. This resulted in an increase of \$32.7 million in pension expense.

2015 Financial Results (continued)

The implementation of GASB No. 68 and 71 resulted in a decrease to the beginning of year net position of \$633.2 million

The Tollway's net position related to operations improved by \$347.5 million

The Tollway maintains a healthy balance sheet with a net position of nearly \$2.2 billion



Statement of Changes in Net Position Operating Income

	2015	2014	Percent change
Tolls	1,147	969	18.3%
Evasion recovery	64	54	19.6
Concessions	2	2	-
Other	16	18	(13.8)%
Operating revenue	1,229	1,043	17.8%
Depreciation	329	309	6.4%
Other operating expenses	351	315	11.5%
Total operating expense	680	624	9.0%
Operating income	549	419	31.0%

(Amounts in Millions)

Statement of Changes in Net Position Net Result

	<u>2015</u>	<u>2014</u>	<u>Percent Change</u>
Operating income	549	419	31.0%
Net non-operating expense	-202	-187	8.0%
Change in net assets	347	232	.50%

(Amounts in Millions)

Statement of Net Position Assets and Deferred Outflows

	<u>2015</u>	<u>2014</u>	<u>Percent Change</u>
Unrestricted cash and cash equivalents	957	917	4.4%
Accounts receivable, net	14	10	40.0%
IGA receivables - current portion	33	39	-15.4%
Other	2	1	100.0%
Total current unrestricted	1006	967	4.0%
Restricted cash - debt service	184	196	-6.1%
IPASS cash in escrow	175	167	4.8%
Total current restricted	359	363	-1.1%
Total current assets	1365	1330	2.6%
Capital assets, net of depreciation	7380	6235	18.4%
Other non-current assets & deferred outflow of resources	1437	1256	14.4%
Total assets	10182	8821	15.4%

Amounts in Millions

Statement of Net Position Liabilities and Net Position

	<u>2015</u>	<u>2014</u>	<u>Percent Change</u>
Accounts payable and accruals	282	218	29.4%
Deposits and retainage	95	61	55.7%
Other unrestricted liabilities	113	106	6.6%
Current - payable for unrestricted	490	385	27.3%
Bonds payable- current portion	101	98	3.1%
Interest payable	105	86	22.1%
Deposits- IPASS escrow	175	167	4.8%
Current - payable from restricted	381	351	8.5%
Total current liabilities	871	736	18.3%
Revenue bonds payable	6049	5319	13.7%
Other	297	287	3.5%
Net pension liability and related deferred inflows	768	-	100.0%
Total liabilities	7985	6,342	25.9%
Net position	2193	2478	-11.5%
Restatement due to GASB 68		-63.2	
Restated Net Position - 1/1/2015		2193	

Amounts in Millions



THANK YOU

