

In the opinion of the Hardwick Law Firm, LLC, Chicago, Illinois, Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (“Code”), the interest on the 2024A Bonds is excluded from the gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. With respect to certain applicable corporations (as defined in Section 59(k) of the Code), such interest is taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on corporations for tax years beginning after December 31, 2022. See “TAX MATTERS” herein.



\$873,710,000

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
Toll Highway Senior Revenue Bonds, 2024 Series A (Refunding)

**Maturities, Principal Amounts, Interest Rates, Yields, Prices and CUSIP Numbers
are Shown on the Inside of the Front Cover**

This Official Statement contains information relating to The Illinois State Toll Highway Authority (“**Authority**”) and the Authority’s Toll Highway Senior Revenue Bonds, 2024 Series A (Refunding) (“**2024A Bonds**”). The 2024A Bonds are being issued and secured under an Amended and Restated Trust Indenture effective as of March 31, 1999, amending and restating a Trust Indenture dated as of December 1, 1985 (as amended, restated and supplemented to the date hereof, “**Amended and Restated Indenture**”) from the Authority to The Bank of New York Mellon Trust Company, N.A., as successor trustee (“**Trustee**”) and a Thirty-Third Supplemental Indenture, dated as of January 1, 2024, by and between the Authority and the Trustee (“**Thirty-Third Supplemental Indenture**” and collectively with the Amended and Restated Indenture, “**Indenture**”).

The 2024A Bonds will be issuable as fully registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“**DTC**”). DTC will act as securities depository for the 2024A Bonds. Purchasers of the 2024A Bonds will not receive certificates representing their interests in the 2024A Bonds purchased. Principal of and interest on the 2024A Bonds will be paid by the Trustee to DTC, which in turn will remit such principal and interest payments to its participants for subsequent disbursement to the beneficial owners of the 2024A Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the 2024A Bonds will be made to such registered owner, and disbursement of such payments to beneficial owners will be the responsibility of DTC and its participants. See **APPENDIX E – “Book-Entry System.”**

The 2024A Bonds will mature on January 1 of the years and in the amounts and will bear interest at the rates per annum set forth on the inside cover page, payable on January 1 and July 1 of each year, commencing July 1, 2024. As described herein, the 2024A Bonds are subject to redemption prior to maturity. See “**DESCRIPTION OF THE 2024A Bonds – Redemption of 2024A Bonds.**”

All Bonds issued under the Indenture, including the 2024A Bonds, are payable solely from and secured solely by a pledge of and lien on the Net Revenues (as defined in this Official Statement) and certain other funds as provided in the Indenture. See “**SECURITY AND SOURCES OF PAYMENT FOR THE 2024A Bonds.**”

THE 2024A BONDS AND ANY OTHER BONDS ISSUED UNDER THE INDENTURE DO NOT REPRESENT OR CONSTITUTE A DEBT OF THE AUTHORITY OR OF THE STATE OF ILLINOIS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE AUTHORITY OR THE STATE OF ILLINOIS, OR GRANT TO THE OWNERS OR HOLDERS THEREOF ANY RIGHT TO HAVE THE AUTHORITY OR THE ILLINOIS GENERAL ASSEMBLY LEVY ANY TAXES OR APPROPRIATE ANY FUNDS FOR THE PAYMENT OF THE PRINCIPAL THEREOF, PREMIUM, IF ANY, OR INTEREST THEREON, OTHER THAN AS MAY BE AUTHORIZED UNDER THE TOLL HIGHWAY ACT AND PLEDGED IN ACCORDANCE WITH THE INDENTURE. THE TOLL HIGHWAY ACT, 605 ILCS 10/1, *et seq.*, PROVIDES THAT NEITHER THE DIRECTORS OF THE AUTHORITY NOR ANY PERSON EXECUTING THE 2024A BONDS SHALL BE LIABLE PERSONALLY ON THE 2024A BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE 2024A BONDS.

The 2024A Bonds are offered for delivery when, as and if issued and received by the Underwriters, subject to withdrawal and modification of the offer without notice and approval of legality by the Hardwick Law Firm, LLC, Chicago, Illinois, Bond Counsel. Certain legal matters in connection with the 2024A Bonds will be passed upon for the Authority by Kathleen R. Pasulka-Brown, Esq., Assistant Attorney General and the Authority’s General Counsel, and by the Authority’s special counsel, Foley & Lardner LLP, Chicago, Illinois, and for the Underwriters by their counsel, Kutak Rock LLP. Certain documents to which the Authority is a party will be approved as to form and constitutionality by the Attorney General of Illinois. It is expected that the 2024A Bonds in definitive form will be available for delivery to DTC on or about January 4, 2024.

RBC Capital Markets

Wells Fargo Securities

Loop Capital Markets

Ramirez & Co., Inc.

Cabrera Capital Markets

Estrada Hinojosa

Melvin Securities

Stern Brothers

**MATURITIES, PRINCIPAL AMOUNTS,
INTEREST RATES, YIELDS, PRICES AND CUSIP* NUMBERS**

\$873,710,000

**The Illinois State Toll Highway Authority
Toll Highway Senior Revenue Bonds, 2024 Series A (Refunding)**

<u>Maturity (January 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP* (452252)</u>
2028	\$ 17,130,000	5.00%	2.550%	109.242	QG7
2029	16,530,000	5.00%	2.560%	111.365	QH5
2030	16,545,000	5.00%	2.600%	113.236	QJ1
2031	16,995,000	5.00%	2.630%	115.045	QK8
2032	25,000,000	5.00%	2.670%	116.668	QL6
2033	25,265,000	5.00%	2.690%	118.340	QM4
2034	27,780,000	5.00%	2.730%	119.733	QN2
2035	28,125,000	5.00%	2.840% ^C	119.478 ^C	QP7
2036	187,415,000	5.00%	3.040% ^C	117.493 ^C	QQ5
2037	196,810,000	5.00%	3.240% ^C	115.548 ^C	QR3
2038	206,660,000	5.00%	3.340% ^C	114.590 ^C	QS1
2039	109,455,000	5.00%	3.400% ^C	114.019 ^C	QT9

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^C Priced to first optional redemption date of July 1, 2034.

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This Official Statement, which includes the cover page and inside front cover page and appendices, is being used in connection with the offer and sale of the 2024A Bonds and may not be reproduced or used, in whole or in part, for any other purpose. The information set forth in this Official Statement is believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriters. The Underwriters have provided the following sentence for inclusion in this Official Statement. Each Underwriter has reviewed the information in this Official Statement in accordance with and as part of its respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but no Underwriter guarantees the accuracy or completeness of such information. The information and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information in this Official Statement pertaining to the Authority or the Tollway System as of any time subsequent to the date of such information. No dealer, sales representative or any other person has been authorized by the Authority or the Underwriters to give any information or to make any representation other than as contained in this Official Statement in connection with the offering it describes and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority or the Underwriters. This Official Statement does not constitute an offer of any securities other than those described on the cover page or an offer to sell or a solicitation of an offer to buy in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

This Official Statement should be considered in its entirety. No information or portion of information in this Official Statement should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to such statutes, ordinances, reports or other documents for more complete information regarding the rights and obligations of parties to them, facts and opinions contained in them and their subject matters.

Neither this Official Statement nor any statement that may be made orally or in writing in connection herewith is to be construed as a contract with the registered or beneficial owners of the 2024A Bonds.

This Official Statement contains forecasts, projections and estimates that are based on current expectations or assumptions. If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes” and analogous expressions are intended to identify forward-looking statements, and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which could affect the amount of revenues received include, among others, changes in political, social and economic conditions, federal, state and local statutory and regulatory initiatives, litigation, seismic events, and various other events, conditions and circumstances, many of which are beyond the control of the Authority. These forward-looking statements include, but are not limited to, certain statements contained in the information set forth under the captions **“THE TOLLWAY,” “THE CAPITAL PROGRAM,” “CERTAIN RISK FACTORS”** and in **APPENDICES B** and **C**, and such statements speak only as of the date of this Official Statement. The Authority disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Official Statement to reflect any changes in the Authority’s expectations with regard to such forward-looking statements or any change in events, conditions or circumstances on which any such statements are based.

THE 2024A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY FEDERAL OR STATE SECURITIES COMMISSION NOR HAS ANY FEDERAL OR STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

\$873,710,000

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
Toll Highway Senior Revenue Bonds,
2024 Series A (Refunding)

INTRODUCTORY STATEMENT

This Official Statement sets forth certain information concerning The Illinois State Toll Highway Authority (“**Authority**”), the Tollway System (as defined in **APPENDIX D** to this Official Statement) and the Authority’s \$873,710,000 Toll Highway Senior Revenue Bonds, 2024 Series A (Refunding) (“**2024A Bonds**”). The 2024A Bonds will be issued pursuant to the Toll Highway Act, 605 ILCS 10/1, *et seq.*, as amended (“**Act**”), resolutions adopted by the Board of Directors of the Authority (“**Board**”) on May 21, 2020, November 18, 2021 and December 15, 2022 authorizing the issuance of the 2024A Bonds (together, “**Resolution**”) and the Thirty-Third Supplemental Indenture, dated as of January 1, 2024, by and between the Authority and the Trustee (defined herein) (“**Thirty-Third Supplemental Indenture**”) supplementing and amending an Amended and Restated Trust Indenture effective as of March 31, 1999, amending and restating a Trust Indenture dated as of December 1, 1985 (as amended, restated and supplemented to the date hereof, “**Amended and Restated Indenture**”), from the Authority to The Bank of New York Mellon Trust Company, N.A., as successor to J.P. Morgan Trust Company, N.A., and its predecessors, as Trustee (“**Trustee**”). The Amended and Restated Indenture, as supplemented, amended and restated from time to time, including by the First through the Thirty-Third Supplemental Indentures and the 1996 Amendatory Supplemental Indenture dated as of September 1, 1996, is referred to herein as the “**Indenture**.” Purchasers of the 2024A Bonds will be deemed to have consented to certain amendments to the Indenture including those defined herein as the “Transfer Amendment” and the “Reserve Account Credit Facility Amendment.” See “**SECURITY AND SOURCES OF PAYMENT FOR THE 2024A BONDS – Certain Amendments to the Indenture**” and **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – ADDITIONAL COVENANTS – Sale, Lease or Encumbrance of Property”** and “**– FLOW OF FUNDS – Debt Reserve Account.**”

Certain capitalized terms used in this Official Statement, unless otherwise defined in this Official Statement, have the meanings set forth in **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – DEFINITIONS.”**

The 2024A Bonds are being issued under the Resolution and the Indenture to provide funds that will be used, together with other available funds, to: (a) refund all of the Authority’s Toll Highway Senior Revenue Bonds, 2013 Series A (“**2013A Bonds**”) in the aggregate principal amount of \$500,000,000 and all of the Authority’s Toll Highway Senior Revenue Bonds, 2014 Series B (“**2014B Bonds**”) in the aggregate principal amount of \$500,000,000, as more fully described in **APPENDIX G – “SCHEDULE OF REFUNDED BONDS”** hereto (“**Refunded Bonds**”); and (b) pay costs incurred in connection with the issuance of the 2024A Bonds. See “**PLAN OF FINANCE,**” “**ESTIMATED SOURCES AND APPLICATIONS OF FUNDS**” and **APPENDIX G – “SCHEDULE OF REFUNDED BONDS.”**

The 2024A Bonds will be secured on a parity basis with other Senior Bonds of the Authority. After the issuance of the 2024A Bonds and the refunding of the Refunded Bonds with the proceeds thereof, Senior Bonds are expected to consist of the following: (a) \$400,000,000 aggregate principal amount Toll Highway Senior Priority Revenue Bonds, Taxable 2009 Series A (Build America Bonds – Direct Payment) (“**2009A Bonds**”); (b) \$280,000,000 aggregate principal amount Toll Highway Senior Priority Revenue Bonds, Taxable 2009 Series B (Build America Bonds – Direct Payment) (“**2009B Bonds**”); (c) \$400,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2014 Series C (“**2014C Bonds**”); (d) \$1,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2014 Series D (Refunding) (“**2014D Bonds**”); (e) \$400,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2015 Series A (“**2015A Bonds**”); (f) \$400,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2015 Series B (“**2015B Bonds**”); (g) \$333,060,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2016 Series A (Refunding) (“**2016A Bonds**”); (h) \$300,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2016 Series B (“**2016B Bonds**”); (i) \$300,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2017 Series A (“**2017A Bonds**”); (j) \$442,630,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2018 Series A (Refunding) (“**2018A Bonds**”);

(k) \$300,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2019 Series A (“**2019A Bonds**”); (l) \$225,245,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding) (“**2019B Bonds**”); (m) \$691,555,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2019 Series C (Refunding) (“**2019C Bonds**”); (n) \$500,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2020 Series A (“**2020A Bonds**”); (o) \$700,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2021 Series A (“**2021A Bonds**”); (p) \$500,000,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2023 Series A (“**2023A Bonds**”); and (q) \$873,710,000 aggregate principal amount of the 2024A Bonds (collectively, “**Senior Bonds**”). After the issuance of the 2024A Bonds and the refunding of the Refunded Bonds, the Senior Bonds will be outstanding in the aggregate principal amount of \$7,047,200,000.

All references in this Official Statement to laws, agreements and documents are qualified in their entirety by reference to such laws, agreements and documents, and all references in this Official Statement to the 2024A Bonds and the Indenture are further qualified in their entirety by reference to their complete terms and the information with respect to them in the Indenture.

PLAN OF FINANCE

Refunding of the Refunded Bonds

The 2024A Bonds are being issued to refund the Refunded Bonds. The Refunded Bonds will be redeemed on April 2, 2024 (“**Redemption Date**”) from amounts on deposit in escrow as described below.

To provide for the refunding of the Refunded Bonds, proceeds of the 2024A Bonds, together with certain funds available for the payment of the Refunded Bonds in the Debt Service Account and Debt Reserve Account established under the Indenture, will be used to provide a beginning cash balance (“**Beginning Cash**”) and purchase a Defeasance Security, the principal of which will be sufficient to pay the Redemption Price plus accrued interest of the Refunded Bonds on the Redemption Date. The Beginning Cash and the Defeasance Security, and any interest earnings thereon, will be held by the Trustee in an escrow account established for the Refunded Bonds (“**Escrow Account**”). The Redemption Price plus accrued interest of the Refunded Bonds on the Redemption Date will be payable from the Escrow Account, and neither the Beginning Cash, the maturing principal of the Defeasance Security purchased to refund the Refunded Bonds nor any interest earned thereon will serve as security for the 2024A Bonds. The accuracy of the arithmetical computation of the Beginning Cash together with the maturing principal amount of the Defeasance Security deposited therein, and interest earnings thereon, to pay when due the Redemption Price plus accrued interest of the Refunded Bonds, will be verified by Robert Thomas CPA, LLC. Such verification of arithmetical accuracy shall be based upon information and assumptions supplied by the Underwriters.

As of the closing date of the 2024A Bonds, the Resolution authorizing the Refunding of the Refunded Bonds will have no remaining capacity, since all bonds authorized to be refunded in such Resolution will have been refunded.

Future Financing Plans

In August 2011, the Authority approved a fifteen-year, \$12 billion capital improvement plan known as “Move Illinois: The Illinois Tollway Driving the Future,” which established a guide for infrastructure and other capital investments to be made to the Tollway System by the Authority beginning in 2012 and extending through 2026, approved an increase in passenger vehicle toll rates effective January 1, 2012, approved toll rates for Illinois Route 390 (formerly known as the Elgin-O’Hare Expressway) and affirmed a previously approved increase in commercial vehicle toll rates consisting of a 60% increase to be phased in between January 1, 2015 and January 1, 2017 with annual adjustments applied on January 1 of each of the years 2018 and thereafter, adjusted annually based on the change in the Consumer Price Index for All Urban Consumers as defined by the United States Department of Labor Bureau of Labor Statistics. See “**THE TOLLWAY – Toll Rates.**” By resolution adopted on April 27, 2017, the Board of Directors of the Authority approved certain enhancements to this capital improvement plan, increasing its total estimated cost from \$12.1 billion to \$14.3 billion (the original capital improvement plan, as so amended, “**Move Illinois Program**”). The Move Illinois Program is designed to fund necessary improvements to maintain the existing Tollway System in a state of good repair and fund new projects to enhance regional mobility. As of the date of this Official Statement, the Authority’s Move Illinois Program is projected to be completed in 2027 at a projected total net cost to the Authority of \$15.0 billion. At the Authority’s December 14, 2023 Board meeting, the Board authorized an

increase in funding of the Move Illinois Program from \$14.3 billion to \$15.2 billion. Approximately \$10 billion of Move Illinois Program costs have been expended through the Authority’s fiscal year ending 2022. For additional detail on the projects included as part of the Move Illinois Program, *see* “**THE CAPITAL PROGRAM – The Move Illinois Program**” and **APPENDIX B – “CONSULTING ENGINEERS’ REPORT.”**

The Authority has issued the 2013A Bonds, 2014B Bonds, 2014C Bonds, 2015A Bonds, 2015B Bonds, 2016B Bonds, 2017A Bonds, 2019A Bonds, 2020A Bonds, 2021A Bonds and 2023A Bonds in the aggregate principal amount of \$4.8 billion to pay the costs of the Move Illinois Program. The Authority currently expects that the remaining costs of the Move Illinois Program will be funded with (i) proceeds from an estimated \$1.5 billion aggregate principal amount of Additional Senior Bonds, and (ii) other Authority funds. On March 30, 2023, the Authority adopted a resolution authorizing the issuance of up to \$500 million aggregate principal amount of Additional Senior Bonds to fund a portion of the Move Illinois Program, which remains unissued. The estimated \$1.5 billion aggregate principal amount of Additional Senior Bonds is expected to consist of approximately \$500 million in principal amount of bonds expected to be issued in the first half of 2024 and approximately \$1 billion in principal amount of bonds expected to be issued during the calendar year 2025. Amounts and timing are estimated and subject to change.

The Authority may, from time to time in the future, extend or supplement the authorizations described in the preceding paragraphs. The Authority may adopt new authorizations for additional indebtedness or hedging instruments in connection with future bonds. Issuance of additional indebtedness or hedging instruments will be subject to compliance with the requirements for additional indebtedness set forth in the Indenture. *See* **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – ADDITIONAL INDEBTEDNESS.”**

ESTIMATED SOURCES AND APPLICATIONS OF FUNDS

The estimated sources and applications of the 2024A Bonds and other available funds are set forth below:

SOURCES

Principal Amount of 2024A Bonds	\$ 873,710,000.00
Original Issue Premium	136,849,914.15
2013A and 2014B Interest Sub-Accounts of Debt Service Account	227,237.98
Debt Reserve Account	<u>4,568,991.87</u>

TOTAL \$1,015,356,144.00

APPLICATIONS

Deposit to Escrow Account for Refunded Bonds ⁽¹⁾	\$1,012,638,888.89
Costs of Issuance ⁽²⁾	<u>2,717,255.11</u>

TOTAL \$1,015,356,144.00

⁽¹⁾ Amount is the beginning cash balance plus the cost of the Defeasance Security; does not include investment earnings.

⁽²⁾ Includes underwriters’ discount and costs of issuance consisting of legal, financial advisory, trustee and rating agency fees.

DESCRIPTION OF THE 2024A BONDS

General

The 2024A Bonds will be issued in the aggregate principal amount of \$873,710,000, will be dated the date of issuance thereof and will bear interest at the rates per annum and to the maturity dates shown on the inside front cover page of this Official Statement, subject to redemption as set forth below.

Interest on the 2024A Bonds; Payment; Authorized Denominations

The 2024A Bonds will bear interest at the rates per annum and to the maturity dates shown on the inside front cover page of this Official Statement (computed on the basis of a 360-day year composed of twelve 30-day months), payable on each January 1 and July 1, commencing July 1, 2024.

The principal or Redemption Price of the 2024A Bonds will be payable in lawful money of the United States of America upon surrender of such 2024A Bonds to the Trustee at the designated corporate trust office of the Trustee. Interest on the 2024A Bonds will be payable by check or bank draft mailed or delivered by the Trustee to the Registered Owners as the same appear on the registry books of the Authority maintained by the Trustee as of the applicable Record Date or, in the case of a Registered Owner of \$1,000,000 or more in aggregate principal amount of 2024A Bonds who so elects, by wire transfer of funds.

The 2024A Bonds will be issued in denominations of \$5,000 and integral multiples of such amount (“**Authorized Denominations**”).

Redemption of 2024A Bonds

Optional Redemption at Par. The 2024A Bonds maturing on or after January 1, 2035 are subject to redemption at the election or direction of the Authority on any date on or after July 1, 2034, in whole or in part, and if in part, in Authorized Denominations, at a Redemption Price equal to 100% of the principal amount of such Bonds called for redemption plus accrued interest, if any, to the redemption date.

Selection of 2024A Bonds for Redemption; Notice of Redemption

If less than all of the 2024A Bonds are to be redeemed, the particular 2024A Bonds or portions of the 2024A Bonds to be redeemed shall be selected by the Authority in the principal amount designated to the Trustee by the Authority; provided, however, that in the case of the redemption of less than all of the 2024A Bonds of a single maturity and interest rate, such redemption shall be (i) by lot in such manner as the Trustee may determine among such 2024A Bonds, and (ii) in a principal amount equal to an Authorized Denomination.

Notice of any redemption of 2024A Bonds will be given by the Trustee by registered or certified mail, postage prepaid, to the Registered Owner of any 2024A Bonds to be redeemed not fewer than 30 days prior to the redemption date. Neither failure to give notice by mail nor defect in any notice so mailed in respect of any 2024A Bond will affect the validity of any proceedings for redemption of any other 2024A Bonds with respect to which notice was properly given. No further interest will accrue on the principal of any 2024A Bonds properly called for redemption after the redemption date if payment of the Redemption Price thereof has been duly provided for, and the Registered Owners of such 2024A Bonds will have no rights with respect to such 2024A Bonds nor will they be entitled to the benefits of the Indenture except to receive payment of the Redemption Price thereof and unpaid interest accrued to the date fixed for redemption.

Defeasance

In the event money and/or non-callable direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America, in each case maturing at such times and bearing interest to be earned thereon in amounts sufficient to redeem and retire any or all of the 2024A Bonds in accordance with their terms, are set aside in a special trust account to effect such redemption or retirement and such moneys and the principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, no further payments need be made to pay or secure the payment of the principal of and interest on such 2024A Bonds, and such 2024A Bonds shall be deemed not to be outstanding.

If the Authority defeases any 2024A Bonds, such 2024A Bonds may be deemed to be retired and “reissued” for federal income tax purposes as a result of the defeasance. In such event, the owner of a 2024A Bond would recognize a gain or loss on the 2024A Bond at the time of defeasance. *See* “**TAX MATTERS.**”

Bond Registration and Transfers

For a description of the procedure to transfer ownership of a 2024A Bond while in the book-entry only system, see **APPENDIX E – “BOOK-ENTRY SYSTEM.”** Subject to the limitations described below, the 2024A Bonds are transferable upon surrender thereof at the principal office of the Trustee, accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the Bondholder or such Bondholder’s attorney duly authorized in writing. Any 2024A Bond, upon surrender of such 2024A Bond at the principal office of the Trustee, shall be exchanged for an equal aggregate principal amount of 2024A Bonds of any Authorized Denomination of the 2024A Bond being surrendered. The Trustee may charge a fee sufficient to cover any tax, fee or other governmental charge in connection with any exchange or transfer of any Bond.

The Trustee is not required to make any transfer or exchange of any 2024A Bond during the period between each Record Date and the next succeeding interest payment date of such 2024A Bond or after such 2024A Bond has been called for redemption.

Mutilated, Lost, Stolen or Destroyed Bonds

If any 2024A Bond is mutilated, lost, stolen or destroyed, the Authority shall execute, and the Trustee shall authenticate, a new 2024A Bond; *provided, however*, that the Authority and the Trustee shall require satisfactory indemnification prior to authenticating a new 2024A Bond, and the Trustee shall require satisfactory evidence of the ownership and the mutilation, loss, theft or destruction of the affected Bond. The expense of issuing a substitute 2024A Bond in place of a mutilated, lost, stolen or destroyed 2024A Bond shall be borne by the Registered Owner.

SECURITY AND SOURCES OF PAYMENT FOR THE 2024A BONDS

The following is a summary of certain provisions of the Indenture relating to the 2024A Bonds and other Bonds issued under the Indenture. A more detailed summary of such provisions is included in **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”**

Pledge of Revenues and Funds

All Bonds issued under the Indenture, including the 2024A Bonds, are payable solely from, and secured solely by a pledge of and lien on, the Net Revenues of the Tollway System and certain other funds as provided in the Indenture.

THE 2024A BONDS AND ANY OTHER BONDS ISSUED UNDER THE INDENTURE DO NOT REPRESENT OR CONSTITUTE A DEBT OF THE AUTHORITY OR OF THE STATE OF ILLINOIS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE AUTHORITY OR THE STATE OF ILLINOIS, OR GRANT TO THE OWNERS OR HOLDERS THEREOF ANY RIGHT TO HAVE THE AUTHORITY OR THE ILLINOIS GENERAL ASSEMBLY LEVY ANY TAXES OR APPROPRIATE ANY FUNDS FOR THE PAYMENT OF THE PRINCIPAL THEREOF, PREMIUM, IF ANY, OR INTEREST THEREON, OTHER THAN AS MAY BE AUTHORIZED UNDER THE ACT AND PLEDGED IN ACCORDANCE WITH THE INDENTURE. THE ACT PROVIDES THAT NEITHER THE DIRECTORS OF THE AUTHORITY NOR ANY PERSON EXECUTING THE 2024A BONDS SHALL BE LIABLE PERSONALLY ON THE 2024A BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE 2024A BONDS.

Toll Covenant

The Authority covenants in the Indenture that in each Fiscal Year, tolls will at all times be set so that Net Revenues will at least equal the Net Revenue Requirement for such Fiscal Year, comprised of the amount necessary to cure deficiencies, if any, in the Debt Service Account, Debt Reserve Account, any Junior Bond Debt Service Account and any Junior Bond Debt Service Reserve Account plus the greater of (i) the sum of Aggregate Debt Service (defined to include all debt service on Senior Bonds), the Junior Bond Revenue Requirement and the Renewal and Replacement Deposit for such period, or (ii) 1.3 times the Aggregate Debt Service for such period. Under the Act, the

Authority has the exclusive right to determine, fix, impose and collect tolls for the use of the Tollway System. Such tolls are required under the Act to be fixed and adjusted at rates calculated to provide the lowest reasonable toll rates to provide funds that will be sufficient, together with other revenues of the Authority, to pay the costs of any authorized new construction and the reconstruction, major repair or improvement of the Tollway System and the costs of operating and maintaining the Tollway System and paying debt service on all Outstanding Bonds. There is no other State of Illinois executive, administrative or regulatory body or regional or local governmental or regulatory body with the authority to limit or restrict such rates and charges. *See* **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - TOLL RATE COVENANTS.”**

Certain Amendments to the Indenture

Transfer Amendment. Each Supplemental Indenture of the Authority, beginning with the Seventh Supplemental Indenture and extending through the Thirty-Third Supplemental Indenture, amends the Indenture, subject to receipt of consent of the owners of the requisite principal amount of Bonds Outstanding on the date of such consent (as described below) and certain Providers, to permit the Authority to sell, lease or otherwise dispose of or encumber all or a portion of the Tollway System (collectively, “**Transfer**”) upon delivery to the Trustee of, among other items, (i) an opinion of bond counsel to the effect that the Transfer complies with the provisions of the Act, and the Indenture and will not cause interest on any Senior Bonds or Junior Bonds Outstanding immediately prior to the Transfer or on any Subordinated Indebtedness to become subject to Federal income taxation, (ii) evidence that the Transfer will not adversely affect the rating on any Bonds Outstanding immediately prior to the Transfer, (iii) a certificate of the Traffic Engineers estimating toll receipts for the portion of the Tollway System that has not been conveyed (“**Remaining Tollway System**”), (iv) a certificate of the Consulting Engineers estimating Operating Expenses and Renewal and Replacement Deposits for the Remaining Tollway System, and (v) a certificate of the Authority based upon the certificates of the Traffic Engineers and the Consulting Engineers stating, among other things, that for the then current and each of the next ten Fiscal Years, the Net Revenues allocable to the Remaining Tollway System will be not less than the greater of (A) one and one-half (1.5) times the Aggregate Debt Service and the Junior Bond Revenue Requirement (excluding, in each case, Bond interest, the payment of which shall have been provided by payments or deposits from Bond proceeds) allocable to the Remaining Tollway System for each such Fiscal Year (“**Remaining Tollway System Debt Service**”), and (B) the sum of the Remaining Tollway System Debt Service and the Renewal and Replacement Deposit for each such Fiscal Year. *See* **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – ADDITIONAL COVENANTS – Sale, Lease or Encumbrance of Property”** for a further description of this amendment (“**Transfer Amendment**”).

Reserve Account Credit Facility Amendment. Each Supplemental Indenture of the Authority, beginning with the Twenty-Ninth Supplemental Indenture, amends the Indenture, subject to receipt of consent of the owners of the requisite principal amount of Bonds Outstanding on the date of such consent (as described below) and certain Providers, to allow the Provider of a Reserve Account Credit Facility which is a surety bond or insurance policy to be an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated not lower than the second highest rating category by S&P Global Ratings and Moody’s Investors Service, Inc., or their successors, or any insurer who holds the highest policyholder rating accorded insurers by A.M. Best & Co. or any comparable service. *See* **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – FLOW OF FUNDS – Debt Reserve Account”** for a further description of this amendment (“**Reserve Account Credit Facility Amendment**”).

Effectiveness of Amendments. Neither the Transfer Amendment nor the Reserve Account Credit Facility Amendment shall become effective until such time as the Authority has obtained both: (i) the consents of all Providers with respect to the Senior Bonds and Refunding Bonds then Outstanding; and (ii) the consents of the Holders of at least a majority in principal amount of the Senior Bonds then Outstanding and of at least a majority in principal amount of the Junior Bonds then Outstanding. The Authority has not issued any Junior Bonds. The Authority has received the consent of the requisite bondholders to the Transfer Amendment but not the consent of the requisite Providers. Neither consent referenced in clause (i) or (ii) above has been received with respect to the Reserve Account Credit Facility Amendment. Accordingly, neither the Transfer Amendment nor the Reserve Account Credit Facility Amendment is effective. *See* **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – SUPPLEMENTAL INDENTURES.”**

EACH PURCHASER OF THE 2024A BONDS WILL BE DEEMED TO HAVE CONSENTED TO THE TRANSFER AMENDMENT AND THE RESERVE ACCOUNT CREDIT FACILITY AMENDMENT BY ITS PURCHASE OF THE 2024A BONDS.

Flow of Funds

The Authority covenants to deliver all Revenues (other than investment income, unless otherwise directed by the Indenture) to the Treasurer of the State of Illinois (“**Treasurer**”), within five Business Days after receipt, for deposit in the Revenue Fund. On or before the 20th day of each month, the Treasurer, at the direction of the Authority, will transfer or apply the balance in the Revenue Fund not previously transferred or applied in the following order of priority:

First, to the Operating Sub-Account of the Maintenance and Operation Account;

Second, to the Operating Reserve Sub-Account of the Maintenance and Operation Account;

Third, to the Trustee for deposit to the credit of the Interest Sub-Account, Principal Sub-Account and Redemption Sub-Account of the Debt Service Account, for deposits relating to the Senior Bonds;

Fourth, to the Trustee for deposit to the credit of the Provider Payment Sub-Account of the Debt Service Account to pay Costs of Credit Enhancement, not including termination payments, or Costs of Qualified Hedge Agreements, not including termination payments, or to reimburse Providers of Credit Enhancement or Qualified Hedge Agreements for payments of principal or interest made by such Providers;

Fifth, to the Trustee for deposit to the credit of the Debt Reserve Account;

Sixth, to the Trustee for deposit to the credit of any Junior Bond Debt Service Account or any Junior Bond Debt Reserve Account;

Seventh, to the Termination Payment Account to pay termination payments then due and owing with respect to Credit Enhancement and Qualified Hedge Agreements;

Eighth, to the Renewal and Replacement Account;

Ninth, at the direction of the Authority, to the Improvement Account; and

Tenth, the balance, if any, to the System Reserve Account.

The flow of funds is further described in **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – FLOW OF FUNDS.”**

Debt Reserve Account

The Indenture establishes one Debt Reserve Account for all outstanding Senior Bonds. Amounts on deposit in the Debt Reserve Account are required to be used by the Trustee to cure any deficiencies arising from time to time in the Debt Service Account with respect to payment of interest or principal (including Sinking Fund Installments) on Senior Bonds. The Debt Reserve Requirement is the maximum annual Aggregate Debt Service for any Fiscal Year for all Outstanding Senior Bonds.

Under the Indenture, the Authority may deliver a surety bond, insurance policy, letter of credit or other credit facility meeting the requirements of the Indenture (“**Reserve Account Credit Facility**”) to the Trustee to meet all or a part of the Debt Reserve Requirement. For a description of the requirements of a Reserve Account Credit Facility, see **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – FLOW OF FUNDS – Debt Reserve Account.”**

In November 2008, the Authority applied funds in the Debt Reserve Account to obtain a financial guaranty insurance policy qualifying under the Indenture as a Reserve Account Credit Facility from Berkshire Hathaway Assurance Corporation (“**BHAC**”) in the stated amount of \$100,000,000 (“**BHAC Policy**”) and for a term expiring January 1, 2033 to satisfy a portion of the Debt Reserve Requirement. The BHAC Policy is guaranteed by Columbia Insurance Company (“**Columbia**”), an affiliate of BHAC. Each of Moody’s Investors Service, Inc. and S&P Global Ratings, Inc. currently rate each of BHAC and Columbia as “Aa1” and “AA+,” respectively. A.M. Best & Co. currently rates Columbia with a Financial Strength Rating of “A++” and an Issuer Credit Rating of “aaa,” both of which are the highest A.M. Best & Co. ratings for those categories. A.M. Best & Co. does not rate BHAC.

Upon issuance of the 2024A Bonds and application of the proceeds thereof, the applicable Debt Reserve Requirement will equal \$582,804,500. On the date of issuance of the 2024A Bonds, the aggregate amount of cash and permitted investments on deposit in the Debt Reserve Account, together with any financial guaranty insurance policies or other instruments constituting a Reserve Account Credit Facility, will be not less than the Debt Reserve Requirement.

In the event the balance in the Debt Reserve Account is less than the Debt Reserve Requirement, the Treasurer, at the direction of the Authority, is required to transfer monthly to such Account from the Revenue Fund, subject to certain prior transfers as described above under “**SECURITY AND SOURCES OF PAYMENT FOR THE 2024A BONDS – Flow of Funds**,” an amount sufficient to cause the balance in the Debt Reserve Account to equal the Debt Reserve Requirement. In the event the amount credited to the Debt Reserve Account, including the amount of any Reserve Account Credit Facility, and after making any required reimbursement to a Provider of a Reserve Account Credit Facility, exceeds the Debt Reserve Requirement, the excess shall be used as provided in the Indenture and summarized under **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – FLOW OF FUNDS – Debt Reserve Account.”**

Additional Indebtedness

The Indenture permits the Authority to incur additional indebtedness, including Senior Bonds on parity with the 2024A Bonds and other Outstanding Senior Bonds, Junior Bonds and Subordinated Indebtedness. Additional Senior Bonds may be issued for the purposes of (a) paying Costs of Construction of any Project (which includes modifications and enhancements to the existing Tollway System, as well as System Expansion Projects and Renewal and Replacements), (b) refunding or prepaying, at or prior to maturity, Senior Bonds or any other obligations of the Authority issued or entered into for purposes for which Senior Bonds may be issued, (c) making deposits to the Debt Reserve Account or acquiring a Reserve Account Credit Facility, (d) paying interest on any Bond, (e) paying any costs of issuing Senior Bonds, and (f) paying Costs of Credit Enhancement and Qualified Hedge Agreements for Additional Senior Bonds. The requirements relating to the incurrence of additional indebtedness are described in this Official Statement in **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – ADDITIONAL INDEBTEDNESS.”**

The Authority is also authorized by the Indenture to incur additional indebtedness by the issuance of one or more series of Junior Bonds or Subordinated Indebtedness for any purpose for which Senior Bonds may be issued without satisfying the requirements for the issuance of Additional Senior Bonds.

Other Covenants

The Authority covenants in the Indenture not to: (i) issue any bonds or other evidences of indebtedness (other than Senior Bonds, Junior Bonds and Subordinated Indebtedness) secured by a pledge of or lien on Net Revenues or the moneys, securities or funds set aside under the Indenture; (ii) create any lien or charge on Net Revenues or the moneys, securities or funds set aside under the Indenture except for (a) evidences of indebtedness payable from moneys in the Construction Fund as part of the Cost of Construction of any Project, and (b) Subordinated Indebtedness; or (iii) sell, lease or otherwise dispose of or encumber the Tollway System except as provided in the Indenture. *See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – ADDITIONAL COVENANTS – Sale, Lease or Encumbrance of Property.”* The Authority also covenants, among other things, to prepare an annual budget, operate the Tollway System in a sound and economical manner, maintain the Tollway System, maintain insurance and keep proper books of records and accounts.

The Trustee

The Indenture contains provisions regarding the designation of a successor trustee by the Authority and the assumption by a successor trustee without Authority action of the trusteeship resulting from the transfer of substantially all corporate trust business of the Trustee. *See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – REMOVAL OR MERGER OR CONSOLIDATION OF TRUSTEE.”*

The Indenture grants to the Trustee the right to act on behalf of the owners of the 2024A Bonds and other Outstanding Senior Bonds and any Outstanding Junior Bonds if an Event of Default occurs. The rights of owners of 2024A Bonds to bring direct action are limited as provided in the Indenture, but owners may bring direct action in the event of a default in the payment of Debt Service. *See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – EVENTS OF DEFAULT – Proceedings Brought by Trustee.”*

THE AUTHORITY

The Authority was created under the Act as an instrumentality and administrative agency of the State of Illinois (“**State**”) to provide for the construction, operation, regulation and maintenance of a system of toll highways within the State. Under the Act, on April 1, 1968, the Authority assumed all of the obligations, powers, duties, functions and assets of its predecessor agency, The Illinois State Toll Highway Commission. The Act authorizes the issuance of revenue bonds for the purposes of, among others, financing expansions of the Tollway System and reconstruction of and improvements to the Tollway System and authorizes the issuance of refunding bonds for the purpose of refunding any bonds of the Authority then outstanding at maturity or on any redemption date.

The Authority is empowered to enter into contracts; acquire, own, use, hire, lease, operate and dispose of personal and real property, including rights-of-way, franchises and easements; establish and amend resolutions, bylaws, rules and regulations; fix and revise tolls; acquire, construct, relocate, operate, regulate and maintain the Tollway System; exercise the power of eminent domain; and contract for services and supplies, including services and supplies for the various patron service areas on the Tollway System.

Board of Directors

The Authority is governed by an 11-member Board of Directors that includes the Governor of Illinois, *ex officio*, and the Secretary of the Illinois Department of Transportation, *ex officio*. Nine directors are appointed by the Governor, with the advice and consent of the Illinois Senate. Five of the nine directors listed below were appointed pursuant to Illinois Public Act 100-1180, effective February 28, 2019. Subsequent appointments or reappointments have been for four-year terms or, in the case of an appointment to fill a vacancy, the unexpired term. No more than five directors may be from the same political party. Of the directors appointed by the Governor, one is appointed by the Governor as Chairman of the Authority.

The present directors, their terms of office and occupations are listed below.

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<u>Name</u>	<u>Effective Date of Initial Term</u> ⁽¹⁾	<u>Expiration of Current Term</u> ⁽²⁾	<u>Occupation</u>
Governor JB Pritzker, <i>ex officio</i>	—	—	Governor of the State of Illinois
Secretary Omer Osman, <i>ex officio</i>	—	—	Secretary, Illinois Department of Transportation
Arnaldo Rivera, Chairman	February 17, 2023	March 1, 2025	Chief Administrative & Equity Officer, Navy Pier, Inc.
James Connolly, Vice-Chair	February 28, 2019	March 1, 2027	Business Manager, Chicago & Vicinity Laborers' District Council of the Laborers' International Union of North America
Jacqueline Gomez Fuentes	January 26, 2021	March 1, 2027	Executive Director, Hispanic American Construction Industry Association
Karen McConnaughay	February 28, 2019	March 1, 2025	Former State Senator
Melissa Neddermeyer	July 17, 2023	March 1, 2025	President, Village of Willow Springs and Attorney
Scott Paddock	February 28, 2019	March 1, 2025	Sr. Vice President-Marketing, Community Relations and Government Affairs of Silver Cross Hospital and Medical Center
Gary Perinar	February 28, 2019	March 1, 2025	Executive Secretary-Treasurer, Chicago Regional Council of Carpenters Local 174
James Sweeney	February 28, 2019	March 1, 2027	President-Business Manager, International Union of Operating Engineers Local 150
Mark S. Wright	July 17, 2023	March 1, 2027	Founder, President and Chief Executive Officer of Diverse Facility Solutions

⁽¹⁾ Initial appointments and reappointments are subject to Illinois Senate confirmation. Any such appointment or reappointment, including the appointments of Directors Neddermeyer and Wright, that is not acted upon by the Illinois Senate within 60 session days is deemed to have received confirmation.

⁽²⁾ In accordance with Public Act 97-582, a director shall not continue in office longer than 60 calendar days after the expiration of that term of office, unless reappointed and qualified in accordance with law.

Principal Administrative Personnel

The Board of Directors of the Authority appoints an Executive Director and employs certain other personnel to administer the Tollway System and implement its policies. The following individuals are the principal administrative personnel of the Authority:

Arnaldo Rivera, Chairman of the Board and Chief Executive Officer. On February 17, 2023, Mr. Rivera was appointed Chairman of the Board of the Authority. As stated in the Authority's By-Laws, Mr. Rivera also is the Chief Executive Officer of the Authority. Chairman Rivera is the Chief Administrative & Equity Officer for Navy Pier, where he leads the organization's key administrative functions, including arts, culture and engagement; diversity, equity and inclusion; resource development; marketing and communications; strategy and planning; people and culture; and data analytics. Prior to joining Navy Pier in May 2021, Rivera served as the Chief Operating Officer for Chicago Public Schools ("CPS"), overseeing the day-to-day operations of the then third largest public school system

in the country. Rivera also previously served as the Budget Director for CPS and as a member of the Chicago Board of Education. He also served as the Deputy Chief of Staff for Education for the City of Chicago. Rivera's roots in Illinois extend to his time as a student at Northwestern University, where he earned a Bachelor of Arts in Economics and Master of Science in Education and Social Policy.

Cassandra Rouse, Executive Director. Cassandra Rouse has served as the Authority's Executive Director since August 2022. Immediately prior to her appointment as Executive Director, Ms. Rouse served as the Authority's Chief Operating Officer, focusing on the execution and monitoring of Authority objectives, policies, guidelines and programs while, at the same time, ensuring that the goals and objectives of the Executive Director were comprehensively addressed. During her approximately ten-year tenure at the Authority, before becoming Chief Operating Officer, Ms. Rouse assumed progressively greater responsibilities in the Authority's leadership ranks. Ms. Rouse previously served the Authority as: Chief Strategy and Implementation Officer, leading strategic initiatives to establish best practices in governance and implementation of compliance programs to strengthen the Authority's internal control framework; Chief of Administration, responsible for the development and implementation of administrative policies and procedures and employee compliance; and Chief of Internal Audit, responsible for the design and execution of organizational audit strategies as well as direct communications with senior management on risk mitigation activities and internal controls. Ms. Rouse attended Howard University in Washington, D.C. and holds a Bachelor of Science degree in Management with a concentration in Accounting.

John Donato, Chief of Staff. Mr. Donato joined the Authority as Chief of Staff in November 2023. He has more than 15 years of government procurement experience, creating improvements and efficiencies in the procurement process, as well as taking a hands-on approach to working with vendors and being a strong advocate for diverse participation in the procurement process. Mr. Donato previously served as Chief Procurement Officer for the State of Illinois Public Institutions of Higher Education where his duties included exercising independent procurement authority under the Illinois Procurement Code, working in close conjunction with purchasing staff to meet the needs of state agencies and universities. Previously, Mr. Donato served as Chief of Procurement at the Illinois Tollway from February 2011 to July 2020, where he was responsible for reviewing and approving more than \$1 billion worth of construction and engineering-related services through the Tollway's Move Illinois capital program, including the purchase of general services, equipment and commodity items. Mr. Donato holds a Bachelor of Science in Operations Management from Northern Illinois University.

Cathy R. Williams, Chief Financial Officer. Ms. Williams joined the Authority in 2012 as Deputy Chief of Finance and has served as Chief Financial Officer since March 1, 2020. In both capacities, Ms. Williams has had a lead role in managing the financing of the Authority's Move Illinois Program that commenced in 2012. Prior to joining the Authority, Ms. Williams was a Managing Director of One Equity Partners where she was responsible for managing the proprietary equity fund of funds portfolio for JPMorgan Chase. Prior to that, Ms. Williams held several senior roles at JPMorgan predecessor banks (Bank One/First Chicago) including treasury management and internal audit. Ms. Williams received her undergraduate degree in Accounting from Roosevelt University, her Masters in Business Administration degree in Finance from the University of Chicago Booth School of Business and her CPA certificate from the State of Illinois.

Kathleen R. Pasulka-Brown, Assistant Attorney General and General Counsel. Ms. Pasulka-Brown assumed the responsibilities of General Counsel of the Authority on April 8, 2019. Ms. Pasulka-Brown began her legal career at the Chicago office of Chapman and Cutler LLP. She subsequently became a partner at the Foley and Lardner law firm and most recently was a partner at Pugh, Jones & Johnson, P.C. During the more than 37 years Ms. Pasulka-Brown has practiced law, she has litigated matters involving insurance, electric and gas utilities, telecommunications, employment, construction, discrimination, foreclosures and bankruptcy. She has investigated failed banking institutions and prosecuted multi-million dollar claims against the directors and officers of such institutions. She also has handled federal and state appeals involving constitutional law, voting rights, contractual rights, tort immunity, personal injury, sexual abuse and the education of individuals with disabilities. Ms. Pasulka-Brown received her undergraduate degree from the University of California at Los Angeles *cum laude* and her law degree from Harvard Law School.

Manar Nashif, P.E., Chief Engineering Officer. Mr. Nashif is the Authority's Chief Engineering Officer. As such, Mr. Nashif is responsible for the organization of the Engineering Department, including policies, procedures and performance, and ensuring the integrity and safety of Tollway infrastructure and implementation of the Move

Illinois Program. He oversees a staff of engineers and consultants and manages the Engineering Department with a combined staff of approximately 500 employees. Mr. Nashif joined the Authority as Senior Project Engineer, Project Manager in 2005. After being promoted to Deputy Program Manager, he successfully managed the widening and reconstruction of 40 miles of the North Tri-State Tollway (I-294) between Dempster Road and the Wisconsin State Line, which was part of the Congestion Relief Program. Since 2011, as Deputy Chief and Deputy Program Manager, Mr. Nashif has managed the complex Elgin-O'Hare Western Access project, which includes construction of the new I-490 tollway to be located along the west side of O'Hare Airport. The project is a critical part of the Move Illinois Program. Mr. Nashif received his B.S. Degree in Chemical Engineering from Purdue University and his M.S. Degree in Civil Engineering from the University of Illinois at Urbana-Champaign. He is a Registered Professional Engineer in the State of Illinois.

Jeffrey Donoghue, Chief Operating Officer. Mr. Donoghue joined the Authority as the Chief Operating Officer in November 2022. He has over twenty years of public service experience, delivering transparent, accountable and inclusive leadership. Mr. Donoghue most recently served as the President and Chief Financial Officer of Distinctive Schools, a non-for-profit organization that operates charter schools in Illinois and Michigan, where he led a financial turnaround, expanded programmatic investments, and financed and delivered several major real estate projects. His experience in government, non-profit and the private sector also includes nearly a decade of combined service to Chicago Public Schools and City Colleges of Chicago, where he helped drive strategic capital and operational investments with a focus on operational efficiency, economic growth and inclusive opportunities. Mr. Donoghue holds a Bachelor of Arts from Northwestern University and a Masters in Public Administration from the University of Illinois Chicago.

Michael Shay, Chief Information Officer. Mr. Shay joined the Authority in July 2022. Prior to joining the Authority, Mr. Shay consolidated various technology departments at Will County, Illinois into the Information, Communication and Technology Department and then served as its Director for 18 years. He also served for 18 years as the Technology Chair of the Will County Emergency Service Telephone (911) Board and served a year as its Chairman. Prior to that he served as the Geographic Information Systems Director for Will County for two years, and before that as the Senior Long Range Planner responsible for Land Use and Transportation Planning for Will County. Mr. Shay holds an undergraduate degree from Indiana University.

Organizational Structure

The Authority's organizational structure consists of the following 17 departments: Administration, Business Systems, Diversity and Strategic Development, Engineering, Executive Office and Directors, Facilities and Fleet, Finance, Information Technology, Office of the Inspector General, Internal Audit, Legal, Operations, Planning, Procurement, Security and Safety, Stakeholder Engagement (formerly Communications) and State Police Troop 15. As stated in the Act, the Chairman exercises general supervision over all powers, duties, obligations and functions of the Authority, and as stated in the Authority's By-Laws, the Chairman is the Chief Executive Officer of the Authority ("**Chairman/CEO**"). The Executive Director manages day-to-day operations of the Authority and reports to the Chairman/CEO. The Chief Internal Auditor and the EEO/AA/ADA Officer report to the Chairman/CEO and the Executive Director. The Commander of State Police Troop 15 reports to the Superintendent of the State Police and also reports to the Chairman/CEO. Similarly, the Assistant Attorney General and General Counsel of the Authority reports to the Attorney General of the State of Illinois and to the Chairman/CEO. The Chief Information Officer, Chief Financial Officer, Chief Operating Officer, Chief Engineering Officer, the Chief of Staff and the Ethics/FOIA Officer report to the Executive Director. Department Chiefs report to the Chief Operating Officer, except as follows: (i) the Chief of Business Systems reports to the Chief Information Officer; (ii) the Chief of Procurement reports to the Chief Financial Officer; and (iii) with respect to the operation of the Inspector General's Office, which is an independent office of the Authority, the Toll Highway Inspector General reports to the Authority's Board of Directors.

The Administration Department is responsible for the development and implementation of administrative policies and procedures and employee compliance therewith.

The Business Systems Department is responsible for overseeing the electronic tolling system, collecting toll revenue, assessing and collecting invoicing fees and managing the collection of fines and penalties.

The Diversity and Strategic Development Department is responsible for promoting and implementing a comprehensive diversity program on behalf of the Authority to ensure inclusion and equal opportunity for small and veteran-owned business and disadvantaged minority-owned and women-owned business enterprise firms in construction and engineering contracts and the supply of other goods and services.

The Engineering Department is responsible for the design, construction and maintenance of the Tollway System, which includes coordination and implementation of the Move Illinois capital program, inspection and maintenance of Tollway System infrastructure, and 24x7x365 monitoring of traffic operations, roadway maintenance, and incident management to ensure safe and efficient travel for Authority customers.

The Executive Office and Directors manage Authority affairs consistent with the Act.

The Facilities and Fleet Department is responsible for maintenance and repairs at 186 Tollway System facilities and the service and repair of approximately 1,700 vehicles and operating equipment. The Department also provides support services that include the warehousing and delivery of goods and materials, mail delivery, IT wiring and equipment installations at facilities, communication tower maintenance and repair, and the installation and repair of communication radio equipment in all Authority vehicles.

The Finance Department is responsible for general accounting, budgeting, treasury functions, financial reporting, accounts payable, toll revenue audit, payroll, risk management and debt management. In addition, the Finance Department manages certain investments of the Authority.

The Information Technology Department is responsible for planning, directing, managing, controlling and securing information technologies and telecommunications throughout the Authority.

The Office of the Inspector General is responsible for investigating allegations of waste, fraud, abuse, corruption, misconduct and mismanagement in the day-to-day operations of the Authority. In accordance with the Act, the Inspector General is appointed by the Governor, with the advice and consent of the Illinois State Senate, and serves a five-year term.

The Internal Audit Department recommends policies and procedures to ensure the Authority's Board members, employees, contractors and/or vendors adhere to all State and federal laws and internal rules and regulations.

As set forth in the Act, the Attorney General of the State of Illinois is the legal advisor and legal representative of the Authority. The Authority's Legal Department is a Bureau of the Office of the Attorney General. On behalf of the Attorney General, attorneys in the Authority's Legal Department handle all of the Authority's legal matters and represent the Authority in all of its transactions and litigation. In addition, they examine and approve all contracts, leases, bonds or other undertakings or obligations of the Authority, as to form and constitutionality, prior to their execution and delivery.

The Operations Department is responsible for providing resources and services necessary to maintain the Authority's tolling operations and providing associated support services through direct and indirect contact with the I-PASS Customer Service Center, oases, call center services, online inquiries and U.S. mail.

The Planning Department is responsible for strategic programming and planning, intergovernmental agreements, environmental and landscaping matters, legislation and policy, community relations, property management, geographic information system and geometrics.

The Procurement Department is responsible for the procurement of all goods and services as well as construction and other professional services, including engineering and design. In addition, the Department ensures that all contracts are in compliance with stated goals.

The Security and Safety Department is responsible for providing a secure and safe work environment for Authority employees and protecting both employees and Authority facilities from internal and external threats. Additionally, the Department provides employees with comprehensive subject-matter training.

The Stakeholder Engagement (formerly Communications) Department is responsible for external and internal communications between the Authority and its constituents, including customers, news media, elected and appointed officials, the general public and employees.

State Police Troop 15 is responsible for providing comprehensive law enforcement services across the entire Tollway System. Officers assigned to Troop 15 patrol the Tollway System to enforce speed limits and traffic laws, assist disabled motorists and provide special details for specific operations, such as overweight vehicles.

Labor Relations

As of October 31, 2023, unions represent approximately 850 of the Authority's 1,205 employees. The Authority has a collective bargaining agreement with Local 700 State and Municipal Teamsters and Chauffeurs Union, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, which represents approximately 409 employees, the majority of whom are roadway maintenance personnel. The collective bargaining agreement will be effective through February 2027. The Authority has two collective bargaining agreements with the Metropolitan Alliance of Police ("**MAP 135**" and "**MAP 336**"), which together represent 21 employees. The Authority's agreement with MAP 135, the MAP's Telecommunicators, expires April 30, 2025. The Authority's agreement with MAP 336, the MAP's Civilian Call Takers, expires October 31, 2026. The Authority also has a collective bargaining agreement with the Service Employees International Union Local 73 ("**SEIU**"), which represents approximately 212 Authority employees. The term of the collective bargaining agreement ended on June 30, 2023, but the agreement was extended to enable the parties to negotiate a new agreement. Finally, approximately 208 professional and nonprofessional white collar Authority employees are represented by the American Federation of State, County and Municipal Employees, Council 31 ("**AFSCME**") Local 3883. The Authority's agreement with AFSCME expires December 31, 2027.

Pension Plan

The State Employees' Retirement System of Illinois ("**SERS**") is a defined benefit, single-employer, public employee retirement system established to provide pension benefits for State of Illinois employees. SERS also administers widows and survivors benefits as well as the State's occupational and non-occupational disability programs. SERS is governed by a 13-member Board of Trustees, consisting of the Illinois Comptroller, six trustees appointed by the Governor, with the advice and consent of the Illinois Senate, four trustees elected by SERS members and two trustees elected by SERS retirees. As of June 30, 2022, participation in SERS includes 61,056 active contributing members and 75,826 benefit recipients.

Substantially all of the Authority's approximately 1,205 employees participate in SERS. SERS benefits earned by Authority employees while employed by the Authority are the responsibility of and administered by SERS, not the Authority.

The benefits paid by SERS are funded primarily through contributions made by employees participating in SERS, contributions made by the State ("**State Contribution**"), actuarially calculated pursuant to the provisions of the Illinois Pension Code, as amended ("**Pension Code**"), and investment returns on assets held by SERS. The Authority pays a portion of the State Contribution, which is determined through application of an employer contribution rate applied to the payroll of Authority employees participating in SERS ("**Authority Contribution**"). See "*State Contribution and Portion of State Contribution Paid by the Authority*" below.

SERS Significantly Underfunded

As of June 30, 2022, SERS' total pension liability was \$54,561,367,762, its Fiduciary Net Position (market value of assets) was \$22,224,502,748, and its net pension liability was \$32,336,865,014. SERS' funded ratio, its Fiduciary Net Position as a percentage of its total pension liability ("**Funded Ratio**"), is 40.73% as of June 30, 2022. As of the end of fiscal years ended June 30, 2018 through June 30, 2022, SERS' Funded Ratios have ranged from 34.57% to 41.91%. SERS' Funded Ratios reflect that SERS has been and is significantly underfunded. SERS' Funded Ratio is among the lowest of state pension plans in the United States.

Additional Information Regarding SERS

Additional information regarding SERS, including a review of SERS' administration, funding, investments, pension benefit provisions, changes in benefit provisions, employee eligibility requirements (including eligibility for vesting) and the authority under which benefit provisions are established, are included in the SERS annual comprehensive financial report ("ACFR"). The SERS ACFR is available on its website at <https://ilsrs.illinois.gov/sers/resources/financial-report-archive.html> or by request directed to State Employees' Retirement System, 2101 S. Veterans Parkway, Springfield, Illinois 62704. The SERS Financial Audit, which includes audited financial statements, for the Period Ending June 30, 2022 ("**SERS Financial Audit**") is available on the Illinois Auditor General website at <https://www.auditor.illinois.gov/Audit-Reports/STATE-EMPLOYEES-RETIREMENT-SYSTEM.asp>. Neither the content of the SERS ACFR, SERS Financial Audit, Illinois Auditor General website nor the SERS website, or any information on the links appearing on the URL disclosed in the previous sentences, is incorporated into this Official Statement by reference. The Authority takes no responsibility for, nor has it attempted to independently verify the accuracy of, the information contained in the SERS ACFR, the SERS Financial Audit or on the SERS website or Illinois Auditor General website. The Authority makes no representations and expresses no opinion as to the accuracy of information contained in the SERS ACFR, the SERS Financial Audit or on the SERS website or Illinois Auditor General website.

State Contribution and Portion of State Contribution Paid by the Authority

The State Contribution is calculated by an actuary pursuant to the provisions of the Pension Code. The Pension Code requires the State to contribute annually the level percent of payroll necessary to allow SERS to achieve a 90% funded ratio by the end of State fiscal year 2045.

SERS establishes an employer contribution rate to be applied to fund the State Contribution. The employer contribution rate is expressed as a percentage of payroll for the upcoming fiscal year based on the required contribution for that fiscal year, the estimated payroll of eligible employees, and the recommendations of the actuary. The following table lists the employer contribution rates established by SERS for State fiscal years 2015 –2025:

<u>Dates Applicable</u>	<u>Employer Contribution Rate (%)</u>
July 1, 2014 – June 30, 2015	42.339
July 1, 2015 – June 30, 2016	45.598
July 1, 2016 – June 30, 2017	44.568
July 1, 2017 – June 30, 2018	47.342*
July 1, 2018 – June 30, 2019	51.152**
July 1, 2019 – June 30, 2020	54.290
July 1, 2020 – June 30, 2021	54.831
July 1, 2021 – June 30, 2022	56.169
July 1, 2022 – June 30, 2023	53.258
July 1, 2023 – June 30, 2024	52.657
July 1, 2024 – June 30, 2025	51.180 (preliminary)***

* The employer contribution rate for State fiscal year 2018 was initially set at 54.013% and subsequently revised, effective for payrolls after January 10, 2018, to 47.342%, in accordance with Public Act 100-0023, to smooth out actuarial assumption changes over a five-year period. Refunds were provided for the excess portion of contributions made at the 54.013% rate, prior to the rate reduction to 47.342%.

** The employer contribution rate for State fiscal year 2019 was initially set at 51.614%, and the Authority made contributions based on that rate. Pursuant to Public Act 100-0587, the employer contribution rate was recertified from 51.614% to 51.152%, retroactive to July 1, 2018. The Authority received a refund corresponding to this reduction in the amount of \$531,379.

*** At its October 24, 2023 Board meeting, SERS set a preliminary employer contribution rate of 51.180% for the State fiscal year ending June 30, 2025. This rate is subject to review by the State actuary and expected to be finalized in January 2024.

The Authority pays the portion of the State Contribution to SERS related to the Authority’s payroll and the payroll of State Police personnel assigned to the Tollway System, calculated pursuant to the applicable employer contribution rate set forth above. The Authority’s contributions for Authority fiscal years (calendar years) 2013 through 2022 were as follows:

<u>Dates Applicable</u>	<u>Authority Contribution</u>
January 1, 2013 – Dec 31, 2013	\$41,924,939
January 1, 2014 – Dec 31, 2014	46,679,828
January 1, 2015 – Dec 31, 2015	49,766,367
January 1, 2016 – Dec 31, 2016	50,197,749
January 1, 2017 – Dec 31, 2017	55,576,566
January 1, 2018 – Dec 31, 2018	55,197,741
January 1, 2019 – Dec 31, 2019	59,411,115
January 1, 2020 – Dec 31, 2020	61,919,610
January 1, 2021 – Dec 31, 2021	65,315,580
January 1, 2022 – Dec 31, 2022	64,614,356

The Authority’s \$64.6 million contribution for its fiscal year 2022 was below its budgeted amount of \$70.3 million. The Authority’s budgeted contribution for Authority fiscal year 2023, as included in its 2023 final budget, is \$69.1 million, based on an assumed employer contribution rate of 52.691%. The Authority’s budgeted contribution for Authority fiscal year 2024, as included in its 2024 budget, is \$60.9 million, based on an assumed employer contribution rate of 52.536%. The Authority’s contributions to SERS are predominantly Operating Expenses of the Authority and, as such, are predominantly paid from the Maintenance and Operations Account. *See* **“SECURITY AND SOURCES OF PAYMENT FOR THE 2024A BONDS – Flow of Funds.”** For additional information, please *see* **APPENDIX A – “FINANCIAL STATEMENTS – Note 12 – Contributions to State Employees’ Retirement System.”**

The Authority Contribution to SERS has increased in recent years and may increase in the future as a result of potential increases in the employer contribution rate and/or increases in the amount of payroll, and such increases may have a material impact on the Authority’s finances. *See* **“CERTAIN RISK FACTORS – Pension Expenses.”**

The Authority currently contributes to SERS based on the covered payroll of Authority employees. Through legislative action, the State has the ability to modify the basis by which the Authority Contribution to SERS is determined. The Authority cannot predict the likelihood or the nature of any such future legislative action or changes in employer contribution rates as calculated by actuaries.

Financial Reporting under GASB Standards

The Governmental Accounting Standards Board (“**GASB**”) promulgates standards for financial reporting, including with respect to financial statements prepared by public pension systems and governments sponsoring such pension systems. Although SERS’ actuary utilizes these standards in preparing certain aspects of the annual actuarial valuation and the State uses these standards for financial reporting purposes, such standards do not impact the calculation of the State Contribution or the Authority Contribution.

For the Authority’s fiscal years up to and including the fiscal year ended December 31, 2014, the applicable GASB financial reporting standard pursuant to which the Authority’s financial statement disclosures related to pensions were prepared was GASB Statement No. 27. Beginning with the Authority’s fiscal year ending December 31, 2015, the applicable GASB financial reporting standard pursuant to which the Authority’s financial statement disclosures related to pensions have been prepared is GASB Statement No. 68, as amended by GASB Statement No. 71 (“**Current GASB Standard**”).

With respect to SERS and other government pension systems, the Current GASB Standard requires calculation and disclosure of a “**Net Pension Liability**,” which is the difference between the actuarial present value

of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the Current GASB Standard (referred to in such statements as “**Total Pension Liability**”) and the fair market value of the pension plan’s assets (referred to as the “**Fiduciary Net Position**”).

The Current GASB Standard requires SERS to produce an allocation of its Net Pension Liability and pension expense (“**Pension Expense**”) and recognize proportionate shares for the State’s primary government and component units, including the Authority. As a component unit of the State for financial reporting purposes, beginning with the fiscal year ending December 31, 2015, the Authority reports, among other items related to the Current GASB Standard, SERS’ calculation of the proportionate amount of SERS’ Net Pension Liability and Pension Expense allocable to the Authority under the Current GASB Standard. The implementation of the Current GASB Standard for financial reporting purposes has not changed the Authority’s pension-related funding obligations.

SERS has prepared allocations of its Net Pension Liability for each of its fiscal years ended June 30, 2014 through June 30, 2022. The percentage allocated to the Authority (“**Allocation Percentage**”) in each year was determined by comparing the Authority Contribution to the State Contribution, with certain adjustments, for such years. The Allocation Percentage and the resultant allocated Net Pension Liability for such fiscal years are as follows:

SERS Fiscal Year (June 30)	Allocation Percentage	Allocated Net Pension Liability
2014	2.6826%	\$727,079,026
2015	2.6261	735,523,053
2016	2.6382	900,824,457
2017	2.6999	888,456,774
2018	2.6698	882,540,010
2019	2.5568	853,819,076
2020	2.5578	891,871,048
2021	2.5815	854,495,091
2022	2.4117	779,868,174

In addition, the portion of Pension Expense allocated to the Authority for the SERS’ fiscal years ended June 30, 2014 through June 30, 2022 is shown below.

Year	Allocated Pension Expense
2014 ⁽¹⁾	\$81,995,381
2015	62,052,322
2016	115,385,838
2017	118,083,891
2018	97,525,530
2019	67,395,991
2020	75,079,257
2021	50,370,070
2022	29,348,866

⁽¹⁾ 2014 is the first year for which such allocation was made.

The Pension Expense included in the Authority’s financial statements for Authority fiscal years ending December 31 will differ from the above amounts due to certain adjustments related to the State’s fiscal year-end (June 30) being different from the Authority’s fiscal year-end (December 31).

While the portions of SERS' Net Pension Liability and Pension Expense allocated to the Authority are material to the Authority's financial statements, the State Contribution and Authority Contribution are determined pursuant to the Pension Code, which requires the State to amortize its unfunded liabilities of SERS to a funded ratio of 90% by 2045. Therefore, the Current GASB Standard does not impact the State Contribution and Authority Contribution.

Other Post-Employment Benefits

The State provides certain health, dental, vision and life insurance benefits (such post-employment benefits other than pensions being commonly referred to as "**other post-employment benefits**" or "**OPEB**") to certain retirees, including former Authority employees and their dependents. Substantially all State employees, including Authority employees, may become eligible for OPEB if they eventually become annuitants of one of the State sponsored pension plans, including SERS. The Illinois Department of Central Management Services ("**CMS**") administers these benefits with the assistance of the State's public retirement systems, including SERS. The benefits provided and contribution amounts are subject to periodic change. A summary of the OPEB provisions, including the authority under which such provisions are established, and OPEB funding and cost is included as an integral part of the State of Illinois Annual Comprehensive Financial Report ("**State ACFR**") for State fiscal year ended June 30, 2021; *provided, however*, that the content of such State ACFR is not incorporated into this Official Statement by such reference.

For the years ended December 31, 2020 and 2021, the Authority's operating expenses included \$8.0 million, and \$7.2 million, respectively, toward the State's cost of these benefits. The Authority's contributions towards the State's costs of OPEB benefits are Operating Expenses of the Authority and, as such, are paid from the Maintenance and Operations Account. As a result of a legislative change in the State Employee Group Insurance Act of 1971, effective January 9, 2023, the manner in which the Authority's proportionate share of the State of Illinois' unfunded OPEB liability is calculated was amended. As a result, the unfunded OPEB liability, a portion of which is allocated to the Tollway, decreased significantly and resulted in a recovery of OPEB expense in the amount of \$70.1 million for the year ended December 31, 2022. Generally accepted accounting principles require that this recovery be shown as a negative operating expense.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was adopted by the Authority beginning with its annual financial statements for the fiscal year ending December 31, 2018. This statement establishes standards for recognizing and measuring OPEB liabilities, deferred inflows/outflows of resources and expenses and expenditures. The CMS prepares a report on the allocation of the State's OPEB liability to the funds, departments and agencies of the State. On December 31, 2022, the Authority recorded a liability of \$228,601,504. Such recorded OPEB liability, as reported on December 31, 2022, was measured as of June 30, 2022, with an actuarial valuation as of June 30, 2021. The Authority's OPEB liability, as of the measurement date of June 30, 2022, was 1.3384% of all employer contributions made to the plan during the year ended June 30, 2022. The net OPEB liability was computed in accordance with retiree load methodology that was enacted into law on January 9, 2023, as described in the preceding paragraph.

While reporting an allocation of a portion of the State's OPEB liability, which began with the Authority's financial statements for the fiscal year ended December 31, 2018, may be material to the Authority's financial statements, the basis for the Authority's contributions towards the State's costs of these benefits is not expected to change and is expected to continue to be an annual reimbursement based on costs incurred.

THE TOLLWAY

The Tollway System, which presently consists of approximately 294 miles of limited access highway in twelve counties in the northern part of Illinois, is an integral part of the expressway system in northern Illinois and the U.S. Interstate Highway System. The entire Tollway System, with the exception of the 10-mile Illinois Route 390, has been designated part of the U.S. Interstate Highway System.

Since beginning operations in 1958, the Tollway System has served an important role in the development of the northern Illinois economy. During its initial operation, the Tollway System permitted rapid interstate travel between northern Illinois, Indiana and Wisconsin. As the suburban areas surrounding Chicago expanded throughout the 1960s and 1970s, the Tollway System evolved into primarily a commuter travel system, serving suburban Chicago

and Chicago O’Hare International Airport. At the present time, the five routes of the Tollway System described below serve, among other areas, suburban Cook County and the Chicago area “collar counties,” which together represent steadily growing areas in Illinois in terms of population and employment.

Routes

The Tollway System is currently made up of five tollways: the Tri-State, the Jane Addams Memorial, the Veterans Memorial, the Ronald Reagan Memorial and Illinois Route 390 (individually, “**Tollway**” and collectively, “**Tollways**”).

The Tri-State Tollway, constituting portions of U.S. Interstate Highways 80, 94 and 294 and including the 5-mile Edens Spur, is an 82-mile beltway around the Chicago metropolitan area. It extends from a point near the Indiana state line, where it intersects with the Bishop Ford and the Kingery Expressways, to a point near the Illinois-Wisconsin border, where it connects with U.S. Route 41 and U.S. Interstate Highway 94 from Milwaukee. The Tri-State also connects with the Ronald Reagan Memorial Tollway to the western suburbs, the Eisenhower Expressway to downtown Chicago, the Jane Addams Memorial Tollway to the northwest suburbs, the Kennedy Expressway to downtown Chicago, the north end of the Edens Expressway to the north shore suburbs and downtown Chicago and the Stevenson Expressway to downtown Chicago. From its southern terminus, the Tri-State Tollway has a direct connection to the Indiana Toll Road via the Kingery Expressway and U.S. Interstate Highway 80. The Tri-State Tollway is the most traveled Tollway in the Tollway System, accounting for approximately 45% of the toll revenues of the Tollway System from 2018 to 2022.

The Jane Addams Memorial Tollway, formerly the Northwest Tollway, constituting a portion of U.S. Interstate Highway 90, is a 76-mile roadway. The Jane Addams Memorial Tollway begins east of the intersection of the Kennedy Expressway from downtown Chicago and the Tri-State Tollway in the vicinity of O’Hare International Airport and extends to the west, crossing the Fox River just north of Elgin, Illinois. From there, it runs northwesterly to Rockford, Illinois and then northerly to a point near the Illinois-Wisconsin border, where it feeds into the Wisconsin portion of U.S. Interstate Highway 90 leading to Madison, Wisconsin. The Jane Addams Memorial Tollway accounted for approximately 22% of the toll revenues of the Tollway System from 2018 to 2022.

The Veterans Memorial Tollway (Interstate 355), formerly the North-South Tollway, is a 30-mile highway generally paralleling Illinois Route 53 in DuPage and Will Counties between approximately the intersection of Army Trail Road and the U.S. Interstate Highway 290 spur in Addison on the north and U.S. Interstate Highway 80 (near Joliet) on the south. The Veterans Memorial Tollway, which opened in December 1989, is the newest addition to the Tollway System and consists of six through lanes along its entire length. The Veterans Memorial Tollway runs through or near the communities of Bolingbrook, Downers Grove, Naperville, Lombard, Glen Ellyn and Wheaton. A 12.5-mile south extension of the Veterans Memorial Tollway through Will County from U.S. Interstate Highway 55 to U.S. Interstate Highway 80 (“**South Extension**”) opened on November 12, 2007, increasing the size of the Veterans Memorial Tollway to 30 miles. The Veterans Memorial Tollway accounted for approximately 18% of the toll revenues of the Tollway System from 2018 to 2022.

The Ronald Reagan Memorial Tollway, formerly the East-West Tollway, constituting a portion of U.S. Interstate Highway 88, covers 96 miles and begins east of the junction of the Tri-State Tollway and the Eisenhower Expressway and runs southwest and west, providing service to Oak Brook, Naperville, Aurora, DeKalb and Dixon, Illinois, ending at U.S. Route 30 in the Sterling/Rock Falls area. From U.S. Route 30, U.S. Interstate Highway 88 is a toll-free facility connecting to U.S. Interstate Highway 80 and the Quad Cities. The Ronald Reagan Memorial Tollway accounted for approximately 14% of the toll revenues of the Tollway System from 2018 to 2022.

Illinois Route 390, formerly known as the Elgin-O’Hare Expressway, is the first all-electronic roadway to open on the Tollway System. Toll collection began July 5, 2016 on the western segment of Illinois Route 390 from Lake Street (U.S. Route 20) to I-290. The eastern segment of Illinois Route 390, from I-290 East to Illinois Route 83, opened to traffic with all-electronic tolling on November 1, 2017. Illinois Route 390 is the 10-mile east-west portion of the Elgin O’Hare Western Access Project (as defined below under “**THE CAPITAL PROGRAM – The Move Illinois Program**”). The Elgin O’Hare Western Access Project also includes a planned north-south connection from the eastern terminus of Illinois Route 390, connecting I-90 at Elmhurst Road to the north and I-294 near North Avenue to the south, which is currently planned to be completed by 2027 and is currently expected to be designated U.S.

Interstate Highway 490. Illinois Route 390 accounted for approximately 3% of the toll revenues of the Tollway System from 2018 to 2022.

Other Limited Access Highways

There are no limited access freeways or other limited access highways under construction in Illinois, and to the knowledge of the Authority, no federal, state or other agency is now planning the construction, improvement or acquisition of any highway or other facility that may be materially competitive with the Tollway System.

Patron Service Areas

Six patron service areas (collectively, “**Oasis facilities**”) serve the existing Tollway System. Four of the Oasis facilities are comprised of patron service buildings that house washroom facilities, restaurants and other traveler-related convenience services (“**Oasis pavilions**”) and motor fuel facilities consisting of a fuel station and associated retail convenience store (“**Oasis fuel facilities**”). The other two Oasis facilities only have an Oasis fuel facility and associated retail convenience store; neither has an Oasis pavilion. A brief overview of the Oasis facilities since 2002 follows.

In 2002, the Authority entered into separate triple-net lease agreements with Wilton Partners Tollway LLC (“**Wilton**”) for developing, operating, maintaining and managing the then-seven Oasis pavilions and with ExxonMobil Oil Corporation (“**Exxon**”). The lease agreements expire in April 2027.

On September 30, 2010, SFI Chicago Tollway LLC (“**SFI**”), an iStar subsidiary, took ownership of the Wilton leasehold, following court approval of a foreclosure sale. SFI contracts with MB Real Estate Services, LLC to manage the day-to-day operation of the Oasis pavilions. The guaranteed minimum rent for the Oasis pavilions was \$743,000 in lease years 4-10 (2006–2012) and increased to \$850,000 in years 11-25 (2012 – 2027) (subsequently reduced as described below). Over and above the guaranteed minimum rent, if SFI sublessees’ sales exceed certain sublease-specific break points, the Authority shares in a percentage of the profits.

In 2011, Exxon assigned its leasehold interest in the Oasis fuel facilities to 7-Eleven. Guaranteed rent for the Oasis fuel facilities was \$900,250 annually through 2019 and was reduced in 2020 to \$689,582 annually due to closures in connection with the Central Tri-State widening and reconstruction.

In connection with the Move Illinois Program’s widening and reconstruction work on the Jane Addams Memorial Tollway (I-90) and the Central Tri-State (I-294), the Authority’s Board of Directors approved agreements during the years 2013 to 2021 to terminate portions of the Oasis lease specifically applicable to the Des Plaines Oasis, O’Hare Oasis and Hinsdale Oasis pavilions. The Tollway provided the required advance notice to SFI and assumed possession of the three Oasis pavilions for demolition purposes at various times from 2014 to 2021 after, in accordance with the terms of the lease, negotiating compensation to SFI, consisting of \$25.5 million from the Authority and \$1.8 million from a reserve account. The limited lease terminations with SFI did not result in the removal of the 7-Eleven fuel stations and associated retail convenience stores at the O’Hare Oasis facility or the Hinsdale Oasis facility. However, in December 2018, the Des Plaines Oasis fuel facility and related ramps and parking lots were permanently closed in preparation for future work on an interchange linking the Jane Addams Memorial Tollway to the planned I-490 tollway. As a result of the limited lease terminations related to the three Oasis pavilions, the annual guaranteed rent SFI paid to the Authority for the original seven pavilions was reduced from \$850,000 in 2013 to \$485,714 in 2021 for the remaining four Oasis pavilions.

Toll Collections

The Authority utilizes all-electronic tolling (“**AET**”) facilities for toll collection along the entirety of its 294 miles of limited access roadway. The system consists of 28 mainline and 61 ramp toll plazas. Prior to March 14, 2020, in addition to electronic tolling, 22 of the 28 mainline plazas and 2 of the 61 ramp plazas offered attendants to process cash forms of payment. Also prior to March 14, 2020, in addition to electronic tolling, 52 of the 61 ramp plazas offered payment in coins or currency or by credit card. The Authority expects to remain AET.

The Authority operates an electronic toll collection system under the “I-PASS” service mark. I-PASS enables customers to pre-pay their tolls through an I-PASS account and have an electronic debit from their I-PASS account each time they go through a collection lane. The I-PASS customer’s account is typically set up to replenish itself in a pre-determined amount from a credit card on file once the account reaches a minimum balance. All toll collection lanes accommodate payment by I-PASS. The Authority currently operates 111 I-PASS open road tolling lanes and an additional 90 toll collection lanes, which allow vehicles to travel through at the posted speed limit. The Authority operates an additional 192 toll collection lanes which allow passage at reduced speeds (5-30 mph). Currently, there are approximately 8.5 million I-PASS transponders outstanding and approximately 88% percent of toll transactions are transponder-based. The remaining 12% of toll transactions are based primarily on video capture of license plate information.

As part of the Authority’s previous capital program known as the Congestion-Relief Program (“**CRP**”), during 2005 and 2006, the Tollway System was converted to an open road tolling system for I-PASS users. The I-PASS open road tolling system alleviated congestion and reduced travel times. I-PASS open road tolling lanes can process more than 2,000 vehicles per hour.

For a customer who travels through an electronic toll collection lane in a vehicle without a working transponder but with a license plate that a camera image review shows as registered to an active I-PASS account, the Authority debits such account at the applicable electronic toll rate via a process called “video-tolling” or “v-tolling.” Effective February 1, 2018, the Authority revised its video-tolling charges for passenger cars as follows: for any license plate with v-toll transactions within a given month, the electronic toll rate is applied to the first five video tolls and the non-I-PASS toll rate is applied to any subsequent video tolls. The non-I-PASS toll rate is typically double the electronic toll rate, as described in further detail in the subsection “**Toll Rates.**”

The administration of revised video-tolling charges for passenger cars was reviewed and approved by the State’s Joint Committee on Administrative Rules (“**JCAR**”). JCAR is a bipartisan legislative oversight committee created by the Illinois General Assembly in 1977. Pursuant to the Illinois Administrative Procedure Act, JCAR is authorized to conduct systematic reviews of administrative rules promulgated by State agencies.

In September 2005, the Authority became a member of the E-ZPass Interagency Group. Motorists in states that have E-ZPass transponders are able to electronically pay tolls on the Tollway System, and motorists with I-PASS transponders are able to electronically pay tolls on highways and bridges that are part of the E-ZPass system. E-ZPass is currently in use on toll facilities in the following eighteen states: Delaware, Florida (Central Florida Expressway and Florida Turnpike Enterprise), Georgia (by the first quarter of 2024), Indiana, Kentucky, Maine, Maryland, Massachusetts, Minnesota, North Carolina, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Virginia and West Virginia. In addition, I-PASS transponders are accepted on the Chicago Skyway toll bridge, which is part of the E-ZPass system.

The Authority is expected to transition from the use of transponders to sticker tags beginning in January 2024. While the transponders are expected to remain functional for the foreseeable future, drivers can request a sticker starting in January 2024, and the Authority plans to begin mailing sticker tags directly to customers in the summer of 2024. Sticker tags use technology similar to traditional transponders. The distinguishing features are that they are lower in cost, more environmentally friendly and, due to the fact that they are permanently affixed to a vehicle, may improve overall I-PASS usage rate.

The outside vendors responsible for most of the Authority’s functions and services relating to electronic toll collection are Electronic Transaction Consultants Corp. (“**ETCC**”) and Accenture, LLP (“**Accenture**”).

Among other things, ETCC is responsible for maintenance of roadway vehicle identification and classification technology; recording, storing and auditing toll transactions; electronic collection of toll revenue; and the roadway violation enforcement system. ETCC’s contract with the Authority began June 29, 2005, with a five-year initial term, followed by extensions of the contract through December 31, 2016, and subsequent annual contracts through December 31, 2019 for continual support of the traffic and revenue applications. In January 2019, the Authority entered into a new Toll Collection System (“**TCS**”) maintenance contract with ETCC for a five-year term ending December 31, 2024, with option(s) to renew for up to an additional five years. The TCS contract provides maintenance support and monitoring of roadside toll collection technologies.

Accenture is responsible for a suite of back office applications for managing I-PASS accounts, e-commerce services, issuing and processing invoices, interfacing with the E-ZPass System and integrating with the roadway violations enforcement and toll collection technology. The Accenture tolling solution provides customer service, billing capabilities, system monitoring, and financial reporting functionalities. The Accenture back office system was implemented in September 2016. Accenture’s initial contract with the Authority began in October 2013. Accenture’s current contract with the Authority expires on April 22, 2026.

As an alternative to paying tolls via transponder, the Authority’s Pay By Plate option allows customers to pay tolls by registering their license plate and payment information. The Authority charges the non-I-PASS toll rate for the Pay By Plate option. For the calendar year 2022, Pay By Plate accounted for approximately 3.5% of Tollway toll revenues.

Unpaid Tolls

In June 2020, the Authority implemented an invoicing process for unpaid tolls. Details of the invoicing process are provided in the following chart. The vehicle tiers listed in the chart are generally passenger cars (Tier 1), small trucks (Tier 2), medium trucks (Tier 3) and large trucks (Tier 4). Regarding the two corridors listed in the chart, “IL-390” applies to the Illinois Route 390 corridor and “Standard” applies to all other Tollway System corridors. Lower fee amounts were assigned to Illinois Route 390 because of its more frequent toll collection points.

Corridor	Vehicle Tier	New Invoice Process		
		Initial Notice	Second Notice	Third Notice
Standard	Passenger (1)	\$3.00	\$--	+\$5.00
	2	\$5.00	\$--	+\$5.00
	3	\$9.00	\$--	+\$5.00
	4	\$15.00	\$--	+\$5.00
IL-390	1	\$1.50	\$--	+\$2.50
	2	\$2.50	\$--	+\$2.50
	3	\$4.50	\$--	+\$2.50
	4	\$7.50	\$--	+\$2.50

An “unpaid toll” is a toll that is neither paid at the point of transaction nor paid within two weeks of the transaction. An unpaid toll is subject to an initial invoice requesting payment of the toll at the non-I-PASS toll rate plus the applicable invoicing fee listed under “Initial Notice” in the preceding chart. If the toll remains unpaid, a reminder notice is sent. If the toll continues to remain unpaid, it becomes subject to an additional invoice requesting the amount from the initial invoice plus an additional invoicing fee as listed under “Third Notice” in the preceding chart.

If a toll remains unpaid through completion of the invoicing process, which is expected to occur roughly 90 days after the toll transaction, such unpaid toll becomes subject to other enforcement actions and potentially fines. Evasion recovery revenue totaled approximately \$591 million from 2018 through 2022 (*see* “**TABLE FIVE – SUMMARY OF OPERATING REVENUES, MAINTENANCE AND OPERATING EXPENSES, NET OPERATING REVENUES AND DEBT SERVICE COVERAGE FOR THE YEARS ENDED DECEMBER 31, 2018 – DECEMBER 31, 2022**” and “**FINANCIAL INFORMATION – Financial Information Discussion – Toll Revenue Collection**”).

Prior to the implementation of AET in 2020, evaded tolls averaged approximately 6.4% of expected toll revenues from 2015 to 2019. Evaded tolls have increased to an average of approximately 12.6% of expected toll revenues from 2020 to 2022. While evaded tolls have significantly increased with the implementation of AET, increased evasion recovery has limited the adverse impact on revenues. From 2015 to 2019, evaded tolls net of evasion recovery (“**net leakage**”), averaged approximately 1.4% of expected toll revenues. Net leakage increased only modestly to an average of approximately 2.5% of expected toll revenues from 2020 to 2022.

The Authority previously maintained a violation enforcement system (“VES”) in-house. VES relies on a camera system to record multiple digital photos of a vehicle plate associated with unpaid tolls. The plate information is then cross-checked against the Illinois Secretary of State or appropriate out-of-state department of motor vehicles databases to identify the alleged violator. With the introduction of invoicing, the Authority suspended the issuance of violation notices in March 2020. The Authority resumed issuance of violation notices in April 2023 for evasion recovery from unpaid invoices via the outsourced VES program.

The Authority entered into a contract with Professional Account Management, LLC (“PAM”) for an initial period of five years, from August 2021 to August 2026, for the outsourced VES program and collection enforcement efforts. PAM began issuing violation notices under the outsourced VES program beginning in April 2023. PAM is responsible for managing placements of unpaid invoices, which includes collection of toll amounts plus associated invoicing fees due and any fines that become due. PAM performs tasks that include but are not limited to: identifying registered owner of vehicles; printing and mailing of violation notifications; managing the civil administrative adjudication process used to adjudicate alleged instances of toll violations; performing customer services; administering collections efforts; and reporting financial reconciliation. There are no direct costs to the Authority for these services. Instead, as part of a revenue share of collected debt, PAM pays a portion of recovered revenue to the Authority.

Toll Enforcement

The Authority has statutory authority to fix, assess and collect civil fines against toll violators and to establish a system of civil administrative adjudication to adjudicate alleged instances of toll violations. With the VES program’s launch in 2023, the Authority placed all operational aspects of toll evasion recovery with PAM. PAM is responsible for administering the evasion recovery and collections process on the behalf of the Authority. PAM administers an adjudication process for addressing disputes relating to alleged toll violations and assessing fines. Generally, if there are three or more unpaid tolls within a one-year period and invoices issued to collect on these unpaid tolls are unresolved, a Notice of Violation is issued for all such unpaid tolls. The alleged violator can schedule an administrative hearing to challenge one or more violations. If the hearing officer, or the Circuit Court on administrative review, finds that a toll violation or violations has occurred, or a judgment by default is entered, the amount of the unpaid toll plus a \$20 fine per violation (\$10 on Illinois Route 390) is levied on the registered owner of the vehicle involved in the violation(s). PAM, on the Authority’s behalf, has the ability to refer Illinois violators who fail to pay their unpaid tolls and fines to the Office of the Secretary of State, which may revoke the violator’s license plate registration; registration suspension has not been exercised in recent years but PAM has the ability to do so in the future.

In 2020, the Authority implemented three tolling reforms: (i) a temporary amnesty program consisting of significantly reduced fines for outstanding violations; (ii) relief from fines during the first three and a half months of the COVID-19 pandemic; and (iii) a significant reduction to initial added costs associated with unpaid tolls (as described above with the new invoicing process). The amnesty offer was for all fines in violation notices dated before March 9, 2020. Each such fine, whether \$20 or \$50, was reduced to \$3 if paid by December 30, 2020, which subsequently was extended to June 30, 2022. A pilot program authorized by the Tollway Board in June 2022 discontinued assessment of \$50 fines for three years. Projected evasion recovery revenues in Table Seven do not assume any return of \$50 fines. Due to the COVID-19 pandemic, for tolls incurred between March 9, 2020 and June 25, 2020, vehicle owners received invoices for tolls only.

Toll Rates

The Authority’s first major toll adjustment increased toll rates in 1963. An adjustment in August 1970 decreased toll rates, and an adjustment in September 1983 increased toll rates. In connection with a major increase in commercial vehicle toll rates and cash-based passenger car toll rates in January 2005, the Authority simplified its rate structure, reducing the defined classes of vehicles from ten to the four utilized today. Class 1 is a passenger car class, and the other three classes are for commercial vehicles and consist of small, medium and large truck classes, generally classified by the number of axles.

In August 2011, the Authority’s Board authorized a major increase in toll rates in conjunction with the authorization of the Move Illinois Program. Specifically, the Authority:

- increased passenger car toll rates by approximately 87% effective January 1, 2012;
- authorized per-mile toll rates for the Elgin-O’Hare Western Access Project’s Illinois Route 390 (tolling implemented in July 2016 and November 2017) and to-be constructed I-490; and
- affirmed a commercial vehicle toll rate increase initially approved in November 2008, which: (a) increased most commercial vehicle toll rates by approximately 60%, of which approximately two-thirds of such increase became effective on January 1, 2015, approximately one-sixth of such increase became effective on January 1, 2016 and approximately one-sixth of such increase became effective on January 1, 2017; and (b) made commercial vehicle toll rates subject to an annual adjustment based on the Consumer Price Index for All Urban Consumers (“CPI-U”) effective on January 1, 2018 and every January 1st thereafter. The first such annual adjustment, effective January 1, 2018, increased commercial vehicle toll rates based on a CPI-U increase of 1.839%. Subsequent annual adjustments effective on January 1, 2019, 2020, 2021 and 2022 were based on CPI-U increases of 2.254%, 2.072%, 1.564% and 2.302%, respectively.
- In September 2022, the Authority’s Board authorized a revision of the annual commercial vehicle toll rate adjustment methodology. Rather than base the annual commercial vehicle toll rate adjustment on the percentage change in CPI-U over a 12-month period, the annual commercial vehicle toll rate adjustment would be based on the annualized percentage change in the CPI-U over a 36-month period. Per this revised methodology, the annual adjustment effective January 1, 2023 and January 1, 2024 were based on a 36-month annualized CPI-U increase of 3.650% and 5.224%, respectively.

When the Authority calculates new toll rates for a given year, such toll rates are implemented after rounding to the nearest nickel. For any new toll rates calculated based on the prior year’s toll rates, such calculations are made based on the prior year’s pre-rounded toll rates.

To help with congestion and expedite travel times, the Authority currently charges discounted rates for commercial vehicles using the Tollway System during overnight hours (10:00 p.m. – 6:00 a.m.). The 2023 most common mainline plaza daytime toll rates for the three commercial vehicle classes of large (Tier 4), medium (Tier 3) and small (Tier 2) are \$7.35, \$4.10 and \$2.75, respectively. The corresponding overnight (10:00 p.m. – 6:00 a.m.) rates are discounted to \$5.50, \$3.20, and \$1.85.

In addition to overnight discounting for commercial vehicles, the Authority discounts toll rates for passenger cars that are I-PASS users paying electronically by 50% compared to passenger car users that either utilize Pay By Plate or pay online within 14 days of the transaction. Per the most common mainline plaza toll rates, passenger car I-PASS users pay \$0.75, compared to \$1.50 for passenger car users utilizing Pay By Plate or paying online within 14 days.

As described in Section 19 of the Act, the Authority currently is prohibited from collecting tolls from certain entities, and specific and limited public transportation entities are relieved of the obligation to pay tolls. The latter results in *de minimis* foregone revenue.

Table One sets forth the most common mainline plaza toll rates for various classes of motor vehicles for the periods shown.

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TABLE ONE

**ILLINOIS TOLLWAY
TOLL RATES BY VEHICLE CLASS, 2005 – 2024**

PASSENGER VEHICLES:

2005 – Current		2005 – 2011 ⁽¹⁾⁽²⁾		2012 – 2024 ⁽¹⁾⁽²⁾	
Class	Description	Transponder	Cash	Transponder	Cash
1	Automobile/SUV, motorcycle, taxi, single unit truck or tractor, two axles, four or less tires	\$0.40	\$0.80	\$0.75	\$1.50

COMMERCIAL VEHICLES:

2005 – Current:		2005 – 2011 ⁽¹⁾⁽³⁾		2012 – 2014 ⁽¹⁾⁽³⁾		2015 ⁽¹⁾⁽³⁾		2016 ⁽¹⁾⁽³⁾		2017 ⁽¹⁾⁽³⁾		2018 – 2023 ⁽¹⁾⁽³⁾⁽⁴⁾		2024 ⁽¹⁾⁽³⁾⁽⁵⁾	
Class	Description	6am–10pm	10pm–6am	6am–10pm	10pm–6am	6am–10pm	10pm–6am	6am–10pm	10pm–6am	6am–10pm	10pm–6am	6am–10pm	10pm–6am	6am–10pm	10pm–6am
2	Single unit truck or tractor, bus, two axles, six tires	\$1.50	\$1.00	\$1.50	\$1.00	\$2.10	\$1.40	\$2.25	\$1.50	\$2.40	\$1.60	\$2.45 - \$2.75	\$1.65 - \$1.85	\$2.90	\$1.95
3	Three and four axle trucks, three axle buses, and Class 1 vehicles with one and two axle trailers	\$2.25	\$1.75	\$2.25	\$1.75	\$3.15	\$2.45	\$3.40	\$2.65	\$3.60	\$2.80	\$3.65 - \$4.10	\$2.85 - \$3.20	\$4.35	\$3.35
4	Five and six axle trucks and miscellaneous, special, or unusual vehicles not classified above	\$4.00	\$3.00	\$4.00	\$3.00	\$5.60	\$4.20	\$6.00	\$4.50	\$6.40	\$4.80	\$6.50 - \$7.35	\$4.90 - \$5.50	\$7.70	\$5.80

⁽¹⁾ The toll rates listed above are rates for 11 of the 28 mainline plazas on the Tollway System. Toll rates at the other 17 mainline plazas differ by various amounts. Toll rates on Illinois Route 390 (where tolling began in 2016 / 2017) and the South Extension of I-355 (where tolling began in 2007) are significantly higher on a per-mile basis than toll rates on the rest of the Tollway System. A complete listing of toll rates at each plaza may be found on the Authority’s website. No other information from the Authority’s website is incorporated by reference into this Official Statement.

⁽²⁾ Class 1 vehicles making payment via transponders (I-PASS, E-ZPass, etc.) are tolled at a discounted rate, and a non-discounted rate applies to payments made online within 14 days of the transaction.

⁽³⁾ Commercial vehicles (Classes 2-4) are tolled at a discounted rate during the overnight period of 10 p.m. – 6 a.m. (“**Overnight Discount Rate**”). Prior to January 1, 2009, commercial vehicles paying by I-PASS were tolled at the discounted rate for certain off-peak time periods (“**I-PASS Off-Peak Discount Rate**”). This I-PASS Off-Peak Discount Rate expired on 12/31/2008. The Overnight Discount Rate continues.

⁽⁴⁾ For each of the years from 2018 through 2022, commercial vehicle toll rates adjust at approximately the rate of change of the CPI-U. The adjustments effective 1/1/2018, 1/1/2019, 1/1/2020, 1/1/2021 and 1/1/2022 were based on CPI-U increases of 1.839%, 2.254%, 2.072%, 1.564% and 2.302%, respectively.

⁽⁵⁾ Beginning January 1, 2023, the annual commercial vehicle toll rate adjustment methodology was revised to be based on the annualized percentage change in the CPI-U over a 36-month period rather than a 12-month period. The annual adjustment effective 1/1/2023 was based on a CPI-U increase of 3.650%. The annual adjustment to be effective 1/1/2024 is based on a CPI-U increase of 5.224%.

Under the Act, the Authority has the exclusive right to fix, adjust, revise and collect tolls for the use of the Tollway System. Such tolls are required to be fixed and adjusted at the lowest reasonable toll rates calculated to provide funds that will be sufficient, together with other revenues of the Authority, to pay the costs of any authorized new construction or reconstruction, operation, repair, regulation and maintenance of the Tollway System and pay debt service on Outstanding Bonds. The Authority may increase tolls by vote of a majority of its Board of Directors, after conducting a public hearing in each county in which the proposed increase is to take place. No other State executive, administrative or regulatory body or regional or local governmental or regulatory body has the authority to limit or restrict such rates and charges.

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Historical Toll Transactions and Toll Revenues

Table Two sets forth annual toll transactions for passenger and commercial vehicles for selected years since 1964.

TABLE TWO
ANNUAL TOLL TRANSACTIONS – PASSENGER AND COMMERCIAL VEHICLES
1964-2022 (SELECTED YEARS)
(TRANSACTIONS IN THOUSANDS)⁽¹⁾

<u>Year</u>	<u>Passenger</u>	<u>Commercial</u>	<u>Total</u>	<u>% Passenger</u>
1964	72,721	7,005	79,726	91.21
1969	146,476	14,488	160,964	91.00
1974	204,360	28,446	232,806	87.78
1979	268,051	42,606	310,657	86.29
1984	308,104	42,890	350,994	87.78
1989	428,745	57,193	485,938	88.23
1994	565,601	66,693	632,294	89.45
1999	648,269	71,835	720,104	90.02
2004 ⁽²⁾	714,120	109,025	823,145	86.76
2005 ⁽²⁾	695,378	85,068	780,446	89.10
2006 ⁽²⁾	678,535	85,590	764,125	88.80
2007	696,055	92,237	788,292	88.30
2008	688,516	89,366	777,882	88.51
2009	694,837	80,516	775,353	89.62
2010	730,797	86,286	817,083	89.44
2011	743,195	89,633	832,828	89.24
2012	711,680	92,100	803,780	88.54
2013	720,513	95,528	816,042	88.29
2014	737,238	101,041	838,279	87.95
2015	777,719	103,896	881,615	88.22
2016 ⁽³⁾	823,643	108,248	931,891	88.38
2017 ⁽³⁾	883,468	113,866	997,334	88.58
2018	889,184	119,768	1,008,952	88.13
2019	900,809	122,413	1,023,222	88.04
2020 ⁽⁴⁾	686,065	120,584	806,650	85.05
2021 ⁽⁴⁾	806,799	129,797	936,595	86.14
2022 ⁽⁴⁾	827,659	129,476	957,135	86.47

Source: Authority's Annual Comprehensive Financial Report for the Year Ended December 31, 2022.

⁽¹⁾ Total may not add up due to rounding.

⁽²⁾ In 2003, a new Integrated Toll Collection System was completed, classifying vehicles by axle counts in relation to the toll paid by each vehicle. In 2004, commercial vehicle counts were inflated by the new classification system due to passenger vehicle overpayments at ramp plazas. After the commercial vehicle toll increase in January 2005, the classification system has more accurately recorded passenger and commercial vehicle counts for 2005 and beyond. The Authority estimates approximately 50% of the decline in commercial vehicle transactions between 2004 and 2005 can be attributed to over count of commercial vehicles and corresponding under count of passenger vehicles in 2004. In 2006, the Authority permanently converted from bidirectional to one-way tolling at the Belvidere and Marengo Mainline Toll Plazas on the Jane Addams Memorial Tollway in conjunction with a doubling of fares at those plazas. Due to this configuration, total transactions were reduced by 14.6 million in 2006 with no localized revenue impact.

⁽³⁾ Illinois Route 390 tolling began in July 2016 (6.5 miles) and November 2017 (3.5 miles).

⁽⁴⁾ Traffic was materially adversely impacted by the COVID-19 pandemic beginning in 2020. Passenger vehicles were adversely impacted more than commercial vehicles, resulting in a decrease in the percentage of transactions from passenger vehicles during the 2020 to 2022 period.

Table Three sets forth annual toll revenues generated by passenger and commercial vehicles for selected years since 1964.

TABLE THREE

**ANNUAL TOLL REVENUES – PASSENGER AND COMMERCIAL VEHICLES⁽¹⁾⁽²⁾
1964-2022 (SELECTED YEARS)
(DOLLARS IN THOUSANDS)**

<u>Year</u>	<u>Passenger</u>	<u>Commercial</u>	<u>Total</u>	<u>%Passenger</u>
1964	\$ 26,284	\$ 4,888	\$ 31,172	84.32
1969	46,872	8,803	55,675	84.19
1974	55,419	14,891	70,310	78.82
1979	73,048	24,068	97,116	75.22
1984	114,233	43,094	157,327	72.61
1989	155,394	57,387	212,781	73.03
1994	215,221	66,922	282,143	76.28
1999	259,448	73,178	332,626	78.00
2004	287,218	104,368	391,586	73.35
2005 ⁽³⁾	341,352	239,090	580,442	58.81
2006	324,556	242,944	567,500	57.19
2007	321,008	251,085	572,093	56.11
2008	335,653	247,994	583,647	57.51
2009	334,520	257,544	592,063	56.50
2010	348,946	279,808	628,754	55.50
2011	354,186	298,488	652,674	54.27
2012 ⁽³⁾	615,957	306,433	922,390	66.78
2013	622,349	320,803	943,152	65.99
2014	630,556	338,416	968,972	65.07
2015 ⁽³⁾	662,720	483,910	1,146,629	57.80
2016 ⁽³⁾	686,846	529,452	1,216,298	56.47
2017 ⁽³⁾	724,905	584,285	1,309,190	55.37
2018 ⁽⁴⁾	719,165	621,886	1,341,051	53.63
2019 ⁽⁴⁾	726,063	654,688	1,380,751	52.58
2020 ⁽⁴⁾⁽⁵⁾	522,789	626,231	1,149,020	45.50
2021 ⁽⁴⁾⁽⁵⁾	616,712	675,658	1,292,370	47.72
2022 ⁽⁴⁾⁽⁵⁾	642,279	694,242	1,336,521	48.06

Source: Authority's Annual Comprehensive Financial Report for the Year Ended December 31, 2022.

⁽¹⁾ Total may not add up due to rounding.

⁽²⁾ Annual toll revenues in this chart are booked toll revenues, which do not include tolls recovered through the evasion recovery process. See footnote to Table Two regarding impact on 2004 vehicle classification resulting from completion in 2003 of a new Integrated Toll Collection System.

⁽³⁾ Due to significant changes to rate structures implemented in 2005, 2012 and 2015, the percentage of revenues from passenger vehicles decreased significantly in 2005, increased significantly in 2012 and decreased significantly in 2015. More modest changes (relative to the aforementioned changes) increasing commercial vehicle toll rates in 2016 and 2017 contributed to the decreases in percentage of revenues from passenger vehicles in 2016 and 2017.

⁽⁴⁾ For each of the years from 2018 through 2022, commercial vehicle toll rates adjusted at approximately the rate of change of the Consumer Price Index-Urban Consumers (CPI-U). The resulting annual increase in commercial vehicle toll rates contributed to the decreases in percentage of revenues from passenger vehicles from 2018 to 2020.

⁽⁵⁾ Toll Revenues were materially adversely impacted by the COVID-19 pandemic beginning in 2020. Passenger vehicles were adversely impacted more than commercial vehicles, contributing to the decrease in the percentage of toll revenues from passenger vehicles during the 2020 to 2022 period.

Historical Net Operating Revenues

Table Four sets forth operating revenues, maintenance and operating expenses and net operating revenues, for selected years since 1964.

TABLE FOUR
OPERATING REVENUES, MAINTENANCE AND OPERATING
EXPENSES, AND NET OPERATING REVENUES ^{(1) (2)}
1964-2022 (SELECTED YEARS)
(DOLLARS IN THOUSANDS)

<u>Year</u>	<u>Operating Revenues</u>	<u>Maintenance and Operating Expenses</u>	<u>Net Operating Revenues</u>
1964	\$ 32,135	\$ 6,832	\$ 25,303
1969	57,395	13,015	44,380
1974	72,737	23,715	49,022
1979	100,436	39,733	60,703
1984	162,108	56,639	105,469
1989	254,734	85,065	169,669
1994	309,949	116,996	192,953
1999	366,092	146,881	219,211
2004	423,427	198,302	225,125
2005	613,034	205,575	407,459
2006	606,954	213,510	393,444
2007	637,794	222,295	415,499
2008	691,113	244,275	446,838
2009	658,052	255,185	402,867
2010	672,760	250,857	421,903
2011	697,416	245,975	451,441
2012	963,755	253,058	710,697
2013	1,009,776	277,512	732,263
2014	1,036,156	297,821	738,335
2015	1,220,463	298,479	921,984
2016	1,298,800	309,239	989,561
2017	1,401,818	319,538	1,082,279
2018	1,458,141	336,361	1,121,780
2019 ⁽³⁾	1,509,624	350,207	1,159,418
2020 ⁽³⁾	1,282,540	360,203	922,337
2021 ⁽³⁾	1,463,777	371,118	1,092,659
2022 ⁽³⁾	1,591,679	374,861	1,216,818

Source: Authority's Annual Comprehensive Financial Report for the Year Ended December 31, 2022.

⁽¹⁾ Determined in accordance with the Series 1955 Bond Resolution through December 26, 1985 and in accordance with the Indenture on a Trust Indenture Basis (as defined in this Official Statement) subsequent to December 26, 1985. See "FINANCIAL INFORMATION - Financial Information Discussion - GAAP Basis and Trust Indenture Basis." See Table Five for items included in Operating Revenues and Maintenance and Operating Expenses.

⁽²⁾ Totals may not add due to rounding.

⁽³⁾ For a discussion of changes from 2019 to 2020, 2020 to 2021 and 2021 to 2022, see "FINANCIAL INFORMATION - Financial Information Discussion."

Table Five presents, for 2017 through 2022, a more detailed review of operating revenues, maintenance and operating expenses, net operating revenues and debt service coverage. Projected net operating revenues and debt service coverage for 2023 through 2032 are set forth as part of Table Seven.

TABLE FIVE
SUMMARY OF OPERATING REVENUES, MAINTENANCE AND OPERATING
EXPENSES, NET OPERATING REVENUES AND
DEBT SERVICE COVERAGE FOR THE YEARS ENDED
DECEMBER 31, 2018 – DECEMBER 31, 2022⁽¹⁾⁽²⁾
(DOLLARS IN THOUSANDS)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues:					
Toll Revenue	\$1,336,521	\$1,292,370	\$1,149,020	\$1,380,751	\$1,341,051
Toll Evasion Recovery ⁽³⁾	198,557	147,047	93,165	81,554	70,469
Concession/Miscellaneous	31,306	22,004	26,630	8,864	12,232
Investment Income	25,294	2,356	13,726	38,456	34,389
Total Operating Revenue	<u>\$1,591,679</u>	<u>\$1,463,777</u>	<u>\$1,282,540</u>	<u>\$1,509,624</u>	<u>\$1,458,141</u>
Maintenance and Operating Expenses					
General Administration	\$91,266	\$81,315	\$46,334	\$46,074	\$47,341
Engineering & Maintenance	93,675	89,903	91,503	95,540	78,404
Toll Services	97,874	104,742	130,701	136,124	141,981
Police, Safety and Communication	46,961	44,706	45,729	42,190	40,762
Insurance and Employee Benefits ⁽⁴⁾	45,085	50,452	45,935	30,278	27,873
Total Expenses	<u>\$374,861</u>	<u>\$371,118</u>	<u>\$360,203</u>	<u>\$350,207</u>	<u>\$336,361</u>
Net Operating Revenues	<u>\$1,216,818</u>	<u>\$1,092,659</u>	<u>\$922,337</u>	<u>\$1,159,418</u>	<u>\$1,121,780</u>
Total Debt Service ⁽⁵⁾	\$500,297	\$467,926	\$442,114	\$419,460	\$424,244
Net Revenues After Debt Service ⁽⁵⁾	\$716,521	\$624,733	\$480,224	\$739,958	\$697,536
Debt Service Coverage ⁽⁵⁾	2.43x	2.34x	2.09x	2.76x	2.64x

Source: Authority's Annual Comprehensive Financial Report for the Year Ended December 31, 2022.

⁽¹⁾ Determined in accordance with accounting principles set forth in the Indenture and may differ from financial statements prepared in accordance with generally accepted accounting principles. Maintenance and Operating Expenses exclude depreciation and amortization. See "FINANCIAL INFORMATION – Financial Information Discussion – GAAP Basis and Trust Indenture Basis."

⁽²⁾ Totals may not add due to rounding.

⁽³⁾ The Authority recognizes certain invoicing fees and all fines as revenues when collected.

⁽⁴⁾ The line-item "Insurance and Employee Benefits" includes expenses only for workers compensation and medical insurance. The expenses for the employer portions of retirement and FICA are allocated among the four department-based groupings listed in the table above under Maintenance and Operating Expenses.

⁽⁵⁾ Debt service does not net out Subsidy Payments received by the Authority as a result of the Authority's election to issue the 2009A Bonds and 2009B Bonds as Build America Bonds.

Historically, Net Revenues after Debt Service have been used primarily to fund deposits to the Renewal and Replacement Account and the Improvement Account in amounts budgeted by the Authority. The Authority anticipates that Net Revenues after Debt Service will continue to be so applied.

THE CAPITAL PROGRAM

The Authority currently has one capital program: the Move Illinois Program, initially scheduled for the period 2012-2026 and currently expected to be completed in 2027. The Authority's prior capital program, known as the Congestion-Relief Program, is complete. In accordance with the Indenture, a resolution adopted by the Authority on December 21, 2017, supported by a certificate of the Consulting Engineers, evidences the substantial completion of the Congestion-Relief Program.

The Move Illinois Program

The Move Illinois Program is the Authority's capital program for 2012-2027. It is a comprehensive capital program that commits transportation funding to complete the rebuilding of the Tollway System, improve mobility, relieve congestion, reduce pollution and link economies across northern Illinois. The current projected net cost of the Move Illinois Program through 2027 is \$15.0 billion. The Move Illinois Program is expected to be funded in part from the issuance of approximately \$6.3 billion of bonds (of which \$4.8 billion was issued prior to the issuance of the 2024A Bonds), with the remainder coming from Revenues. *See "PLAN OF FINANCE"* for anticipated timing of issuance of the Additional Bonds.

The Authority approved the Move Illinois Program on August 25, 2011 in the amount of \$12.2 billion. By resolution dated April 27, 2017, the Board of Directors of the Authority approved certain enhancements to the Move Illinois Program and increased approved funding for the Program to \$14.3 billion. At its December 14, 2023 meeting, the Board authorized an increase in funding for the Move Illinois Program from \$14.3 billion to \$15.2 billion. The Program's current \$15.0 billion estimated cost is an amount net of approximately \$197 million of third-party reimbursements. In connection with the initial approval of the Move Illinois Program, the Authority approved an approximately 87% increase in passenger vehicle toll rates effective January 1, 2012. The Authority also affirmed a previously approved increase in commercial vehicle toll rates. The commercial vehicle toll rate increase consisted of an approximately 60% increase that was phased in between January 1, 2015 and January 1, 2017 and an annual adjustment applied beginning January 1, 2018 based on the Consumer Price Index for all Urban Consumers. The Authority also established per-mile toll rate authorizations for the Elgin-O'Hare Western Access Project (Illinois Route 390 and the future I-490). Tolling was implemented on Illinois Route 390 in July 2016 and November 2017. *See "THE TOLLWAY – Toll Rates."*

The basis for the Move Illinois Program was a capital needs analysis performed by Authority staff and consultants that included a comprehensive assessment of the current and future physical and operational characteristics of the entire Tollway System. Previous long-range plans were reevaluated, the needs of communities and stakeholders were catalogued, and new technology and transit opportunities were explored. This evaluation became the foundation of the Move Illinois Program, which will provide additional capacity, relieve congestion and maintain the region's competitiveness with other major cities in the United States and around the world.

The Move Illinois Program includes approximately \$10 billion to fund improvements to the existing Tollway System necessary to keep it in a state of good repair. Such projects include:

- Reconstructing and widening the Jane Addams Memorial Tollway (I-90) from the Tri-State Tollway (I-294) near O'Hare International Airport to the I-39 interchange in Rockford (completed)
- Reconstructing and widening the central Tri-State Tollway (I-294) from 95th Street to Balmoral Avenue and the Edens Spur (I-94) (ongoing)
- Preserving the Ronald Reagan Memorial Tollway (I-88) (ongoing)
- Preserving the Veterans Memorial Tollway (I-355) (ongoing)
- Repairing roads, bridges and maintenance facilities (ongoing)

The Move Illinois Program commits an additional approximately \$5 billion to new priority projects that focus on enhancing regional mobility including:

- Constructing new interchanges for I-294 at the I-57 and 147th Street ramps

- Rehabilitation and widening of the portion of Illinois Route 390, formerly known as the Elgin-O’Hare Expressway, and construction of an approximately four-mile eastward extension of Illinois Route 390 (substantially complete) and completion of a north-south connection along the boundary of O’Hare International Airport linking the eastern terminus of Illinois Route 390 to I-90 at Elmhurst Road to the north and I-294 near North Avenue to the south, which such north-south connections are currently expected to be designated U.S. Interstate Highway 490 (“**Elgin-O’Hare Western Access Project**”)
- Implementing features to accommodate transit and provide increased flexibility for passenger vehicles on the Jane Addams Memorial Tollway (I-90)
- Planning for other projects

The Move Illinois Program also includes environmental initiatives such as wetland and endangered species mitigation, fuel consumption reduction, “green” construction materials and practices, and introduction of new intelligent transportation systems. The Authority may accelerate certain projects, including the reconstruction and widening of the central portion of the Tri-State Tollway, within existing project budgets, in order to reduce construction impact on commuters.

As described later in “**THE CAPITAL PROGRAM – Potential Additional Capital Projects – Statutory Approvals for New Toll Highways,**” certain approvals of the Governor and the General Assembly are required by the Act in connection with the Authority’s issuance of bonds to finance costs related to new toll highways, including a requirement that prior to the issuance of bonds for the commencement of construction of any new toll highway, that particular toll highway shall be authorized by a joint resolution of the Illinois General Assembly. The Authority held multiple public hearings relating to the Move Illinois Program. The Authority presented preliminary plans and preliminary cost estimates to the Governor, which the Governor approved on October 7, 2011. On May 23, 2013, the Illinois Senate approved a House Joint Resolution HJR0009 adopted by the Illinois House on May 1, 2013, authorizing the Authority to expand the Tollway System through the construction of the Elgin-O’Hare Western Access Project.

For additional information about the Move Illinois Program, please *see* **APPENDIX B – “CONSULTING ENGINEERS’ REPORT.”**

Potential Additional Capital Projects

Statutory Approvals for New Toll Highways. The Authority has broad powers under the Act, including the power to conduct engineering or traffic studies relative to the potential need to expand and/or improve transportation services. However, in connection with the Authority’s issuance of bonds to finance costs related to new toll highways, the Act provides for certain prior approvals by the Governor and the Illinois General Assembly. Prior to commencing any engineering or traffic studies specifically intended to determine the feasibility of constructing additional toll highways in the State, the Authority must submit the proposed route, together with an estimate of the cost of the proposed study or studies, to the Governor for his approval. If the Governor approves such studies, or fails to disapprove such studies and estimated cost within 30 days after receipt, the Authority is permitted, but is not required, to proceed with such studies. Prior to the issuance of bonds, other than refunding bonds, for new toll highways, the Authority must first hold a public hearing relating to the proposed toll highway and then deliver to the Governor preliminary plans showing the proposed location of the route of the particular toll highway for which the bonds are to be issued, together with a preliminary estimate of the costs of construction. If the Governor approves the preliminary plans and the estimated construction costs, the Authority may, but is not required to, proceed with the issuance of bonds. In addition, the Act provides that prior to the issuance of bonds for, or the commencement of construction of, any new toll highway, that particular toll highway shall be authorized by a joint resolution of the Illinois General Assembly.

Potential System Expansion. The Illinois General Assembly has passed joint resolutions authorizing, but not requiring, the Authority to construct three new toll highways described in the following table that would add approximately 69 miles to the Tollway System.

<u>Year of Joint Resolution</u>	<u>Potential Toll Highway</u>	<u>Additional Miles</u>
1993	Southward extension of the Veterans Memorial Tollway from U.S. Interstate Highway 80 to U.S. Interstate Highway 57 near Peotone.	20
1993	North Extension extending Illinois Route 53 from Lake-Cook Road to the Tri-State Tollway.	23
1993	Richmond Waukegan Toll Highway extending from Illinois Route 120 west to Richmond, Illinois at approximately Illinois Route 173.	26

Pursuant to a resolution passed on December 20, 2007, the Authority identified several projects in Northeastern Illinois not currently part of the Tollway System, known as the Illiana Expressway, the Crosstown Expressway, the Prairie Parkway, completion of the Elgin-O’Hare Western Access Project and improvement of the Eisenhower Expressway, as additional potential future projects to be studied by Authority management. Except with respect to the Elgin-O’Hare Western Access Project, which is part of the Move Illinois Program, the Authority has not completed feasibility studies, held the public hearings required by the Act, or requested the Governor’s approval of preliminary plans or estimates of construction costs for any of the potential toll highways or projects described above.

Before commencing construction on any new toll highway, the Authority must comply with all applicable legal requirements under the Act. In the future, the Authority may embark on other system expansion and improvement projects, depending upon factors such as the availability of funding for highway projects in the region, changes in traffic congestion patterns and agreements with other public entities in the region.

The Authority is in the early stages of developing a strategic advisory committee to provide input regarding priorities for the Authority’s next capital program.

Condition and Maintenance

Providing Tollway System patrons with a well-maintained highway is a task assigned to the Authority’s maintenance crews. Personnel assigned to the twelve maintenance buildings, spaced at approximately 25-30 mile intervals along the road, are responsible for maintaining the Tollway System by keeping roads clean and safe in all weather conditions, particularly in winter when they clear the roadway of snow and ice.

In connection with properly maintaining the condition of the Tollway System, and in accordance with the Indenture’s requirement that the Authority employ a consulting engineer of nationwide and favorable reputation (“**Consulting Engineers**”) while any bonds issued under the Indenture remain outstanding, including the 2024A Bonds, the Authority has employed, beginning in 2017, WSP USA Inc., Chicago, Illinois, as the Consulting Engineers. For sixty years, Consulting Engineers have performed an annual inspection of the Tollway System’s roadways and facilities and produced a report of this inspection. The most recent report, regarding the annual inspection in the year 2022, is dated February 15, 2023 (“**Consulting Engineers’ 2022 Annual Report**”) and includes assessments of: roadway pavement, which includes a visual inspection, structural evaluation and pavement surface evaluations; roadway appurtenances (i.e., drainage structures, embankments, ditches, guardrail and median barriers, mile markers, pavement markers and right-of-way fencing); structures (i.e., bridges, large culverts, retaining walls, noise abatement walls and sign structures); and buildings and facilities (i.e., maintenance facility sites (garages, offices, salt domes, gas pumping facilities, storage buildings and similar sites), toll plazas, telecommunication buildings and Oasis facilities)). The Consulting Engineers’ 2022 Annual Report is available on the Authority’s website; provided, however, such website is not incorporated by reference into this Official Statement.

According to the Consulting Engineers’ 2022 Annual Report, although the original system continues to be well-maintained, design life expectancies of some infrastructure elements are reaching the end of predictable

usefulness due to the effects of age and increasing traffic. Prior to the current capital program, the Authority's annual maintenance efforts focused on protecting the integrity of the roadway through projects such as emergency patching and intermittent pavement repairs. The report of the Consulting Engineers attached to this Official Statement ("**Consulting Engineers' Report**") as **APPENDIX B – "CONSULTING ENGINEERS' REPORT"** includes a summary of information in the Consulting Engineers' 2022 Annual Report.

The Authority's Renewal and Replacement program is based upon the recommendations of the Consulting Engineers. *See* "**– Renewal and Replacement Program and Improvement Program**" below.

Renewal and Replacement Program and Improvement Program

The Authority's Renewal and Replacement program consists of projects to maintain the integrity of the existing Tollway System. The Renewal and Replacement program includes the preservation, replacement, repair, renewal and reconstruction or modification of the Tollway System but does not include System Expansion Projects or other Improvements. The Authority and its Consulting Engineers perform periodic inspections of the Tollway System to determine work necessary to maintain the existing system.

For the period from 2005 through 2022, the Authority credited approximately \$4.29 billion to the Renewal and Replacement Account for rehabilitation, repair and replacement projects; such credited amounts are presented in Table Six. Deposits to the Renewal and Replacement Account are made from Net Revenues after deposits are made pursuant to the Indenture into the Maintenance and Operation, Debt Service, Debt Reserve, Junior Bond Debt Service, Junior Bond Debt Reserve and Termination Payment Accounts. *See* **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – FLOW OF FUNDS."**

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TABLE SIX

**RENEWAL AND REPLACEMENT PROGRAM FOR THE YEARS ENDED DECEMBER 31, 2005
THROUGH 2022 RENEWAL AND REPLACEMENT ACCOUNT**

<u>Year</u>	<u>Total Funds Credited⁽¹⁾</u>
2005	\$204,609,580
2006	186,545,035
2007	198,331,687
2008	1,907,175 ⁽²⁾
2009	161,463,238
2010	206,096,487
2011	174,192,997
2012	300,660,937
2013	200,364,611
2014	200,208,079
2015	240,311,545
2016	300,845,345
2017	423,015,675
2018	425,924,437
2019	428,965,993
2020	121,455,373 ⁽³⁾
2021	228,022,348
2022	291,283,725 ⁽⁴⁾

Source: Authority's Annual Comprehensive Financial Report for the Year Ended December 31, 2022.

⁽¹⁾ Includes investment earnings credited to the Renewal and Replacement Account.

⁽²⁾ The Consulting Engineers deferred their recommended \$100 million deposit for 2008 to 2009, based on a projected Renewal and Replacement Account balance of \$74 million at the end of 2008, which the Consulting Engineers deemed an adequate reserve for unanticipated maintenance and rehabilitation needs of the Tollway System for 2009. The Authority's deposit of \$161,463,238 in 2009 included the amount deferred from 2008 to 2009.

⁽³⁾ In September 2020, the Consulting Engineers revised their recommended \$240 million deposit for 2020 to \$120 million, due to capital spending that was less than anticipated.

⁽⁴⁾ The fund balance allocation to the Renewal and Replacement Account is \$183.7 million as of December 31, 2022.

Pursuant to the Indenture, on or before October 31 of each Fiscal Year, the Authority is required to prepare a tentative budget for the ensuing Fiscal Year and to include in such budget the recommendations of the Consulting Engineers as to the Renewal and Replacement Deposit for the ensuing Fiscal Year. In accordance with the Indenture, Renewal and Replacement Expenses anticipated to be funded with proceeds of bonds are not included in this Renewal and Replacement Deposit recommendation. Based upon the recommendation of the Consulting Engineers, the Authority estimates that deposits totaling \$276 million will be made in 2023, of which \$207 million has been deposited as of the nine months ended September 30, 2023. A portion of the Renewal and Replacement Deposits will be used to fund certain costs of the Authority's Move Illinois Program. For a current projection of future Renewal and Replacement Deposits, *see* the Consulting Engineers' Report in **APPENDIX B – "CONSULTING ENGINEERS' REPORT."**

The tentative budget the Authority prepares each Fiscal Year may include the Authority's estimate of the amount, if any, that will be available in the ensuing Fiscal Year for credit to the Improvement Account established under the Indenture, which is used to fund the Authority's Improvement program. The Improvement program includes any System Expansion Project or any acquisition, installation, construction, reconstruction, modification or enhancement of or to any real or personal property (other than Operating Expenses) for which a currently effective resolution of the Authority has been adopted authorizing the deposit of Revenues to the credit of the Improvement Account for such System Expansion Project or acquisition, installation, construction, reconstruction, modification or enhancement including, without limitation, the cost of related feasibility studies, plans, designs or other related

expenditures. The Authority has authorized the deposit of Revenues from time to time to the credit of the Improvement Account held under the Indenture for the purpose of funding the cost of each capital improvement that constitutes an “Improvement” under the Indenture. *See* “**THE CAPITAL PROGRAM – The Move Illinois Program**” and **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – FLOW OF FUNDS – Improvement Account.”**

FINANCIAL INFORMATION

Financial Information Discussion

General. Management of the Authority is responsible for establishing and maintaining an internal financial control structure designed to ensure that (i) the assets of the Authority are protected from loss, theft or misuse, and (ii) adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Authority’s internal financial control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from it; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

The Authority issues audited financial statements (*see* **APPENDIX A**) annually, which are prepared in accordance with generally accepted accounting principles for public agencies. The Authority’s accounting system is organized and operated on an “enterprise fund basis.” The accounting practices of the Authority are more fully described in Note 1 to the audited financial statements. The notes provided in the audited financial statements included in **APPENDIX A** are an integral and essential part of adequate disclosures and fair presentation of the audited financial report. The notes include a summary of significant accounting policies for the Authority and other necessary disclosures of pertinent matters relating to the financial position of the Authority. The notes provide additional informative disclosures not reflected on the face of the financial statements. The audited financial statements should be read only in conjunction with the accompanying notes.

GAAP Basis and Trust Indenture Basis. In order to demonstrate compliance with requirements stated in the Indenture, the Authority prepares separate schedules in conformity with the requirements set forth in the Indenture (“**Trust Indenture Financials**”). The Trust Indenture Financials are not prepared in accordance with GAAP but rather reflect the requirements of the Indenture (“**Trust Indenture Basis**”). The Trust Indenture Financials prepared on a Trust Indenture Basis are the source of the financial information included in Table Four, Table Five, Table Seven, the “*Financial Results – Unaudited Trust Indenture Basis - Results of First Nine Months of 2023 Compared to First Nine Months of 2022*” and “*Financial Results – Annual Budget for 2024 and Projected 2023 Results – Trust Indenture Basis*” subsections of this section, and Section 6 of the Consulting Engineers’ Report. A primary difference in the financial information presented on a GAAP basis versus the Trust Indenture Basis is that no depreciation/amortization is included in operating expenses in the Trust Indenture Basis because capital assets are expensed when purchased. The Trust Indenture Financials for the years 2022 and 2021 that are included in the Supplementary Information section (pages 61-69) of the audited annual financial statements (*see* **APPENDIX A**) include additional information on the differences between GAAP basis accounting and the Trust Indenture Basis in Footnote 1 of such Supplementary Information section.

Financial Results - Unaudited Trust Indenture Basis – Results of First Nine Months of 2023 Compared to First Nine Months of 2022. The Authority’s preliminary and unaudited results for the first nine months of fiscal year 2023 operating revenues totaled \$1,208.1 million, higher than the first nine months of 2022 by approximately \$23.6 million (2%). This increase was mainly attributable to higher investment income. In the first nine months of 2023, toll revenue totaled approximately \$1,033.4 million compared to \$1,007.9 million in the first nine months of 2022, an increase of \$25.4 million, or 2.5%. Revenue from toll evasion recovery declined to \$109.0 million (from \$136.5 million) during the first nine months of the year, due in part to the timing of invoicing for missed tolls and receipt of payments for violations. Investment income during the first nine months of 2023 totaled \$58.0 million, an increase of \$46.5 million over the same period in 2022, due to higher interest rates. Concession revenue was substantially the same in the first nine months of 2023 at \$0.9 million compared to the same time period in 2022.

Operating expenses determined in accordance with accounting principles as set forth in the Indenture, which may differ from financial statements prepared in accordance with generally accepted accounting principles, increased in the first nine months of 2023, to \$296.5 million (7.4%) from \$276.1 million in the first nine months of 2022.

Financial Results – Audited, GAAP Basis – 2022 Compared to 2021. The Authority’s audited fiscal year 2022 operating revenues, totaling approximately \$1.6 billion, were higher than the previous year by approximately \$95 million (6.5%). This increase was mainly attributable to a continued increase in the missed toll invoices issued under the new invoicing program implemented in June 2020. In 2022, toll revenue totaled approximately \$1.3 billion, slightly higher than 2021, an increase of \$44.2 million, or 3.4%. Revenue from toll evasion recovery increased to \$198.6 million (from \$147.0 million), due in part to an increased rate of unpaid tolls caused by the pandemic-related suspension of cash payment options, an amnesty offer which incentivized payment of unpaid tolls and related fines which was extended until June 30, 2022, and impacts of the invoicing program implemented in June 2020. Concession revenue declined in 2022 due to the closure of the Hinsdale oasis pavilion in 2021 and the implementation of GASB 87 in 2022.

Operating expenses, excluding depreciation and the OPEB adjustment increased in 2022 to \$367.8 million (2.5%) from \$358.8 million in 2021. This was due to an increase in parts and fuel expense and group health insurance claim, offset by reductions in other expense categories. Depreciation and amortization expense increased by 2.7% in 2022 to \$531.8 million from \$518.0 million in 2021. As further discussed in the Notes to the Financial Statements, there was a substantial adjustment to the unfunded OPEB liability and related deferred outflows and inflows allocated to the Tollway. This resulted in an OPEB expense recovery, reported as a negative operating expense of \$70.1 million in 2022. The resulting net operating income for the year, \$725.0 million, increased by \$141.9 million, or 24.3%, from the previous year.

Nonoperating revenue increased by \$15.9 million, due to increased investment returns on funds on deposit. Again, in 2022 the Tollway earned interest rebates from the U.S. Department of the Treasury relating to bonds which were issued as Build America Bonds. The 2022 rebates totaled \$13.6 million, substantially the same as 2021.

Nonoperating expenses increased by \$19.4 million, due to increased interest and amortization of financing costs. The net nonoperating expenses increased this year by 1.2% from \$283.5 million in 2021 to \$286.9 million for 2022, due to the variances noted above.

Financial Results – Audited, GAAP Basis – 2021 Compared to 2020. The Authority’s audited fiscal year 2021 operating revenues, totaling \$1.5 billion, were higher than the previous year by approximately \$199 million (16%). This increase was mainly attributable to the recovery of traffic and increased toll revenue from a recovery from the COVID-19 pandemic’s adverse impact on traffic in 2020 and the impact of invoicing missed tolls for the full year of 2021. In 2021, toll revenue totaled approximately \$1.3 billion versus \$1.1 billion in 2020, an increase of \$143.3 million, or 12.5%. Revenue from toll evasion recovery increased to \$147.0 million (from \$93.2 million), due in part to an increased rate of unpaid tolls caused by the pandemic-related suspension of cash payment options, an amnesty offer which incentivized payment of unpaid tolls and related fines, and impacts of a new invoicing program implemented in June 2020. Concession revenue increased in 2021 to \$1.4 million (2.4%) due to the recovery of traffic, which impacted revenue at the over the road oases which generate concession revenue to the Authority.

Operating expenses, excluding depreciation, decreased in 2021 to \$358.8 million (5.8%) from \$380.7 million in 2020. This was largely due to a reduction in toll collection expenses due to the suspension of cash payments for tolls, reduction in customer service costs due to the amnesty program, reduction in usage of office supplies, reduction in the need for custodial services for building maintenance and a reduction in pension and group health insurance expenses under GASB 68 and GASB 75. Depreciation and amortization expense increased by 4.7% to \$518.0 million in 2021, from \$494.6 million in 2020. The resulting net operating income for the year, \$583.1 million, increased by \$197.4 million, or 51.2%, from the previous year.

Nonoperating revenue decreased by \$11.4 million, due to decreased investment returns as a result of decreased funds on deposit and lower investment rates. Again, in 2021 the Authority received an interest rebate from the U.S. Department of the Treasury relating to bonds which were issued as Build America Bonds. The 2021 rebates totaled \$13.6 million, substantially the same as 2020.

Nonoperating expenses increased by \$10.6 million, due to increased interest expense and amortization of financing costs. The net nonoperating expenses increased to \$283.5 million in 2021 (8.4%) from \$261.5 million in 2020, due to the variances noted above.

Financial Results – Audited, GAAP Basis – 2020 Compared to 2019. The Authority’s total fiscal year 2020 operating revenues, totaling \$1.3 billion, were lower than the previous year by approximately \$224 million (15%). This decrease was mainly attributable to reduced toll revenue resulting from the COVID-19 pandemic’s adverse impact on traffic. In 2020, toll revenue totaled approximately \$1.1 billion versus \$1.4 billion in 2019, a decline of \$231.7 million, or 16.8%. Revenue from toll evasion recovery increased to \$93.2 million (from \$81.6 million), due in part to an increased rate of unpaid tolls caused by the pandemic-related suspension of cash payment options, an amnesty offer which incentivized payment of unpaid tolls and related fines, and impacts of a new invoicing program implemented in June 2020. Concession revenue decreased in 2020 to \$1.4 million (18.8%) due to reduced traffic, which resulted in less revenue at the over the road oases which generate concession revenue to the Authority.

Operating expenses, excluding depreciation, decreased in 2020, to \$380.7 million (3.4%) from \$394.1 million in 2019. This was largely due to a reduction in customer service costs and credit card fees due to the reduced traffic on the roadway because of the COVID-19 pandemic. Depreciation and amortization expense increased by 4.0% to \$494.6 million in 2020, from \$475.6 million in 2019. The resulting net operating income for the year, \$385.6 million, decreased by \$229.1 million, or 37.3%, from the previous year.

Nonoperating revenue decreased by \$22.9 million, due in large part to decreased investment returns as a result of decreased funds on deposit and lower investment rates. Again, in 2020 the Authority received an interest rebate from the U.S. Department of the Treasury relating to bonds which were issued as Build America Bonds. The 2020 rebates totaled \$13.6 million, substantially the same as 2019.

Nonoperating expenses decreased by \$1.5 million, due to decreased interest expense and amortization of financing costs offset by an increase in expense under intergovernmental agreements. The net nonoperating expenses increased in 2020 by 8.9% from \$240.1 million in 2019 to \$261.5 million in 2020, due to the variances noted above.

Annual Budget for 2024 and Projected 2023 Results. The Authority is required by the Indenture to prepare a tentative budget of Operating Expenses for the ensuing Fiscal Year on or before October 31 of each Fiscal Year and adopt the annual budget for such Fiscal Year on or before January 31 of such Fiscal Year. The adopted annual budget does not require the approval of the Illinois General Assembly. For Fiscal Year 2024, the tentative annual budget was presented to the Board of Directors of the Authority on October 26, 2023, and the final budget was presented to the Board on December 14, 2023. The Authority’s 2024 budget anticipates \$1.64 billion in revenue and presents an overall spending plan that includes \$451 million of operating expenses, \$529 million of debt service transfers and \$1.40 billion of capital spending, portions of which will be funded by bond proceeds and amounts available in the Renewal and Replacement Account and the Improvement Account.

The 2024 budget also includes projections for Fiscal Year 2023 of \$1.599 billion in revenue, supporting projected spending of \$417 million for operating expense, \$501 million for debt service and \$1.155 billion in capital spending, portions of which will be funded by bond proceeds and amounts available in the Renewal and Replacement Account and the Improvement Account.

Toll Revenue Collection. The Authority experiences a difference between expected and actual toll revenue collected for a variety of reasons, such as non-payments (including toll evasion and non-payment resulting from improper transponder use), underpayments, insufficient funds in I-PASS accounts and collection or VES equipment failures. The Authority has implemented systems and procedures to reduce the differences between expected and actual toll revenue and to facilitate recovery of “lost” toll revenue. See “**THE TOLLWAY – Toll Collections.**”

Expected revenue represents revenue that would be collected if every vehicle paid the exact published toll based on vehicle class, time of day and payment type. Forecasted toll revenue in the report (“**Traffic Engineers’ Report**”) of CDM Smith Inc., Lisle, Illinois (“**Traffic Engineers**”) attached hereto as **APPENDIX C – “TRAFFIC ENGINEERS’ REPORT,”** represents such expected revenue and, therefore, does not account for (i) overpayments, underpayments, exemptions or revenue lost due to toll avoidance, or (ii) tolls and fines collected through the violation

enforcement process. Amounts of revenue reported in the Authority’s quarterly statements and annual financial reports reflect these adjustments.

The difference between estimated expected toll revenues and booked toll revenues in 2015 – 2019 ranged from 5.7% – 7.2% and averaged 6.4%. Toll evasion recovery revenues in the same period averaged 5.1% of estimated expected toll revenues, resulting in average “net leakage” in 2015 – 2019 of 1.4% of estimated expected revenues. In 2020, 2021 and 2022, the difference between estimated expected toll revenues and booked toll revenues were 11.8%, 13.2% and 12.8%, respectively, and toll evasion recovery revenues were 7.2%, 9.9% and 13.0%, respectively, of estimated expected toll revenues, resulting in “net leakage” of 4.7%, 3.3% and -0.2%, respectively, of estimated expected revenues.

Outstanding Indebtedness

Set forth below is a summary of the outstanding bonded indebtedness of the Authority, after the issuance of the 2024A Bonds and the refunding of the Refunded Bonds. All are Senior Bonds under the Indenture and all outstanding indebtedness bears interests at fixed rates.

<u>Series</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>	<u>Purpose of Issue</u>
2009A Bonds	1/1/2034	\$ 400,000,000	CRP
2009B Bonds	12/1/2034	280,000,000	CRP
2014C Bonds	1/1/2039	400,000,000	Move Illinois
2014D Bonds	1/1/2025	1,000,000	Refunding
2015A Bonds	1/1/2040	400,000,000	Move Illinois
2015B Bonds	1/1/2040	400,000,000	Move Illinois
2016A Bonds	12/1/2032	333,060,000	Refunding
2016B Bonds	1/1/2041	300,000,000	Move Illinois
2017A Bonds	1/1/2042	300,000,000	Move Illinois
2018A Bonds	1/1/2031	442,630,000	Refunding
2019A Bonds	1/1/2044	300,000,000	Move Illinois
2019B Bonds	1/1/2031	225,245,000	Refunding
2019C Bonds	1/1/2031	691,555,000	Refunding
2020A Bonds	1/1/2045	500,000,000	Move Illinois
2021A Bonds	1/1/2046	700,000,000	Move Illinois
2023A Bonds	1/1/2045	500,000,000	Move Illinois
2024A Bonds	1/1/2039	<u>873,710,000</u>	Refunding
Total Outstanding Bonds		\$7,047,200,000	

The 2009A Bonds and 2009B Bonds were issued to finance portions of a prior capital program of the Authority known as the CRP. As stated previously, the CRP is complete, and the program included rebuilding and restoring nearly all of the Tollway system, providing congestion relief by converting mainline toll plazas to barrier-free open road tolling, widening many miles of the existing roads, and extending I-355 12.5 miles south from I-55 to I-80 in Will County.

The 2014C Bonds, 2015A Bonds, 2015B Bonds, 2016B Bonds, 2017A Bonds, 2019A Bonds, 2020A Bonds, 2021A Bonds and 2023A Bonds were issued to finance portions of the Move Illinois Program. The 2014D Bonds were issued to advance refund a portion of the Authority’s Toll Highway Senior Priority Revenue Bonds, 2006 Series A-1. The 2016A Bonds were issued to advance refund the Toll Highway Senior Priority Revenue Bonds, 2008 Series B (“**2008B Bonds**”). The 2018A Bonds were issued to refund portions of the 2007A and 2008A Bonds (as described later in this paragraph), fund related swap termination payments and refund a portion of the 2009A Bonds. The 2019B Bonds were issued to refund the Authority’s Toll Highway Senior Refunding Revenue Bonds, 2010 Series A-1 (“**2010A-1 Bonds**”). The 2019C Bonds were issued to fund swap termination payments and refund the following bonds: (i) Toll Highway Variable Rate Senior Priority Revenue Bonds, 2007 Series A-1a (“**2007A-1a Bonds**”); (ii) Toll Highway Variable Rate Senior Priority Revenue Bonds, 2007 Series A-1b (“**2007A-1b Bonds**” together with the

2007 A-1a Bonds, the “**2007 A-1 Bonds**”); (iii) Toll Highway Variable Rate Senior Priority Revenue Bonds, 2007, Series A-2d (“**2007A-2 Bonds**” and together with the 2007A-1 Bonds, the “**2007A Bonds**”); (iv) Toll Highway Variable Rate Senior Refunding Revenue Bonds, 2008 Series A-1b (“**2008 A-1 Bonds**”); and (v) Toll Highway Variable Rate Senior Refunding Revenue Bonds, 2008 Series A-2 (“**2008A-2 Bonds**” together with the 2008A-1 Bonds, the “**2008A Bonds**”). The 2024A Bonds are being issued to refund the Refunded Bonds. *See* “**PLAN OF FINANCE – Refunding of the Refunded Bonds.**”

Annual Debt Service Requirements

Set forth below is a schedule of the annual debt service requirements of the 2024A Bonds and the other Senior Bonds Outstanding and the combined debt service requirements thereon for the years ending January 1, 2024 through January 1, 2046. The Authority does not have any bonds outstanding other than Senior Bonds.

<u>Year Ending January 1</u>	<u>Debt Service on Senior Bonds Outstanding⁽¹⁾⁽²⁾</u>	<u>The 2024A Bonds</u>		<u>Total Debt Service on all Senior Bonds⁽¹⁾⁽²⁾</u>
		<u>Principal</u>	<u>Interest</u>	
2024	\$ 514,856,740	\$	\$	\$ 514,856,740
2025	474,556,550		43,321,454	517,878,004
2026	483,935,800		43,685,500	527,621,300
2027	503,254,300		43,685,500	546,939,800
2028	503,581,300	17,130,000	43,685,500	564,396,800
2029	505,335,550	16,530,000	42,829,000	564,694,550
2030	506,343,800	16,545,000	42,002,500	564,891,300
2031	506,696,550	16,995,000	41,175,250	564,866,800
2032	508,755,050	25,000,000	40,325,500	574,080,550
2033	507,367,797	25,265,000	39,075,500	571,708,297
2034	506,125,504	27,780,000	37,812,250	571,717,754
2035	507,127,300	28,125,000	36,423,250	571,675,550
2036	349,269,500	187,415,000	35,017,000	571,701,500
2037	349,274,500	196,810,000	25,646,250	571,730,750
2038	349,274,500	206,660,000	15,805,750	571,740,250
2039	456,749,500	109,455,000	5,472,750	571,677,250
2040	582,804,500			582,804,500
2041	562,664,500			562,664,500
2042	497,204,500			497,204,500
2043	467,649,500			467,649,500
2044	460,358,250			460,358,250
2045	376,113,250			376,113,250
2046	<u>125,400,000</u>			<u>125,400,000</u>
Total	\$10,604,698,741	\$873,710,000	\$535,962,954	\$12,014,371,695

⁽¹⁾ Debt service does not net out Subsidy Payments received or anticipated to be received by the Authority as a result of the Authority’s election to issue the 2009A Bonds and 2009B Bonds as Build America Bonds.

⁽²⁾ Does not take into account any projected future bond issuance. Rows and columns may not add due to rounding.

Pro Forma Debt Service Coverage

Table Seven sets forth pro forma debt service coverage for Fiscal Years 2023 through 2032, based upon the assumptions set forth in this Official Statement. Projected Toll Revenues in Table Seven are based on information from the Traffic Engineers’ Report attached hereto as **APPENDIX C – “TRAFFIC ENGINEERS’ REPORT.”** Projected Operating Expenses in Table Seven are based upon the 2024 budget and the Consulting Engineers’ Report attached hereto as **APPENDIX B – “CONSULTING ENGINEERS’ REPORT.”** Selected portions of each report are summarized in the paragraphs that follow this section and reference is made to **APPENDICES B and C** for the reports of the Consulting Engineers and Traffic Engineers, respectively.

As previously noted, the toll revenue estimates in the Traffic Engineers' Report represent expected revenue. Expected revenue represents the revenue that would be collected if every vehicle paid the applicable published toll based on vehicle class, time of day and payment type. The expected revenue does not account for overpayments, underpayments, exemptions or toll avoidance nor does it account for tolls and fines collected through the violation enforcement system. In addition, estimates of toll revenues by the Traffic Engineers are based on various assumptions, including the continuation of annual adjustments implemented each January 1, beginning with January 1, 2018, to the commercial vehicle toll rate based on changes to the CPI-U index. The annual adjustments implemented on January 1 of each of 2018, 2019, 2020, 2021 and 2022 were based on CPI-U-based increases of 1.839%, 2.254%, 2.072%, 1.564% and 2.302%, respectively. Beginning January 1, 2023, the annual commercial vehicle toll rate adjustment methodology was changed to be based on the annualized percentage change in the CPI-U over a 36-month period rather than a 12-month period. This revision in methodology resulted in the annual adjustment effective January 1, 2023 and January 1, 2024 to be an increase of 3.650% and 5.224%, respectively. The Traffic Engineers have projected subsequent commercial vehicle toll rate increases of approximately 5.407% in 2025, 3.767% in 2026, 2.361% in 2027 and 2% thereafter. The Traffic Engineers' Report assumes that for passenger vehicles, the present toll schedule will remain in effect. Critical revenue assumptions are stated in the Traffic Engineers' Report. *See APPENDIX C – "TRAFFIC ENGINEERS' REPORT."*

Future Senior Bonds for the payment of Project Costs may be issued on a parity with Outstanding Senior Bonds, *provided* that the Authority certifies, based upon certificates of Traffic Engineers and Consulting Engineers, and certain other required certifications, that (1) Net Revenues as reflected in the books of the Authority for a period of 12 consecutive months out of the 18 months next preceding each issuance (as adjusted to reflect certain adjustments of toll rates, if applicable) exceeded the Net Revenue Requirement for such 12-month period, and (2) estimated Net Revenues for the current and each future Fiscal Year through at least the fifth full Fiscal Year after the date of issuance of such Additional Senior Bonds shall be at least equal to the estimated Net Revenue Requirement for such Fiscal Year. Other tests apply for Senior Bonds issued for the purpose of completing a Project or Senior Bonds issued for refunding purposes. The Net Revenue Requirement means, with respect to any period of time, an amount necessary to cure deficiencies, if any, in the Debt Service Account, the Debt Reserve Account, any Junior Bond Debt Service Account and any Junior Bond Debt Reserve Account plus the greater of (i) the sum of Aggregate Debt Service (defined as the sum of the amounts of Debt Service with respect to all series of Senior Bonds), the Junior Bond Revenue Requirement and the Renewal and Replacement Deposit for such period, or (ii) 1.3 times the Aggregate Debt Service for such period. As of the date of this Official Statement, the Authority has no Junior Bonds or Subordinated Indebtedness outstanding. *See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – ADDITIONAL INDEBTEDNESS."*

Under the Indenture, the Authority is required to adopt an annual budget of its operating expenses for each Fiscal Year, which budget shall include the recommendations of the Consulting Engineers as to the Renewal and Replacement Deposit for such Fiscal Year and the Authority's estimate of the amounts available for credit to the Improvement Account and the System Reserve Account. Estimates of Renewal and Replacement Deposits are based upon the Consulting Engineers' assessment of the Tollway System and its independent review of information provided by the Authority, including projected balances, budgeted expenditures and projected future expenditures. The Consulting Engineers' Report also contains projected Renewal and Replacement Deposits and projected Operating Expenses for years 2023 through 2032.

The following table sets forth pro forma debt service coverage for Fiscal Years 2023 through 2032, based upon the assumptions set forth in the footnotes. **As noted in the footnotes, debt service in this table includes the issuance of the 2024A Bonds and the refunding of the Refunded Bonds but does not take into account any bond issuance projected after the issuance of the 2024A Bonds.** The Authority's current estimate of projected debt service coverage assuming the issuance of all additional bonds for the Move Illinois Program, such assumed issuance as described in "PLAN OF FINANCE," is approximately or exceeds 2x for each of Fiscal Years 2023 through 2032. This table should be considered in conjunction with the entire Consulting Engineers' Report and the entire Traffic Engineers' Report to understand the assumptions on which Projected Revenues and Projected Operating Expenses are based. There will usually be differences between projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. The financial information in the following Table Seven is projected on a Trust Indenture Basis.

TABLE SEVEN

**PRO FORMA DEBT SERVICE COVERAGE
(DOLLARS IN THOUSANDS)**

Projected Revenues	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Expected Toll Revenues ⁽¹⁾	\$1,573,965	\$1,631,454	\$1,702,032	\$1,787,314	\$1,842,358
Evaded Tolls ⁽²⁾	(210,812)	(212,089)	(221,264)	(232,351)	(239,507)
Evasion Recovery ⁽³⁾	145,678	154,988	161,693	169,795	175,024
Concessions and Miscellaneous	20,021	18,300	10,000	10,000	10,000
Investment Income	65,000	45,000	29,000	32,000	26,000
TOTAL REVENUES	\$1,593,852	\$1,637,653	\$1,681,461	\$1,766,758	\$1,813,875
Projected Operating Expenses	<u>417,200</u>	<u>451,296</u>	<u>469,348</u>	<u>488,122</u>	<u>507,647</u>
Projected Net Revenues	\$1,176,652	\$1,186,357	\$1,212,113	\$1,278,636	\$1,306,229
Projected Debt Service ⁽⁴⁾	\$514,857	\$517,878	\$527,621	\$546,940	\$564,397
Pro Forma Debt Service Coverage	2.3 x				
Projected Net Cash Flow ⁽⁵⁾	\$661,795	\$668,479	\$684,492	\$731,696	\$741,832

Fiscal Years 2023 - 2032 are projected.

⁽¹⁾ Projected Expected Toll Revenues, the toll revenues that would be collected if applicable toll payments were received from all vehicles, are based upon the Traffic Engineers' Report. *See* **APPENDIX C**.

⁽²⁾ Evaded Tolls (aka Toll Revenue Leakage) is projected to be 13.4% in 2023 and 13.0% thereafter. *See* "**THE TOLLWAY – Toll Collections**" for a discussion of Evaded Tolls.

⁽³⁾ Evasion Recovery in 2023 is forecast to result in net leakage of 4.1% and thereafter net leakage is projected to be 3.5%.

⁽⁴⁾ *See* "**FINANCIAL INFORMATION – Annual Debt Service Requirements**" for certain assumptions relating to debt service on the outstanding Senior Bonds. **This table assumes the issuance of the 2024A Bonds and the refunding of the Refunded Bonds but does not take into account any bond issuance thereafter.** This table does not take into account, either as revenue or as a credit against debt service, any Subsidy Payments expected in connection with the issuance of the 2009A Bonds and 2009B Bonds as Build America Bonds. Debt Service due January 1 of each year is deemed payable in the preceding year. *See* definition of "Debt Service" in **APPENDIX D**.

⁽⁵⁾ In each year, the projected net cash flow exceeds the projected Renewal and Replacement Deposit for such year set forth in the Consulting Engineers' Report.

Totals may not add due to rounding.

TABLE SEVEN (CONTINUED)

PRO FORMA DEBT SERVICE COVERAGE
(DOLLARS IN THOUSANDS)

	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>
Projected Revenues					
Expected Toll Revenues ⁽¹⁾	\$1,917,274	\$1,953,862	\$1,996,675	\$2,036,765	\$2,082,937
Evaded Tolls ⁽²⁾	(249,246)	(254,002)	(259,568)	(264,779)	(270,782)
Evasion Recovery ⁽³⁾	182,141	185,617	189,684	193,493	197,879
Concession and Miscellaneous	10,000	10,000	10,000	10,000	10,000
Investment Income	24,000	24,000	24,000	24,000	25,000
TOTAL REVENUES	\$1,884,169	\$1,919,477	\$1,960,791	\$1,999,478	\$2,045,034
Projected Operating Expenses	527,953	549,071	571,034	593,875	617,630
Projected Net Revenues	\$1,356,217	\$1,370,406	\$1,389,758	\$1,405,603	\$1,427,404
Projected Debt Service ⁽⁴⁾	\$564,695	\$564,891	\$564,867	\$574,081	\$571,708
Pro Forma Debt Service Coverage	2.4 x	2.4 x	2.5 x	2.4 x	2.5 x
Projected Net Cash Flow ⁽⁵⁾	\$791,522	\$805,515	\$824,891	\$831,523	\$855,696

Fiscal Years 2023 - 2032 are projected.

⁽¹⁾ Projected Expected Toll Revenues, the toll revenues that would be collected if applicable toll payments were received from all vehicles, are based upon the Traffic Engineers' Report. See APPENDIX C.

⁽²⁾ Evaded Tolls (aka Toll Revenue Leakage) is projected to be 13.4% in 2023 and 13.0% thereafter. See "THE TOLLWAY – Toll Collections" for a discussion of Evaded Tolls.

⁽³⁾ Evasion Recovery in 2023 is forecast to result in net leakage of 4.1% and thereafter net leakage is projected to be 3.5%.

⁽⁴⁾ See "FINANCIAL INFORMATION – Annual Debt Service Requirements" for certain assumptions relating to debt service on the outstanding Senior Bonds. **This table assumes the issuance of the 2024A Bonds and the refunding of the Refunded Bonds but does not take into account any bond issuance thereafter.** This table does not take into account, either as revenue or as a credit against debt service, any Subsidy Payments expected in connection with the issuance of the 2009A Bonds and 2009B Bonds as Build America Bonds. Debt Service due January 1 of each year is deemed payable in the preceding year. See definition of "Debt Service" in APPENDIX D.

⁽⁵⁾ In each year, the projected net cash flow exceeds the projected Renewal and Replacement Deposit for such year set forth in the Consulting Engineers' Report.

Totals may not add due to rounding.

CERTAIN RISK FACTORS

The following is a discussion of certain risk factors attendant to an investment in the 2024A Bonds. The discussion is a non-exclusive summary of such risks and is not intended to be exhaustive. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with the entire Official Statement. The order in which risks are presented is not intended to reflect either the likelihood that a particular event will occur or the relative significance of such an event. Moreover, there may be other risks or considerations associated with an investment in the 2024A Bonds in addition to those set forth in this Official Statement.

General Factors Affecting Authority Revenues

The information provided with respect to toll revenues collected by the Authority is based on historical data. The amount of future toll revenues to be collected by the Authority depends upon a number of factors, including rates established by the Authority and levels and composition of traffic on the Tollway System. The Authority is authorized under the Act to make and establish or repeal toll rates as it deems necessary, expedient and sufficient to maintain and operate the Tollway System, including the payment of administrative expenses and discharge of all Authority obligations as they become due and payable. The Authority is obligated under the Indenture to set tolls at levels that are expected to generate, with other revenues of the Authority, Net Revenues sufficient to meet its obligations under the Indenture. It is currently anticipated that the existing and future toll rate structures specified in TABLE ONE – TOLL RATES BY VEHICLE CLASS will be sufficient to meet the toll covenant of the Authority contained in the Indenture. *See* “**SECURITY AND SOURCES OF PAYMENTS FOR THE 2024A BONDS – Toll Covenant.**” However, the amount and composition of traffic on the Tollway System cannot be predicted with certainty and may underperform Authority expectations due to general economic conditions, diversion of some traffic to alternative non-toll routes to avoid tolls and toll rate increases, increased fuel costs, increased mileage standards or other factors.

COVID-19 Pandemic’s Materially Adverse Impact on Authority Revenues

Traffic and Toll Revenues have been materially adversely impacted by the COVID-19 pandemic and actions taken by federal, State and local governments in response thereto. On March 14, 2020, in response to the COVID-19 pandemic, the Authority implemented all-electronic-tolling systemwide, discontinuing all options to pay tolls via cash payments to attendants and other payments by coin, currency or credit card, in order to reduce the possibility of transmission of the COVID-19 virus. During the COVID-19 pandemic, the Governor released guidance related to various levels of COVID-19 transmission mitigation measures, some of which severely restricted movement around the State. These mitigation measures impacted Traffic and Toll Revenues. On January 31, 2023, the Governor announced the State’s public health emergency would end on May 11, 2023, aligning the State with the federal government’s decision to end the national public health emergency.

The impact of the COVID-19 pandemic and the outbreak of any future pandemics or epidemics on Traffic and Toll Revenues will depend on future events, including future events outside of the Authority’s control and actions by federal, state and local governments. The Authority cannot predict the impact of any future pandemics or epidemics on Traffic and Toll Revenues.

Net Revenues – 2019-2023. The following chart provides financial information regarding the Authority’s Net Revenues in fiscal years 2019 through 2022 and unaudited information for the first nine months of 2023. There is no assurance that the impact of COVID-19 will not materially adversely impact the Authority’s Net Revenues in 2023 and thereafter to an extent greater than anticipated by the Authority as of the date of this Official Statement.

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Net Revenues (in \$000s; First Nine Months 2023 preliminary, unaudited)

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	First Nine Months 2023
Expected Toll Revenues	\$1,464,692	\$1,303,057	\$1,487,999	\$1,531,831	\$1,192,265
Evaded Tolls	(83,941)	(154,037)	(195,629)	(195,309)	(158,888)
Booked Toll Revenues	\$1,380,751	\$1,149,020	\$1,292,370	\$1,336,521	\$1,033,378
Toll Evasion Recovery	81,554	93,165	147,047	198,557	109,004
Other Revenues (investment income, concessions, misc.)	47,319	40,356	24,360	56,600	65,688
Total Revenues	\$1,509,624	\$1,282,540	\$1,463,777	\$1,591,679	\$1,208,138
Total Operating Expenses	(350,207)	(360,203)	(371,118)	(374,861)	(296,464)
Net Revenues	\$1,159,418	\$922,337	\$1,092,659	\$1,216,818	\$911,674

Forward-Looking Statements, Traffic Engineers' Report and Consulting Engineers' Report

This Official Statement, including particularly the Traffic Engineers' Report attached as **APPENDIX C**, the Consulting Engineers' Report attached as **APPENDIX B** and the statements of the Authority contained in this Official Statement based on those reports, contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "anticipate," "forecast," "project," "intend," "propose," "plan," "expect," "assume" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements.

The Traffic Engineers' Report, and the traffic forecasts contained in it, incorporates numerous assumptions and projections as to estimated revenues. No assurances can be given that such assumptions will occur. Some assumptions used to develop the forecasts may not be realized, and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the forecast period may vary, and the variations may be material. *See* **"TRAFFIC AND CONSULTING ENGINEERS"** and **APPENDIX C – "TRAFFIC ENGINEERS' REPORT."**

The Consulting Engineers' Report, and the forecasts contained in it, incorporates numerous assumptions and projections as to capital program costs, operating expenses and needs for deposits to the Renewal and Replacement Account. No assurances can be given that such assumptions will occur. Some assumptions used to develop the forecasts may not be realized, and unanticipated events and circumstances may occur. The replacement of AECOM as Consulting Engineers by WSP USA Inc., effective in 2018, may result in utilization of different assumptions, projections and methodologies to provide the services of the Consulting Engineers required by the Indenture, including as related to the assessment of the physical condition of the Tollway System. Therefore, the actual results achieved during the forecast period may vary, and the variations may be material. *See* **APPENDIX B – "CONSULTING ENGINEERS' REPORT."**

Move Illinois Program

In connection with the Move Illinois Program, as is the case with all Authority capital programs, there is a possibility of time delays and cost increases resulting from various factors. Changes in the timeliness or cost of acquiring rights-of-way ("**ROW**") pursuant to eminent domain or otherwise and issues related to third-party requirements including those of the Federal Aviation Administration, City of Chicago Department of Aviation, Canadian Pacific Railway, and Union Pacific Railroad, may result in a material increase in cost and/or delay in schedule. Other factors that could contribute to time delays and cost increases include, but are not limited to (i) design and construction issues and resulting change orders and project additions or changes to project scope, (ii) environmental litigation or environmental administrative matters, (iii) unidentified factors related to the physical condition of the Tollway System, (iv) utility relocation issues, (v) hazardous materials, (vi) force majeure events, (vii) litigation, (viii) inflation, (ix) insurance coverage matters, (x) labor actions, or (xi) insolvency or bankruptcy of

contractors or other inability of contractors to perform during construction of the Move Illinois Program. As discussed under **“THE CAPITAL PROGRAM – The Move Illinois Program,”** the current estimated net cost to complete the Move Illinois Program is \$15.0 billion.

Delays in construction completion or the inability to acquire ROW could impact the collection of toll revenues on the affected portion of the Tollway System. The Traffic Engineers’ Report forecasts revenues based on the timely completion of projects. Actual revenues may differ from such forecasts, and the difference may be material. *See* **APPENDIX C – “TRAFFIC ENGINEERS’ REPORT.”**

Technological and Other Risk Factors

The Authority is dependent on technology to conduct general business operations, including toll collection and customer account services that depend on the ability to process, record and monitor a large number of electronic transactions generated by equipment that records transponder and license plate information on vehicles, which equipment is located throughout the Tollway System. *See* **“THE TOLLWAY – Toll Collections.”** If the Authority’s financial, accounting or other data processing systems fail or have other significant shortcomings, the Authority could be materially adversely affected. The Authority is similarly dependent on its employees and contractors. It could be materially adversely affected if one or more of its employees or contractors cause a significant operational breakdown or failure, either as a result of human error, purposeful sabotage or fraudulent manipulation of one or more systems. In addition, as the Authority changes processes or introduces new services, the Authority may not fully appreciate or identify new operational risks that may arise from such changes. Any of these occurrences could diminish the Authority’s ability to operate or result in potential liability.

The Authority may experience disruptions of its operating systems due to events that are wholly or partially beyond the Authority’s control, which may include, for example, security breaches; electrical or telecommunications outages; failures of computer servers or other damage to the Authority’s property or assets; natural disasters; a vendor’s operations become compromised, or the vendor goes out of business or is acquired by another entity; or events arising from local or larger scale political events, including terrorist acts. While the Authority believes that its current resiliency plans are both sufficient and adequate, there can be no assurance that such plans will fully mitigate all potential business continuity risks. Any failures or disruptions of the Authority’s systems or operations could cause reputational damage and/or give rise to losses or liability that may require the Authority to expend significant resources to correct the failure or disruption and/or expose the Authority to litigation or losses not covered by insurance.

Computer hacking, cyber-attacks or other malicious activities could disrupt Tollway System services. Further, security breaches such as leakage or loss of confidential or proprietary data and failure or disruption of information technology systems could materially and adversely affect the Authority’s reputation, which could lead to significant outlays and decreased performance that insurance may not cover.

Although the Authority devotes significant resources to maintaining and regularly upgrading its systems and processes designed to protect the security of its computer systems, software, networks and other technology assets and the confidentiality, integrity and availability of information belonging to its customers, there is no assurance that the Authority’s security measures will provide absolute security. These risks may increase in the future as the Authority continues to increase its mobile-payment and other internet-based applications both internally and externally.

In addition, the Authority is a member of a consortium of toll collection agencies from various states across the country that rely on technology to collect tolls, which technology is subject to similar risks. *See* **“THE TOLLWAY – Toll Collections.”**

Pension Expenses

As stated under **“THE AUTHORITY – Pension Plan,”** the Authority currently contributes to SERS based on the covered payroll of Authority employees. The Authority’s annual contributions to SERS have increased in recent years and may increase in the future, including as a result of increases to the employer contribution rate, legislative action by the State modifying the basis by which the Authority Contribution to SERS is determined and/or increases

to the amount of payroll. Such increases may have a material impact on the Authority's finances. The Authority is unable to quantify the extent of any such impact at this time.

The Authority's contributions to SERS are predominantly Operating Expenses of the Authority and, therefore, are paid from Revenues prior to the payment of debt service on Senior Bonds. See "**SECURITY AND SOURCES OF PAYMENT FOR THE 2024A BONDS – Flow of Funds.**" A sufficiently significant increase in the amount of the Authority's required contributions to SERS could result in the Authority having to reduce other Operating Expenses, raise toll rates or both.

Loss of Tax Exemption

As discussed under "**TAX MATTERS,**" interest on the 2024A Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the 2024A Bonds are issued, as a result of future acts or omissions of the Authority in violation of its covenants in the Tax Compliance Certificate and Agreement entered into in connection with the issuance of the 2024A Bonds or future Congressional actions.

IRS Bond Examinations

The tax-exempt bond office of the Internal Revenue Service ("**IRS**") conducts audits of tax-exempt bonds, both compliance checks and full audits, to determine whether, in the view of the IRS, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the IRS will commence any such audit. If an audit is commenced, under current procedures, the IRS may treat the Authority as a taxpayer, and the Owners of the 2024A Bonds may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the Authority could adversely affect the market value and liquidity of the 2024A Bonds, regardless of the ultimate outcome.

Legislative Action

Legislation is introduced from time to time in the Illinois General Assembly which, if adopted, could affect the Authority or the Tollway System. The Authority cannot predict whether any such bills will be enacted into law or how any such legislation may affect the Authority and its ability to meet its payment obligations under the Indenture and with respect to the 2024A Bonds. As described in Section 19 of the Act, the Authority currently is prohibited from collecting tolls from certain entities, and specific and limited public transportation entities are relieved of the obligation to pay tolls. The latter results in *de minimis* foregone revenue.

In 2022, the Illinois General Assembly enacted Public Act 102-1028, which tasks the Chicago Metropolitan Agency for Planning ("**CMAP**") with developing and submitting, by January 1, 2024, a report of legislative recommendations to the Governor and General Assembly regarding changes to the recovery ratio, sales tax formula and distributions, governance structures, regional fare systems, and any other changes to (i) State statute, (ii) the Regional Transportation Authority's ("**RTA**") enabling legislation, policy, rules, or funding, or (iii) the enabling legislation or policy, rules, or funding of the Board of the Commuter Rail Division of the RTA, the Board of the Suburban Bus Division of the RTA, or the Board of the Chicago Transit Authority, that will ensure the long-term financial viability of the Chicago region's transportation system. The Authority cannot predict whether CMAP's report, which was submitted December 7, 2023, will result in any proposed legislation concerning the Authority. Further, if any such legislation were enacted into law, the Authority cannot predict whether the legislation would survive legal challenge or how the legislation would impact the Authority.

LITIGATION

There is no litigation pending or, to the knowledge of the Authority, threatened in any court, (i) questioning the existence or organization of the Authority, the title of any of the present officers of the Authority to their respective offices, the validity of the 2024A Bonds or any other Authority bonds, seeking to restrain or enjoin the issuance or delivery of the 2024A Bonds or any other Authority bonds or questioning the power of the Authority to pledge Net Revenues in accordance with the terms of the Indenture that would have a material adverse effect on the financial condition of the Authority or the issuance of the 2024A Bonds, or (ii) questioning the power of the Authority to collect

tolls, fees, charges and rents or receive other Revenues or questioning the Authority's other powers that in either case would have a material adverse effect on the financial condition of the Authority or the issuance of the 2024A Bonds.

Lawsuits have been filed and are currently pending against the Authority, including claims for breach of contract, wrongful discharge, discrimination, workers' compensation, statutory violations, personal injury, property damage, adverse possession and unfair labor practices. In October 2022, the Authority's former chief administrative officer and former chief procurement officer filed a complaint against the Authority, its former chairman and the Authority's general counsel, alleging that the defendants violated Illinois' procurement code and the Authority's internal hiring practices and that because the plaintiffs resisted defendants' alleged actions, the plaintiffs were terminated for insubordination and job abandonment. *See Ross and Brookens v. Illinois State Toll Highway Authority, Willard Evans and Kathleen Pasulka-Brown*, Case No. 2022LA000936, filed October 24, 2022, in the Circuit Court of the Eighteenth Judicial District, DuPage County, Law Division. Although the Authority and its outside counsel believed that the defendants had good defenses and that plaintiffs' claims lacked a legal or factual basis, to avoid the anticipated expense of litigation and the uncertainty, delay and inconvenience of litigation, the parties agreed to settle the lawsuit. In accordance with the settlement, the lawsuit ultimately will be dismissed with prejudice. Neither the settlement of this lawsuit nor any other known legal claims now pending against the Authority will have a material adverse effect on the financial condition of the Authority.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization, issuance and sale of the 2024A Bonds are subject to the approving legal opinion of the Hardwick Law Firm, LLC, Chicago, Illinois as Bond Counsel ("**Bond Counsel**"), which has been retained by, and acts as, Bond Counsel to the Authority. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the 2024A Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Bond Counsel has, at the request of the Authority, reviewed only the information in this Official Statement involving the description of the 2024A Bonds and the Indenture, the security for the 2024A Bonds and the description of the federal tax exemption of interest on the 2024A Bonds, including **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."** This review was undertaken solely at the request and for the benefit of the Authority and did not include any obligation to establish or confirm factual matters set forth in this Official Statement. The opinion of Bond Counsel for the 2024A Bonds will be in substantially the form included in this Official Statement as **APPENDIX F**.

Certain legal matters in connection with the 2024A Bonds will be passed upon for the Authority by the Authority's General Counsel, and by the Authority's special counsel, Foley & Lardner LLP, Chicago, Illinois and for the Underwriters by their counsel, Kutak Rock LLP. The law firm representing the Underwriters was selected by the Authority, with the consent of the senior underwriters. Certain documents to which the Authority is a party will be approved as to form and constitutionality by the Attorney General of Illinois as *ex officio* attorney for the Authority.

For purposes of compliance with Rule 15c2-12 ("**Rule 15c2-12**") adopted by the United States Securities and Exchange Commission ("**SEC**") under the Securities Exchange Act of 1934 ("**1934 Act**"), this Official Statement constitutes an official statement of the Authority that has been deemed final by the Authority as of its date except for the omission of no more than the information permitted by Rule 15c2-12, as amended, and in effect on the date hereof.

RELATED PARTIES

In connection with the issuance of the 2024A Bonds, the Authority and the Underwriters are being represented by the law firms described under the caption "**APPROVAL OF LEGAL PROCEEDINGS**" above. In other transactions not related to the 2024A Bonds, each of these law firms may have acted as bond counsel or represented the Authority, the Underwriters or their affiliates, in capacities different from those currently served by such law firms in this transaction, and there will be no limitations imposed as a result of the issuance of the 2024A Bonds on the ability of any of these firms to act as bond counsel or represent any of these parties in future transactions. It should not be assumed that the Authority, the Underwriters, or their affiliates, their respective counsel or Bond Counsel has not previously engaged in, is not currently engaged in (as to matters unrelated to the 2024A Bonds) or will not, after the issuance of the 2024A Bonds, engage in other transactions with each other or with any affiliates of

them, and no assurances can be given that there are or will be no past or future relationship or transactions between or among any of these parties or law firms.

UNDERWRITING

RBC Capital Markets, LLC and Wells Fargo Bank, National Association, together acting as the representative, each on behalf of itself and on behalf of the other underwriters listed on the cover of this Official Statement (“**Underwriters**”), are expected to enter into a purchase contract with the Authority pursuant to which the Underwriters jointly and severally agreed, subject to certain customary conditions precedent to closing, to purchase the 2024A Bonds from the Authority at a purchase price of \$1,008,601,430.07 (representing the par amount of the 2024A Bonds, plus original issue premium of \$136,849,914.15 and less an Underwriters’ discount of \$1,958,484.08).

Under the purchase contract, the Underwriters will be obligated to purchase all the 2024A Bonds if any such 2024A Bonds are purchased. The 2024A Bonds may be offered and sold to certain dealers (including the Underwriters and other dealers depositing such Bonds into investment trusts) at prices lower than the initial offering prices, and the public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, asset management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Authority and to persons and entities with relationships with the Authority, for which they received or will receive customary fees and expenses. Under certain circumstances, the Underwriters and their respective affiliates may have certain creditor and/or other rights against the Authority in connection with such activities and services.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Authority. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Authority.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the 1934 Act.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group (“**WFBNA**”), one of the underwriters of the 2024A Bonds, has entered into an agreement (“**WFA Distribution Agreement**”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“**WFA**”), for the distribution of certain municipal securities offerings, including the 2024A Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the 2024A Bonds with WFA. WFBNA has also entered into an agreement (“**WFSLLC Distribution Agreement**”) with its affiliate Wells Fargo Securities, LLC (“**WFSLLC**”), for the distribution of municipal securities offerings, including the 2024A Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

Stern Brothers & Co., an Underwriter of the 2024A Bonds, has entered into agreements (“**Stern Brothers Agreement**”) each with InspereX LLC (“**InspereX**”) and Wedbush Securities Inc. (“**Wedbush**”) for the distribution of certain municipal securities offerings at the original issue price. Pursuant to each Stern Brothers Agreement, Stern

Brothers & Co. may sell the 2024A Bonds to each of InspereX and Wedbush and will share a portion of its selling concession compensation with each, if applicable.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account or for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority. The Underwriters and their respective affiliates also may communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and at any time may hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

MUNICIPAL ADVISORS

PFM Financial Advisors LLC and Backstrom McCarley Berry & Co., LLC (“**Co-Municipal Advisors**”) are each employed as a municipal advisor to the Authority in connection with the sale and issuance of the 2024A Bonds. The Co-Municipal Advisors each in its capacity as municipal advisor does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the 2024A Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Co-Municipal Advisors have provided the following sentence for inclusion in this Official Statement: The Co-Municipal Advisors have reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to the Authority and, as applicable, to investors under the federal securities laws, as applied to the facts and circumstances of this transaction, but the Co-Municipal Advisors do not guarantee the accuracy or completeness of such information.

TRAFFIC AND CONSULTING ENGINEERS

The sections of this Official Statement entitled “**THE TOLLWAY – Routes,**” “**THE CAPITAL PROGRAM – The Move Illinois Program,**” “**– Potential Additional Capital Projects,**” “**– Condition and Maintenance**” and “**– Renewal and Replacement Program and Improvement Program**” were prepared, in part, on the basis of information supplied by WSP USA Inc., Chicago, Illinois, the Consulting Engineers. **APPENDIX B** of this Official Statement was prepared by the Consulting Engineers in connection with the issuance of the Authority’s 2024A Bonds and contains information on the condition of the existing Tollway System, the history of the major improvement programs, projects in the Capital Program, and the projected needs of the Tollway System in terms of renewal and replacement deposits and future maintenance and operating costs for 2023 through 2032. Such projections are based upon certain assumptions made by the Consulting Engineers as set forth in their report. The report in **APPENDIX B** reflects the scope, cost and schedule of completion of the sub-projects that make up the Move Illinois Program, as developed by the Authority’s Program Management Office (“**PMO**”), which costs vary in detail based upon the stage of implementation of each sub-project as more fully described therein. The report provides the Consulting Engineers’ opinion on the reasonableness of the estimated cost of the Move Illinois Program as developed by the PMO. As stated in the report, market conditions and unforeseen events may affect the implementation and cost of the Capital Program and, on an annual basis, the Consulting Engineers’ recommendations for Renewal and Replacement Deposits will reflect consideration of any adjustments to the Capital Program by the Authority.

The sections of this Official Statement entitled “**THE TOLLWAY – Toll Rates,**” “**– Historical Toll Transactions and Toll Revenues,**” “**– Historical Net Operating Revenues,**” and “**THE CAPITAL PROGRAM – The Move Illinois Program**” were prepared, in part, on the basis of information supplied by the Traffic Engineers, CDM Smith Inc., Lisle, Illinois. **APPENDIX C** of this Official Statement was prepared by the Traffic Engineers in connection with the issuance of the 2024A Bonds and contains historical information regarding traffic and revenues and forecasts of future traffic and revenues of the Tollway System. The forecasts in **APPENDIX C** are based on assumptions made by the Traffic Engineers concerning future events and circumstances it believes are significant to the forecasts.

The achievement of any activity estimates, forecasts or projections of the Consulting Engineers and the Traffic Engineers may be affected by fluctuating economic and other market conditions and other factors, including, without limitation, impact of economic conditions on travel in general, including the cost of fuel, competition and price increases for labor and materials and other matters contained in the assumptions in such reports, and depends upon the occurrence of other future events that cannot be assured. Therefore, actual results may vary from the forecasts, estimates and projections, and such variations could be material. *See* “**CERTAIN RISK FACTORS – Forward Looking Statements; Traffic Engineers’ Report and Consulting Engineers’ Report.**”

RATINGS

The 2024A Bonds have been assigned ratings of: “AA-” (Stable Outlook) by Fitch Ratings, “Aa3” (Stable Outlook) by Moody’s Investors Service, Inc. and “AA-” (Stable Outlook) by S&P Global Ratings, Inc. Each rating reflects only the views of the rating agency. Any explanation of the significance of the ratings may be obtained only from the respective rating agencies. Certain information and materials concerning the 2024A Bonds, the Authority and the Tollway System, some of which have not been included in this Official Statement, were furnished to the rating agencies by the Authority and others. There is no assurance that any of the foregoing ratings will be maintained for any given period of time or that any of said ratings will not be lowered or withdrawn entirely. Any downward revision or withdrawal of any of the ratings may have an adverse effect on the prices at which the 2024A Bonds may be resold.

TAX MATTERS

The proposed form of opinion of Bond Counsel is contained in **APPENDIX F** to this Official Statement.

General

The Code contains a number of requirements and restrictions which apply to the 2024A Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of 2024A Bond proceeds and the facilities financed therewith, and certain other matters. The Authority has covenanted to comply with all requirements that must be satisfied in order for the interest on the 2024A Bonds to be excludable from gross income of the owners of the 2024A Bonds for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the 2024A Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the 2024A Bonds.

Subject to the Authority’s compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the 2024A Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and will not be treated as an item of tax preference in computing the federal alternative minimum tax for individuals. With respect to certain applicable corporations (as defined in Section 59(k) of the Code), generally a corporation (other than an S corporation, a regulated investment company or a real estate investment trust) having an average adjusted financial statement income exceeding \$1,000,000,000 over such corporation’s three preceding tax years, interest on tax-exempt bonds, such as interest on the 2024A Bonds, is taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on corporations for tax years beginning after December 31, 2022.

In rendering its opinion, Bond Counsel will rely upon certifications of the Authority with respect to certain material facts within the Authority’s knowledge. Bond Counsel also will rely upon the verification report of Robert Thomas CPA, LLC, as to the sufficiency of funds set aside for the redemption of the Refunded Bonds.

Ownership of the 2024A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise eligible for the earned income tax credit and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the 2024A Bonds should consult their tax advisors as to applicability of any such collateral consequences.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in law that may thereafter occur or become effective. The opinion of Bond Counsel expresses the professional judgment of Bond Counsel regarding the legal issues expressly addressed therein. By rendering its legal opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment of the transaction on which the opinion is rendered or of the future performance of the parties to the transaction. Nor does the rendering of the opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the 2024A Bonds, including proposals to eliminate or limit the exclusion of the interest on the 2024A Bonds from gross income. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the 2024A Bonds should consult their own tax advisors regarding any pending or proposed legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

Information reporting to the Internal Revenue Service will generally apply to payments of principal, interest and premium paid on the 2024A Bonds, and the proceeds paid on the sale of the 2024A Bonds, in a manner similar to payments of principal, interest and premium paid on taxable obligations. Interest on the 2024A Bonds may be subject to back-up withholding if such interest is paid to an owner that (i) fails to provide certain information (such as the owner's taxpayer identification number) in the manner required by the Internal Revenue Service or (ii) has been identified by the Internal Revenue Service as being subject to withholding.

Market Discount

If a 2024A Bond is purchased at any time for a price that is less than the 2024A Bond's Offering Price plus accrued original issue discount, if any, the purchaser may be treated as having purchased the 2024A Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such 2024A Bond. Purchasers should consult their own tax advisors regarding the potential implications of the market discount rules with respect to the 2024A Bonds.

Bond Premium

An amount equal to the excess of the purchase price of a 2024A Bond over the principal amount payable at maturity of such Bond constitutes amortizable bond premium that may not be deducted for federal income tax purposes. For purposes of determining gain or loss on the sale or other disposition of such 2024A Bond, the tax basis of each 2024A Bond is decreased by the amount of the bond premium that has been amortized. Bond premium is amortized by offsetting the interest on the 2024A Bond allocable to an accrual period with the bond premium allocable to the accrual period. The bond premium allocable to an accrual period is the excess of the interest on the 2024A Bond allocable to the accrual period over the product of the owner's adjusted acquisition price at the beginning of the accrual period and the owner's yield (determined on the basis of a constant yield over the term of the 2024A Bond). If the bond premium allocable to an accrual period exceeds the interest on the 2024A Bond allocable to the accrual period, the excess is a nondeductible loss for federal income tax purposes that reduces the owner's basis in such 2024A Bond.

Purchasers of any 2024A Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the federal, state and local consequences of owning such Bonds.

State and Local Taxes

Interest on the 2024A Bonds is not exempt from present Illinois income taxes. Ownership of the 2024A Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel will express no opinion with respect to any such other state and local tax consequences with respect to the 2024A Bonds. Prospective purchasers and owners of the 2024A Bonds should consult with their own tax advisors regarding any such state and local tax consequences arising with respect to the 2024A Bonds.

CONTINUING DISCLOSURE

The Authority will enter into a Continuing Disclosure Undertaking (“**Agreement**”) for the benefit of the Owners of the 2024A Bonds to provide certain information and notice of certain events to the Municipal Securities Rulemaking Board (“**MSRB**”) through its Electronic Municipal Market Access system for municipal securities disclosure (accessible at <http://emma.msrb.org/default.aspx>) (“**EMMA**”), in electronic format as prescribed by the MSRB for purposes of paragraph (b)(5) of Rule 15c2-12, or through such other format or system as may be prescribed by the MSRB for purposes of such paragraph (b)(5) of Rule 15c2-12. The events that will be subject to notices on an occurrence basis and a summary of other terms of the Agreement, including termination, amendment and remedies, are set forth below.

The Authority believes that it has materially complied with its previous undertakings under Rule 15c2-12 during the last five years.

A failure by the Authority to comply with the Agreement will not constitute a default under the Indenture, and Owners of the 2024A Bonds are limited to the remedies described in the Agreement. *See* “**CONTINUING DISCLOSURE – Consequences of Failure of the Authority to Provide Information**” below. A failure by the Authority to comply with the Agreement must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2024A Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2024A Bonds and their market price.

The following is a brief summary of certain provisions of the Agreement and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Agreement, a copy of which is available upon request from the Underwriters.

Annual Report

The Authority will, not later than ten months after the end of each Fiscal Year, provide to the MSRB through EMMA an Annual Report. Notwithstanding the foregoing, the audited Financial Statements of the Authority prepared in accordance with generally accepted accounting principles (“**GAAP Statements**”) may be submitted separately from the balance of the Annual Report when such GAAP Statements are available. In the event GAAP Statements are not included with the Annual Report and will be submitted at a later date, the Authority will include unaudited financial information in the Annual Report and will indicate in the Annual Report the date on which it expects to submit the GAAP Statements. If the Annual Report (or GAAP Statements which were to be separately submitted) is not available by the date required above, the Authority will send a notice to EMMA or through any other electronic format or system prescribed by the MSRB that the Annual Report (or GAAP Statements) has not been filed.

The Authority’s Annual Report will contain or incorporate by reference the following:

- (a) Operating data and other information regarding the Authority for the prior Fiscal Year of the same type as included in Tables One through Five under the caption “**THE TOLLWAY**” and Table Six under the caption “**THE CAPITAL PROGRAM**” in this Official Statement; and
- (b) GAAP Statements for the prior Fiscal Year.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements for debt issues with respect to which the Authority is an “obligated person” (as defined by Rule 15c2-12), which have been filed with the MSRB or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Authority shall clearly identify each such other document so incorporated by reference.

Events Notification

The Authority covenants that within ten business days after the occurrence of a “Reportable Event” (as described below), it will disseminate to the MSRB in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB, the disclosure of the occurrence of the Reportable Event. Certain Reportable Events are required to be disclosed only to the extent that the Reportable Event is material, as materiality is interpreted under the 1934 Act. “**Reportable Events,**” certain of which may not be applicable to the 2024A Bonds, are:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2024A Bonds, or other material events affecting the tax status of the 2024A Bonds;
7. modifications to rights of Bondholders, if material;
8. 2024A Bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution or sale of property securing repayment of the 2024A Bonds, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the Authority (such a Reportable Event will be considered to have occurred in the following instances: (i) the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority; (ii) if the jurisdiction of the Authority has been assumed by leaving the Authority and the Authority’s officials or officers in possession but subject to the supervision and orders of a court or governmental authority; or (iii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority);
13. the consummation of a merger, consolidation or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a financial obligation* of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation of the Authority, any of which affect Bondholders, if material; and
16. default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of the Authority, any of which reflect financial difficulties.

Consequences of Failure of the Authority to Provide Information

The Authority agrees in the Agreement to give notice in a timely manner to the MSRB of any failure to provide disclosure of the Annual Report when the same is due under the Agreement.

In the event of a failure of the Authority to comply with any provision of the Agreement, the Owner of any 2024A Bond may seek mandamus or specific performance by court order to cause the Authority to comply with its obligations under the Agreement. A failure to comply under the Agreement shall not be deemed a default under the Indenture, and the sole remedy under the Agreement in the event of any failure of the Authority to comply with the Agreement shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of the Agreement, the Authority may amend the Agreement, and any provision of the Agreement may be waived if:

- (1) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Authority or type of business conducted;
- (2) The Agreement, as amended, or the provision, as waived, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any change in circumstances; and
- (3) The amendment or waiver does not materially impair the interests of the Owners of the 2024A Bonds, as determined by parties unaffiliated with the Authority (such as the Trustee or Bond Counsel) at the time of the amendment.

Termination of Agreement

The Agreement shall be terminated if the Authority shall no longer have any legal liability for any obligation on or relating to repayment of the 2024A Bonds under the Indenture. For the avoidance of doubt, the Agreement shall be terminated upon the defeasance of all of the 2024A Bonds. The Authority shall give notice to EMMA or through any other electronic format or system prescribed by the MSRB in a timely manner if this paragraph is applicable.

Additional Information

Nothing in the Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in the Agreement or any other means of communication, or including any other information in any notice of occurrence of a Reportable Event, in addition to that which is required by the Agreement. If the Authority chooses to include any information in any notice of occurrence of a Reportable

* The term "financial obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

Event in addition to that which is specifically required by the Agreement, the Authority shall have no obligation under the Agreement to update such information or include it in any future notice of occurrence of a Reportable Event.

Dissemination Agent

The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

LEGALITY FOR INVESTMENT

Under the Act, the 2024A Bonds are eligible in the State of Illinois for investment of sinking funds, moneys or other funds belonging to or within the control of banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, insurance associations, executors, administrators, guardians, trustees and other fiduciaries, municipal corporations, political subdivisions, public bodies and public officers thereof.

FINANCIAL STATEMENTS

The financial statements of the Authority at December 31, 2022 and for the year then ended, included in **APPENDIX A** of this Official Statement, have been audited by CliftonLarsonAllen LLP, independent auditors as set forth in their report thereon relating to such years appearing in **APPENDIX A** to this Official Statement.

The Authority has neither requested nor obtained any consent from the auditors to include the audited financial statements as an appendix to this Official Statement. CliftonLarsonAllen LLP has not been engaged to perform and has not performed, since the date of its report included in this Official Statement, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this Official Statement.

ACCOUNTING AND INVESTMENT PRACTICES

Audited financial statements of the Authority conforming to generally accepted accounting principles at December 31, 2022 and for the year then ended are included in this Official Statement in **APPENDIX A**.

The Authority's permitted investments are governed by the provisions of the Indenture. *See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – DEFINITIONS – Investment Securities."* *See also* Note 2 to Notes to Financial Statements included in **APPENDIX A** to this Official Statement for a description of the Authority's investments at December 31, 2022.

MISCELLANEOUS

The financial data and other information contained in this Official Statement have been obtained from the Authority's records, audited financial statements and other sources that are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained in this Official Statement will be realized.

The summaries or descriptions of provisions of the Act, the Indenture, the 2024A Bonds and all references to other materials not purporting to be quoted in full are only brief outlines of certain of their provisions, are qualified in their entirety by reference to the complete documents relating to such matters and are subject to the full texts thereof.

The authorization, agreements and covenants of the Authority are set forth in the Indenture, and neither this Official Statement nor any advertisement of the 2024A Bonds is to be construed as a contract with the owners of the 2024A Bonds.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or

links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of and as that term is defined in Rule 15c2-12.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not expressly so identified, are intended merely as such and not as representations of fact.

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AUTHORIZATION

The Authority has duly authorized the use and distribution of this Official Statement and the execution and delivery of this Official Statement by its Chairman and Chief Executive Officer.

**THE ILLINOIS STATE TOLL HIGHWAY
AUTHORITY**

By: /s/ Arnaldo Rivera
Chairman and Chief Executive Officer

APPENDIX A

FINANCIAL STATEMENTS

Audited Financial Statements for Fiscal Year Ended December 31, 2022

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THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois

FINANCIAL AUDIT

For the Year Ended December 31, 2022

Performed as Special Assistant Auditors
for the Auditor General, State of Illinois



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://www.CLAconnect.com)

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
FINANCIAL AUDIT
For the Year Ended December 31, 2022

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THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
FINANCIAL AUDIT
For the Year Ended December 31, 2022

Illinois Tollway Officials and Financial Staff

Executive Director	Jose R. Alvarez (until 3/14/2022)
Interim Executive Director	Lanyea Griffin (effective 4/1/2022 until 8/25/2022)
Executive Director	Cassandra Rouse (effective 8/26/2022)
Chief Operating Officer	Cassandra Rouse (until 8/25/2022) Jeffrey Donoghue (effective 11/17/2022)
Chief Financial Officer	Cathy R. Williams
Controller	Patricia Pearn
General Counsel	Kathleen Pasulka-Brown

Illinois Tollway Board Members

Governor, State of Illinois	JB Pritzker -Ex-Officio
Secretary, Illinois Dept. of Transportation	Omer Osman – Ex-Officio
Chairman	Willard S. Evans, Jr. (until 2/18/2022) Dorothy Abreu (effective 2/18/2022)*
Vice Chairman	James Connolly*
Board Member	Stephen Davis (until 4/1/2022) Vacant (effective 4/1/2022)
Board Member	Alice Gallagher (until 3/21/2023)*
Board Member	Karen McConnaughay
Board Member	Scott Paddock
Board Member	Gary Perinar
Board Member	James Sweeney*
Board Member	Jacqueline Gomez*

*See Note 20 - Subsequent Events in the Notes to the Financial Statements.

Tollway's Central Administrative offices are located at:

2700 Ogden Avenue
Downers Grove, Illinois 60515

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
FINANCIAL AUDIT
For the Year Ended December 31, 2022

Financial Statement Report

Summary

The audit of the accompanying financial statements of the Illinois State Toll Highway Authority (the Tollway) was performed by CliftonLarsonAllen LLP, as special assistant auditors to the Illinois Office of the Auditor General.

Based on their audit, the auditors expressed an unmodified opinion on the Tollway’s basic financial statements.

Summary of Findings

The auditors identified two matters involving the Tollway’s internal controls over financial reporting that they considered to be a significant deficiency and a material weakness. Further, the auditors identified one noncompliance issue.

Exit Conference

The Tollway waived an exit conference in correspondence from Patricia Pearn, Controller, on October 12, 2023. The responses to the recommendations were provided by Patricia Pearn, Controller, in correspondences dated June 27, 2023 and October 23, 2023 for recommendation 2022-001 and 2022-002 respectively.

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	2	4
Repeated Findings	None	2
Prior Recommendations Implemented or Not Repeated	4	2

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
<u>Current Finding</u>				
2022-001	78	New	Inadequate Internal Controls over Intergovernmental Agreements	Significant Deficiency and Noncompliance
2022-002	80	New	Inadequate Internal Controls over the Financial Reporting of Other Post-Employment Benefits	Material Weakness
<u>Prior Findings Not Repeated</u>				
A	82	2021/2021	Failure to Implement Controls to Comply with a Communication Letter Requirement	
B	82	2021/2021	Inadequate Internal Controls over the Estimated Benefits of Future Retirees	
C	82	2021/2020	Need to Enhance Relationship with the Illinois State Police	
D	82	2021/2020	Noncompliance with the State Employees Group Insurance Act of 1971	



INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General, State of Illinois

and

Board of Directors
The Illinois State Toll Highway Authority

Report on the Audit of the Financial Statements

Opinion

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the business-type activities of the Illinois State Toll Highway Authority (the Tollway), a component unit of the State of Illinois, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Tollway's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Illinois State Toll Highway Authority as of December 31, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tollway, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tollway's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Honorable Frank J. Mautino
Auditor General, State of Illinois
and
Board of Directors
The Illinois State Toll Highway Authority

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of the Tollway's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tollway's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Honorable Frank J. Mautino
Auditor General, State of Illinois
and
Board of Directors
The Illinois State Toll Highway Authority

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information in Schedules 1 through 3 as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Tollway's basic financial statements. The accompanying supplementary information in Schedules 4 and 5 and the notes to the trust indenture basis schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, Schedules 4 and 5 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with GAAS, the basic financial statements of the Tollway as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated September 29, 2022 which contained an unmodified opinion on the basic financial statements. The supplementary information in Schedules 4 and 5 for the year ended December 31, 2021, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, Schedules 4 and 5 for the year ended December 31, 2021, are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2021.

Honorable Frank J. Mautino
Auditor General, State of Illinois
and
Board of Directors
The Illinois State Toll Highway Authority

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Tollway Officials and Schedules 6 through 11, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2023, with the exception of Finding 2022-002 as to which the date is October 26, 2023, on our consideration of the Tollway's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tollway's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tollway's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Oak Brook, Illinois
July 12, 2023, with the exception of Note 21 as to which the date is October 26, 2023

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois
Management's Discussion and Analysis
For the Year Ended December 31, 2022

This section offers readers a discussion and analysis of the financial performance of the Illinois State Toll Highway Authority (the Tollway), provides an overview of its financial activities, and identifies changes in the Tollway's financial position as of and for the year ended December 31, 2022. Readers should use this section of this report in conjunction with the Tollway's basic financial statements.

Financial Highlights

- In August 2011, the Tollway's Board of Directors approved a \$12.2 billion capital program, called "*Move Illinois: the Illinois Tollway Driving the Future*", which defined a program of infrastructure investments to be made by the Tollway in 2012 through 2026.
- In April 2017, the Tollway's Board of Directors approved a modification of the "*Move Illinois*" capital program, increasing the funding by \$2.1 billion, to \$14.3 billion, to provide for enhancements to the central portion of the Tri-State Tollway (Central Tri-State).
- To help fund the capital outlays approved for "*Move Illinois*," the Tollway Board set new toll rates for passenger vehicles using the Tollway system and these higher rates were effective January 1, 2012. The Tollway also affirmed a previously approved increase in commercial vehicle toll rates which was phased in over 2015-2017, with a Consumer Price Index adjustment applied beginning January 1, 2018, and annually each January 1st thereafter.
- A total of \$4.3 billion of revenue bonds have been issued since 2013 to fund the capital program.
- During 2022, construction and professional engineering services contracts with a combined value of \$1.1 billion were awarded under this program, bringing total "*Move Illinois*" contract awards to date to \$10.5 billion.
- In 2020, the Tollway implemented a series of tolling reforms under the name "TOLLING 2020" to provide: (i) an amnesty offer of significantly reduced fines for outstanding violations in notices dated before March 9, 2020, to the extent paid by December 31, 2020 (such deadline subsequently extended to June 30, 2022); (ii) relief from fines during March 9 – June 25, 2020, the first 3 ½ months of the COVID-19 pandemic; and (iii) an invoicing program effective June 25, 2020, significantly reducing initial costs associated with unpaid tolls to the extent such unpaid tolls are paid within 90 days.
- The Tollway's toll revenue totaled \$1.3 billion for 2022, which was comparable to the 2021 toll revenue of \$1.3 billion. The 2019 pre-pandemic toll revenue was \$1.4 billion.
- Amounts on deposit on behalf of I-PASS account holders remained fairly stable at \$210.1 million; approximately 87.2% of toll transactions are paid via I-PASS.

Basic Financial Statements

The Tollway accounts for its operations and financial transactions in a manner similar to that used by private business enterprises: the accrual basis of accounting. In these statements, revenue is recognized in the period in which it is earned, and an expense is recognized in the period in which it is incurred, regardless of the timing of its related cash flow.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Management's Discussion and Analysis
For the Year Ended December 31, 2022

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Tollway's basic financial statements. For each fiscal year, the Tollway's basic financial statements are comprised of the following:

- Statement of net position
- Statement of revenues, expenses and changes in net position
- Statement of cash flows
- Notes to the financial statements

The statement of net position presents information on all of the Tollway's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these items reported as net position. Increases or decreases in net position, over time, may serve as a useful indicator of whether the financial position of the Tollway is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents revenue and expense information and the change in the Tollway's net position during the measurement period as a result of these transactions.

The statement of cash flows presents sources and uses of cash for the fiscal year, displayed in the following categories: cash flows from operating activities, cash flows from capital and related financing activities, and cash flows from investing activities.

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. They are an integral part of the basic financial statements.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois
Management's Discussion and Analysis
For the Year Ended December 31, 2022

Financial Analysis

2022 Results Compared to 2021

Operating Revenue

The Tollway's 2022 operating revenues, totaling \$1.6 billion, increased \$94.7 million, or 6.5%, from the previous year. This increase was mainly attributable to a continued increase in the missed toll invoices issued under the Tolling 2020 initiative. In 2022, toll revenue totaled \$1.3 billion, slightly higher than 2021, posting an increase of \$44.2 million, or 3.4%. Revenue from toll evasion recovery increased to \$198.6 million (from \$147.0 million), due in part to an increased rate of unpaid tolls caused by the suspension of cash payment options, (in response to risks posed by the pandemic), an amnesty offers which incentivized payment of unpaid tolls and related fines, which was extended until June 30, 2022, and impacts of the Tolling 2020 invoicing program implemented effective June 25, 2020.

Concession revenue declined in 2022, due to the closure of the Hinsdale oasis pavilion in 2021 and the implementation of GASB 87 in 2022.

Operating Expenses

Operating expenses, excluding depreciation and the OPEB adjustment, increased in 2022, to \$367.8 million (2.5%) from \$358.8 million in 2021. This was due to an increase in parts and fuel expense and group health insurance claim, offset by reductions in other categories of expense.

Depreciation and amortization expense increased by 2.7% to \$531.8 million, from \$518.0 million, in 2021. As further discussed in the Notes to the Financial Statements, there was a substantial adjustment to the portion of the State's unfunded OPEB liability and related deferred outflows and inflows allocated to the Tollway. This resulted in an OPEB expense recovery, reported as a negative operating expense of \$ 70.1 million in 2022. The resulting net operating income for the year, \$725.0 million, increased by \$141.9 million, or 24.3%, from the previous year.

Nonoperating Revenues (Expenses)

Nonoperating revenue increased by \$15.9 million, due to increased investment returns on funds on deposit. Again, this year the Tollway earned interest rebates from the U.S. Department of the Treasury relating to bonds which were issued as Build America Bonds. The 2022 rebates totaled \$13.6 million, substantially the same as 2021.

Nonoperating expenses increased by \$19.4 million, due to increased interest and amortization of financing costs.

The net nonoperating expenses increased this year by 1.2% from \$283.5 million in 2021 to \$286.9 million for 2022, due to the variances noted above.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Management's Discussion and Analysis
For the Year Ended December 31, 2022

Summary of Changes in Net Position

	2022	2021
REVENUES:		
Operating revenues:		
Toll revenue	\$ 1,336,521,453	\$ 1,292,369,818
Toll evasion recovery	198,557,196	147,047,083
Concessions	47,206	1,428,418
Miscellaneous	19,354,183	18,958,584
Nonoperating revenues:		
Investment income	25,763,738	2,369,299
Revenues under intergovernmental agreements	12,165,554	16,788,171
Bond interest subsidy (Build America Bonds)	13,571,260	13,631,459
Total revenues	1,605,980,590	1,495,390,463
EXPENSES:		
Operating expenses:		
Engineering and maintenance of roadway and structures	97,184,463	95,505,236
Services and toll collection	104,444,385	111,972,566
Traffic control, safety patrol, and radio communications	39,868,397	39,198,099
Procurement, IT, finance and administration	126,274,149	112,106,816
Depreciation & Amortization	531,791,165	517,961,956
OPEB expense recovery	(70,076,140)	-
Nonoperating expenses:		
Expenses under intergovernmental agreements	12,165,554	16,788,171
Net loss on disposal of property	8,852,072	-
Miscellaneous	360	360
Interest expense and amortization of financing costs	317,432,443	302,266,746
Total expenses	1,167,936,848	1,195,799,950
Increase in net position	438,043,742	299,590,513
Net position, beginning of year	3,369,186,827	3,069,596,314
Net position, end of year	\$ 3,807,230,569	\$ 3,369,186,827

Changes in Net Position

Net operating income increased in 2022 by \$141.9 million to \$725.0 million. After deducting this year's net nonoperating expense of \$286.9 million, the Tollway posted an increase in net position for the year of \$438.0 million compared to \$299.6 million increase in net position for 2021. After this year's result, the Tollway's net position totaled \$3.8 billion.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Management's Discussion and Analysis
For the Year Ended December 31, 2022

Summary of Net Position

	December 31,	
	2022	2021
ASSETS		
Current and other assets	\$ 2,187,729,143	\$ 2,572,178,111
Capital assets - net	11,428,334,950	10,856,252,664
Total Assets	13,616,064,093	13,428,430,775
DEFERRED OUTFLOWS OF RESOURCES		
Net loss on bond refundings	185,093,466	210,400,641
Pension related	80,501,400	85,294,102
OPEB related	34,557,533	58,786,704
Total Deferred Outflows of Resources	300,152,399	354,481,447
LIABILITIES		
Current debt outstanding	45,925,000	145,415,000
Long-term debt outstanding	7,743,586,021	7,848,500,054
Other liabilities	1,857,921,836	2,182,283,017
Total Liabilities	9,647,432,857	10,176,198,071
DEFERRED INFLOWS OF RESOURCES		
Pension related	117,009,877	81,857,407
OPEB related	326,726,917	155,669,917
Lease related	17,816,272	-
Total Deferred Inflows of Resources	461,553,066	237,527,324
NET POSITION		
Net investment in capital assets	3,473,668,882	3,285,662,964
Restricted under trust indenture agreements	518,315,612	518,593,642
Unrestricted	(184,753,925)	(435,069,779)
Total Net Position	\$ 3,807,230,569	\$ 3,369,186,827

Statement of Net Position

The Tollway's capital assets of \$11.4 billion consisting of land, buildings, infrastructure, and equipment, constitutes 79.8% of total assets and deferred outflows of resources. The largest liabilities are revenue bonds totaling \$7.8 billion, (inclusive of unamortized premiums/discounts), net pension liability and related deferred inflows of \$896.9 million and net other postemployment benefits (OPEB) liability and related deferred inflows of \$555.3 million, which together constitute 91.4% of total liabilities and deferred inflows of resources.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Management's Discussion and Analysis
For the Year Ended December 31, 2022

The restricted net position balance, totaling \$518.3 million, consists of resources subject to external restrictions or legislation as to their use. The remaining portion, unrestricted net position, represents the resources available to be used at the Tollway's discretion.

The Tollway's assets increased by 1.4% to \$13.6 billion, from \$13.4 billion at December 31, 2021. This increase was mainly due to an increase in capital assets.

Total liabilities decreased by 5.2% to \$9.6 billion, from \$10.2 billion at December 31, 2021. This decrease was mainly due to a reduction in the Tollway's allocated share of the State's net pension and OPEB liabilities and payment of principal on outstanding bonds. There were no additional bonds issued in 2022.

Capital Assets and Debt Administration

Capital Assets

Capital assets continue to represent the largest category of Tollway assets, totaling \$11.4 billion at year-end (\$10.9 billion at 12/31/2021) comprising 79.8% of total Tollway assets and deferred outflows of resources. As the Tollway continues the "Move Illinois" capital program to expand and rebuild the Tollway system, land and infrastructure assets continue to increase. See the accompanying Notes to the Financial Statements – Notes 1(h), 5 and 6 – for further information about capital assets.

CAPITAL ASSETS
2022 and 2021

	January 1, 2022		2022		2022		December 31, 2022
	Net Balance		Net Activity		Depreciation		Net Balance
Land	\$ 999,292,122	\$	33,775,733	\$	-	\$	1,033,067,855
Construction in progress	2,056,602,761		230,543,227		-		2,287,145,988
Buildings	12,561,040		9,003,483		(1,478,686)		20,085,837
Temporary Easement	3,591,061		1,069,903		(342,480)		4,318,484
Infrastructure	7,581,624,040		703,465,411		(396,793,738)		7,888,295,713
Machinery and equipment	202,581,640		24,709,369		(32,205,362)		195,085,647
Lease Asset	-		738,157		(402,731)		335,426
Total	<u>\$ 10,856,252,664</u>	<u>\$</u>	<u>1,003,305,283</u>	<u>\$</u>	<u>(431,222,997)</u>	<u>\$</u>	<u>11,428,334,950</u>
	January 1, 2021		2021		2021		December 31, 2021
	Net Balance		Net Activity		Depreciation		Net Balance
Land	\$ 893,400,822	\$	105,891,300	\$	-	\$	999,292,122
Construction in progress	1,510,647,803		545,954,958		-		2,056,602,761
Buildings	26,978,583		(13,666,580)		(750,963)		12,561,040
Temporary Easement	2,761,424		1,565,835		(736,198)		3,591,061
Infrastructure	7,515,220,188		416,793,501		(350,389,649)		7,581,624,040
Machinery and equipment	215,511,881		18,494,885		(31,425,126)		202,581,640
Total	<u>\$ 10,164,520,701</u>	<u>\$</u>	<u>1,075,033,899</u>	<u>\$</u>	<u>(383,301,936)</u>	<u>\$</u>	<u>10,856,252,664</u>

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois
Management's Discussion and Analysis
For the Year Ended December 31, 2022

Long-Term Debt

At year-end 2022, as compared to year-end 2021, the long-term portion of revenue bonds payable, inclusive of total unamortized original issue premium, declined by \$104.9 million, from \$7,848.5 million to \$7,743.6 million. This decline resulted from \$45.9 million of revenue bonds becoming currently payable during 2022 and \$59.0 million of original issue premium being amortized during 2022.

All Tollway bonds outstanding as of December 31, 2022, were issued under the Amended and Restated Trust Indenture effective as of March 31, 1999, amending and restating a Trust Indenture dated as of December 1, 1985 (as amended, restated, and supplemented, the Trust Indenture) from the Tollway to The Bank of New York Mellon Trust Company, N.A., as successor Trustee (the Trustee). The Trustee serves as a fiduciary for bondholders. The amount of additional senior bonds that the Tollway may issue at any time is limited by the Trust Indenture requirement that the projected Net Revenues are sufficient to meet the estimated Net Revenue Requirement for each full fiscal year through five years after the date the project being financed is estimated to be placed in service, after giving effect to the debt service attributable to such additional senior bonds. The Net Revenue Requirement is the amount necessary to cure deficiencies, if any, in the debt service and debt reserve accounts established under the Trust Indenture, plus the greater of (i) the sum of Aggregate Debt Service on Senior Bonds, the Junior Bond Revenue Requirement, and the Renewal and Replacement Deposit for such period, and (ii) 1.3 times the Aggregate Debt Service on Senior Bonds for such period (all capitalized terms as defined in the Trust Indenture). Under the terms of the Trust Indenture the revenue bond debt service coverage ratio for 2022 was 2.43.

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The following table lists, as of December 31, 2022, the Tollway's bond series and the current and noncurrent principal amounts outstanding. Amounts presented in this table do not include any unamortized original issue premiums associated with such bonds.

Revenue bonds payable	December 31, 2022		
	Noncurrent	Current	Total
Issue of 2009 Series A	\$ 400,000,000	\$ -	\$ 400,000,000
Issue of 2009 Series B	280,000,000	-	280,000,000
Issue of 2013 Series A	500,000,000	-	500,000,000
Issue of 2014 Series B	500,000,000	-	500,000,000
Issue of 2014 Series C	400,000,000	-	400,000,000
Issue of 2014 Series D	140,935,000	30,890,000	171,825,000
Issue of 2015 Series A	400,000,000	-	400,000,000
Issue of 2015 Series B	400,000,000	-	400,000,000
Issue of 2016 Series A	333,060,000	-	333,060,000
Issue of 2016 Series B	300,000,000	-	300,000,000
Issue of 2017 Series A	300,000,000	-	300,000,000
Issue of 2018 Series A	455,540,000	12,900,000	468,440,000
Issue of 2019 Series A	300,000,000	-	300,000,000
Issue of 2019 Series B	225,245,000	-	225,245,000
Issue of 2019 Series C	693,735,000	2,135,000	695,870,000
Issue of 2020 Series A	500,000,000	-	500,000,000
Issue of 2021 Series A	700,000,000	-	700,000,000
Total revenue bonds payable	\$ 6,828,515,000	\$ 45,925,000	\$ 6,874,440,000

Factors Impacting Future Operations

During 2022, the Tollway continued to progress on the “*Move Illinois*” capital program. Land acquisition, design and construction work continued for the Elgin-O’Hare Western Access Project and for the widening of the Central Tri-State Tollway. The Tollway forecasts approximately 67.5% of the “*Move Illinois*” Program’s total remaining costs are expected to be funded by revenue.

Contacting the Tollway’s Financial Management

This financial report is designed to provide our customers, bondholders, employees and other stakeholders with an overview of the Tollway’s finances and to demonstrate the Tollway’s accountability for the funds it receives and deploys. Questions concerning this report or requests for additional financial information should be directed to the Controller, The Illinois State Toll Highway Authority, 2700 Ogden Avenue, Downers Grove, Illinois 60515.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Statement of Net Position
December 31, 2022

	2022
Assets	
Current assets:	
Current unrestricted assets:	
Cash and cash equivalents	\$ 976,756,176
Accounts receivable, less allowance for doubtful accounts of \$672,068,470	134,691,122
Intergovernmental receivables	53,629,272
Accrued interest receivable	2,902,388
Risk management cash and cash equivalents	16,793,868
Prepaid expenses	8,055,542
Lease Receivable	2,618,775
Total current unrestricted assets	1,195,447,143
Current restricted assets:	
Cash and cash equivalents - debt service	214,004,135
Cash and cash equivalents - I-PASS accounts	210,091,950
Prepaid expenses restricted for debt service	206,897
Accrued interest receivable	2,869,771
Total current restricted assets	427,172,753
Total current assets	1,622,619,896
Noncurrent unrestricted assets:	
Capital assets:	
Land, improvements and construction in progress	3,320,213,843
Other capital assets, net of accumulated depreciation/amortization	8,108,121,107
Total capital assets	11,428,334,950
Other noncurrent unrestricted assets:	
Intergovernmental receivable less current portion	83,289,633
Prepaid expenses less current portion	5,519,898
Lease Receivable less current portion	15,492,861
Total noncurrent unrestricted assets	104,302,392
Noncurrent restricted assets:	
Cash and cash equivalents - debt reserve	2,944,786
Investments - debt reserve	456,000,000
Prepaid expenses - debt reserve	1,862,069
Total noncurrent restricted assets	460,806,855
Total assets	13,616,064,093
Deferred Outflows of Resources	
Net loss on bond refundings	185,093,466
Deferred outflows of resources - Pension related	80,501,400
Deferred outflows of resources - OPEB related	34,557,533
Total deferred outflows of resources	\$ 300,152,399

See accompanying notes to the financial statements.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
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Statement of Net Position
December 31, 2022

Liabilities

	2022
Current liabilities:	
Payable from unrestricted current assets:	
Accounts payable	\$ 11,972,305
Accrued liabilities	238,696,435
Accrued compensated absences	8,800,000
Intergovernmental agreement payable	80,650,021
Risk management claims payable	5,989,644
Deposits and retainage	93,131,311
Unearned revenue, net of accumulated amortization of \$1,827,383	431,074
Net OPEB liability - current	10,089,766
Lease Liabilities	345,443
Total current liabilities payable from unrestricted current assets	450,105,999
Payable from current restricted assets:	
Current portion of revenue bonds payable	45,925,000
Accrued interest payable	159,572,046
Deposits and unearned revenue – I-PASS accounts	210,091,950
Total current liabilities payable from current restricted assets	415,588,996
Total current liabilities	865,694,995
Noncurrent liabilities:	
Revenue bonds payable, less current portion	7,743,586,021
Accrued compensated absences	1,723,374
Risk management claims payable	12,408,796
Net pension liability	779,868,174
Net OPEB liability, less current portion	218,511,738
Unearned revenue, net of accumulated amortization of \$14,677,378	25,639,759
Total noncurrent liabilities	8,781,737,862
Total liabilities	9,647,432,857
Deferred Inflows of Resources	
Deferred inflows of resources - Pension related	117,009,877
Deferred inflows of resources - OPEB related	326,726,917
Deferred inflows of resources - Lease related	17,816,272
Total deferred inflows of resources	461,553,066
Net Position	
Net position:	
Net investment in capital assets	3,473,668,882
Restricted under the Trust Indenture	518,315,612
Unrestricted	(184,753,925)
Total net position	\$ 3,807,230,569

See accompanying notes to the financial statements.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2022

		2022
Operating revenues:		
Toll revenue	\$	1,336,521,453
Toll evasion recovery		198,557,196
Concessions		47,206
Miscellaneous		19,354,183
		1,554,480,038
Total operating revenues		1,554,480,038
Operating expenses:		
Engineering and maintenance of roadway and structures		97,184,463
Services and toll collection		104,444,385
Traffic control, safety patrol and radio communications		39,868,397
Procurement, IT, finance and administration		126,274,149
Depreciation and amortization		531,791,165
OPEB expense recovery		(70,076,140)
		829,486,419
Total operating expenses		829,486,419
Operating income		724,993,619
Nonoperating revenues (expenses):		
Revenues under intergovernmental agreements		12,165,554
Expenses under intergovernmental agreements		(12,165,554)
Net Gain/(Loss) on disposal of property		(8,852,072)
Interest (expense) and amortization of financing costs		(317,432,443)
Bond interest subsidy (Build America Bonds)		13,571,260
Miscellaneous revenue (expense)		(360)
Investment income		25,763,738
		(286,949,877)
Total nonoperating revenues (expenses), net		(286,949,877)
Change in net position		438,043,742
Net position, beginning of year		3,369,186,827
Net position, end of year	\$	3,807,230,569

See accompanying notes to the financial statements.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois

Statement of Cash Flows

For the Year Ended December 31, 2022

	<u>2022</u>
Cash flows from operating activities:	
Cash received from sales and services	\$ 1,505,887,175
Cash payments to suppliers	(230,848,282)
Cash payments to employees	(185,751,533)
Net cash provided by operating activities	<u>1,089,287,360</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(1,111,771,143)
Cash received relate to capital assets	11,398,497
Proceeds from sale of property	19,716,698
Principal paid on revenue bonds	(145,415,000)
Bond subsidy (Build America Bonds)	13,571,260
Interest expense and issuance costs paid on revenue bonds	(337,802,550)
Net cash (used in) capital and related financing activities	<u>(1,550,302,238)</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	525,839,290
Purchase of investments	(481,881,000)
Interest on investments	20,024,700
Net cash provided by investing activities	<u>63,982,990</u>
Net (decrease) increase in cash and cash equivalents	(397,031,888)
Cash and cash equivalents at beginning of year	<u>1,817,622,803</u>
Cash and cash equivalents at end of year	<u>\$ 1,420,590,915</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents	\$ 976,756,176
Risk management reserved cash and cash equivalents	16,793,868
Cash and cash equivalents restricted for debt service and debt reserve	216,948,921
Cash and cash equivalents – I-PASS accounts	210,091,950
Total cash and cash equivalents at end of year	<u>\$ 1,420,590,915</u>

See accompanying notes to the financial statements.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois

Statement of Cash Flows

For the Year Ended December 31, 2022

	<u>2022</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 724,993,619
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	531,791,165
Provision for bad debt	227,887,918
Amortization of unearned revenue	(1,835,848)
Pension adjustment	(34,681,746)
Other post employment benefits adjustment	(70,076,140)
Cash paid out Local Fund	(15,650)
GASB 87 Expense	(392,714)
GASB 87 Revenue	(295,364)
Effects of changes in operating assets and liabilities:	
(Increase) in accounts receivable	(294,062,100)
Decrease in intergovernmental receivables	24,201,184
Decrease in prepaid expenses	5,438,855
(Decrease) in accounts payable	(2,660,835)
(Decrease) in accrued liabilities	(20,673,438)
(Decrease) in accrued compensated absences	(72,653)
(Decrease) in intergovernmental agreement payable	(7,645,815)
Increase in deposits - I-PASS	3,148,756
Increase in unearned revenue	5,669,094
(Decrease) in risk management claims payable	(1,430,928)
Net cash provided by operating activities	<u>\$ 1,089,287,360</u>
Noncash capital and related financing activities:	
Increase in capital asset obligation accounts payable	\$ 24,510,110

See accompanying notes to the financial statements.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois

Notes to the Financial Statements

For the Year Ended December 31, 2022

(1) Summary of Significant Accounting Policies

The accounting policies and financial reporting practices of The Illinois State Toll Highway Authority (the Tollway) conform to accounting principles generally accepted in the United States of America (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB).

(a) Financial Reporting Entity

The Tollway, a component unit of the State of Illinois, was created by an Act of the General Assembly of the State of Illinois – the Toll Highway Act, 605 ILCS 10/1 *et seq.*, as amended (the Act) – for the purpose of constructing, operating, regulating, and maintaining a toll highway or a system of toll highways and, in connection with the financing of such projects, is authorized to issue revenue bonds which shall be retired from revenues derived from the operation of the Tollway. Under the provisions of the Act, no bond issue of the Tollway, or any interest thereon, is an obligation of the State of Illinois. In addition, the Tollway is empowered to issue refunding bonds for the purpose of refunding any revenue bonds issued under the provisions of the Act.

The enabling legislation empowers the Tollway's Board of Directors with duties and responsibilities which include, but are not limited to, the ability to approve and modify the Tollway's budget, the ability to approve and modify toll rates and fees charged for use of the Tollway system, the ability to employ and discharge employees as necessary in the judgment of the Tollway, and the ability to acquire, own, use, hire, lease, operate, and dispose of personal property, real property, and any interest therein.

Component units are separate legal entities for which the primary government is legally accountable. The Tollway is a component unit of the State of Illinois for financial reporting purposes because exclusion would cause the State's financial statements to be incomplete. The governing body of the Tollway is an 11 member Board of Directors of which nine members are appointed by the Governor of Illinois with the advice and consent of the Illinois Senate. The Governor and the Secretary of the Illinois Department of Transportation are also ex-officio members of the Tollway's Board of Directors. Information from these financial statements is included in the State's annual comprehensive financial report. The Tollway itself does not have any component units.

(b) Basis of Accounting

The Tollway accounts for its operations and financing in a manner similar to a private business enterprise; the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Accordingly, the Tollway is accounted for as a proprietary fund (enterprise fund) using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, all assets and all liabilities associated with the Tollway's operations are included in the statement of net position. Revenue is recognized in the period in which it is earned, and expenses are recognized in the period in which incurred.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Notes to the Financial Statements
For the Year Ended December 31, 2022

Nonexchange transactions, in which the Tollway receives value without directly giving equal value in return, include fines for toll evasion.

(c) Cash and Cash Equivalents

With the exception of \$62.9 million in locally held funds and cash on hand at December 31, 2022, all cash and cash equivalents are held for the Tollway either by the Illinois State Treasurer (the Treasurer) as custodian or by the Trustee under the Tollway's Trust Indenture.

For purposes of the statement of net position and the statement of cash flows, the Tollway considers overnight repurchase agreements, money market funds, and the Illinois Funds local government investment pool (LGIP), as cash equivalents.

(d) Investments

The Tollway reports investments at fair value or amortized cost in its statement of net position with the corresponding changes in fair value being recognized as an increase or decrease to nonoperating revenue in the statement of revenues, expenses and changes in net position. All investments are held for the Tollway either by the Treasurer as custodian or by the Trustee under the Tollway's Trust Indenture.

The primary objective in the investment of Tollway funds is preservation of principal. Additional objectives are managing liquidity to meet the financial obligations of the Tollway and investment return.

Investments in the Illinois Funds LGIP, sponsored by the Treasurer in accordance with Illinois state law that is rated AAmmf by Fitch Ratings, are reported at amortized cost which is equal to the value of the pool shares. Other funds held for the Tollway by the Treasurer are invested in U.S. Treasury and agency issues which are valued at fair value or par. Repurchase agreements held for the Tollway by the Treasurer are recorded at face value which approximates fair value. State statute requires that all investments comply with the Illinois Public Funds Investment Act.

The Trust Indenture authorizes the Tollway to invest in U.S. Treasury and agency issues, money market funds comprised of U.S. Treasury and agency issues, repurchase agreements thereon, time deposits, and certificates of deposit. All funds held by the Tollway's Trustee were held in compliance with these restrictions for the year ended December 31, 2022.

(e) Accounts Receivable

The Tollway's accounts receivable consist of various toll charges and amounts due from individuals and commercial, governmental, and other entities. A provision for doubtful accounts has been recorded for the estimated amount of uncollectible accounts.

(f) Prepaid Expenses and Inventory

Certain payments made to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. The Tollway's inventory items consist mostly of consumable supplies that are quickly turned over and therefore the payments for such are directly expensed.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois

Notes to the Financial Statements

For the Year Ended December 31, 2022

(g) Noncurrent Cash and Investments

Cash and investments that are externally restricted for reserve funds or for the purchase or construction of capital or other noncurrent assets are classified as noncurrent assets in the statement of net position.

(h) Capital Assets

Capital assets include the historical cost of land and improvements, easements, roadway and transportation structures (infrastructure), buildings and related improvements, machinery, equipment and software with a cost exceeding \$5,000. (Projects whose individual components are less than \$5,000 but in their entirety are greater than \$5,000 may be capitalized at the discretion of the Tollway). Most expenses for the maintenance and repairs to the roadway and transportation structures, buildings, and related improvements are charged to operations when incurred. All expenses for land, buildings, infrastructure, and construction in progress that increase the value or productive capacities of assets are capitalized. Capital assets are depreciated using the straight-line method of depreciation over the asset's useful life, as follows:

Buildings	20 Years
Infrastructure	5 to 40 Years
Machinery, equipment, software and right-to-use building	3 to 20 Years

(i) Long-Term Accounts Receivable

In the course of business, the Tollway may enter into contracts with various parties that call for payments to the Tollway to be made at a date more than one year in the future. These receivables are classified as long-term. See Note 3 for a description of these receivables.

(j) Debt Refunding

In accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow or inflow of resources and recognized as a component of interest expense systematically over the remaining life of the old debt or the life of the new debt, whichever is shorter.

(k) Unearned Revenue

The Tollway recognizes revenue when earned. Amounts received in advance of the periods in which related services are rendered are recorded as an unearned revenue liability in the statement of net position. See Note 8.

(l) Pensions

Substantially all of the Tollway's employees participate in the State Employee Retirement System (SERS), a single-employer, public employee defined benefit pension plan of the State of Illinois, as more fully described in Note 10.

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense have been recognized in the Tollway's financial statements.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
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Notes to the Financial Statements
For the Year Ended December 31, 2022

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of service and the plan's fiduciary net position. The pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments.

Additionally, the pension expense includes the annual recognition of deferred outflows and inflows of resources related to pension assets and liabilities.

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, expense and expenditures associated with the Tollway's contribution requirements, information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported within the separately issued plan financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

(m) Adoption of New Accounting Pronouncements

In the year ended December 31, 2022, the Tollway adopted GASB pronouncement number 87 – Leases. This pronouncement requires the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Tollway adopted the requirements of the guidance that was effective for periods beginning after June 15, 2021, and has applied the provisions of this standard to the beginning of the period of adoption.

(n) Net Position

The statement of net position presents the Tollway's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by outstanding balances for revenue bonds and other debt that is attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position consists of net positions that do not meet the criteria of the two preceding categories.

At December 31, 2022, restrictions on net position consisted of: *Restricted under the Trust Indenture* which reflects restrictions imposed by the Tollway's Trust Indenture.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois

Notes to the Financial Statements

For the Year Ended December 31, 2022

(o) Toll Revenue and Evasion Recovery

Toll revenue is recognized when the transaction occurs. Effective June 25, 2020, the Tollway implemented an invoicing process for unpaid tolls. This process provides for invoice(s) for missed tolls, including an administrative fee(s). The fee amount, reduced by an estimated allowance for doubtful accounts, is recorded as evasion recovery revenue when the invoice is issued. Toll revenue that remains unpaid through the invoicing process becomes subject to additional administrative fees, which, reduced by an estimated allowance for doubtful accounts, are recorded as evasion recovery. Fines on pre-June 25, 2020 violation debt are recorded as revenue upon receipt of cash by the Tollway.

(p) Classification of Operating Revenues and Expenses

The Tollway's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its Tollway system, including the Tollway's allocated share of SERS' pension expense pursuant to GASB Statements No. 68 and 71 and the Tollway's allocated share of the State of Illinois' postemployment benefits liability. All other revenues and expenses are reported as nonoperating revenues and expenses or as special items.

Toll evasion recovery revenue is shown net of bad debt expense; concession revenue only includes oasis revenue.

The majority of the Tollway's expenses are exchange transactions, which GASB defines as operating expenses for financial statement presentation purposes. Nonoperating expenses include transfers under intergovernmental agreements and capital financing costs.

Employee benefits and retirement costs have been allocated to functional expense categories within these statements on the basis of gross payroll for each category of functional expense.

(q) Risk Management

The Tollway has self-insured risk retention programs with stop-loss limits for current employee group health and self-insured reserves for workers' compensation claims and has provided accruals for estimated losses arising from such claims. See Note 12.

(r) Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(s) Summarized Comparative Information

Comparative amounts for the prior year have not been presented in the basic financial statements due to the adoption of GASB 87 in 2022.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Notes to the Financial Statements
For the Year Ended December 31, 2022

(2) Cash and Investments

(a) Custodial Credit Risk – Deposits

Custodial credit risk is the risk that an institution holding the Tollway’s deposits may fail and expose the Tollway to a loss if the Tollway’s deposits cannot be returned upon maturity or demand. State law (30 ILCS 230/2C) requires that all deposits of public funds be covered by the Federal Deposit Insurance Corporation (FDIC) insurance or eligible collateral. The Tollway has no policy that would further limit the requirements under state law. As of December 31, 2022, the Tollway’s deposits were covered by FDIC insurance or eligible collateral.

(b) Schedule of Investments

As of December 31, 2022, the carrying value of the Tollway’s investments (with associated maturities) is as follows:

Investment Type	Investment Maturities (in years)		
	Fair Value or Amortized Cost	Less Than 1	1 - 5
Money market funds*	\$ 1,086,941,547	\$ 1,086,941,547	\$ -
U.S. Treasuries - State and Local Government Series (SLGS)	456,000,000	134,000,000	322,000,000
Illinois Funds LGIP*	296,520,018	296,520,018	-
	<u>\$ 1,839,461,565</u>	<u>\$ 1,517,461,565</u>	<u>\$ 322,000,000</u>

* Weighted average maturity is less than one year.

For purposes of the statement of net position, money market funds, and Illinois Funds LGIP are classified as cash equivalents.

The Tollway categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Tollway has no Level 1, 2 or Level 3 inputs.

Money market funds, U.S. Treasury - SLGS, and Illinois Funds LGIP are measured at amortized cost.

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. As a means of limiting its exposure to fair value losses from rising interest rates, and as a means of managing liquidity, the Tollway’s investment policy requires

that the majority of Tollway funds, excluding bond proceeds, be invested in instruments with maturities of less than one year. No investment is to exceed a 10-year maturity.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
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Notes to the Financial Statements
For the Year Ended December 31, 2022

(d) Credit and Concentration Risks

Credit risk is the risk that the Tollway will not recover its investments due to the inability of the issuer to fulfill its obligation. The Tollway's investment policy limits investment of Tollway funds to: securities guaranteed by the United States government; obligations of agencies and instrumentalities of the United States; interest-bearing savings accounts, certificates of deposit, or bank time deposits with institutions which meet specified capitalization requirements; money market mutual funds registered under the Investment Company Act of 1940; the Illinois Funds LGIP; and repurchase agreements of government securities as defined in the Government Securities Act of 1986. The Tollway's investment policy further requires that the investment portfolio be diversified, as necessary to reduce the risk of loss in terms of specific maturity, specific issuer, or specific class of securities. Final maturities are limited to ten years; the majority of the Tollway's funds, excluding bond proceeds, are to be invested in maturities of less than one year. The Tollway was in compliance with these policies during 2022.

As of December 31, 2022, the Tollway's investments in debt securities were rated by Moody's Investor Services, S&P Global and Fitch Ratings, as follows. The ratings shown for United States Treasury securities include short-term ratings applicable to maturities of less than one year.

Investment Type	Fair Value or Amortized Cost	Ratings at 12/31/2022		
		Moody's Investor Services	S&P Global	Fitch Ratings
Money Market Funds	\$ 1,086,941,547	Aaa-mf	AAAm	AAAmmf
U.S. Treasury SLGS	456,000,000	Aaa	AA+	AAA
Illinois Funds LGIP	296,520,018	None	None	AAAmmf
Total	\$ 1,839,461,565			

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(3) Accounts Receivable

The Tollway's accounts receivable consists of various toll charges and other amounts due from individuals, commercial, governmental, and other entities. A provision for doubtful accounts has been recorded for estimated uncollectible amounts. As of December 31, 2022, the Tollway's accounts receivable balance consists of the following:

	<u>Gross accounts receivables</u>	<u>Allowance for doubtful accounts</u>	<u>Net accounts receivable</u>
Tolls	\$ 16,855,109	\$ (10,680,690)	\$ 6,174,419
Toll evasion recovery	778,431,546	(655,133,404)	123,298,142
Oases receivables	57,465	-	57,465
Damage claims	382,605	(123,616)	258,989
Over dimension vehicle permit	635,830	(268,520)	367,310
Fiber optic agreements	8,000,715	(3,632,950)	4,367,765
Other	2,396,322	(2,229,290)	167,032
Total non-governmental receivables	<u>806,759,592</u>	<u>(672,068,470)</u>	<u>134,691,122</u>
Various local government and other state agency	21,010,210	-	21,010,210
E-Z Pass Agency Group	32,619,062	-	32,619,062
Illinois Department of Transportation	83,289,633	-	83,289,633
Total intergovernmental receivables	<u>136,918,905</u>	<u>-</u>	<u>136,918,905</u>
 Total receivables	 <u>\$ 943,678,497</u>	 <u>\$ (672,068,470)</u>	 <u>\$ 271,610,027</u>

As of December 31, 2022, long term accounts receivable consisted of the following:

Illinois Department of Transportation	\$ <u>83,289,633</u>
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(4) Prepaid Expenses

In the normal course of business, the Tollway pays for goods and services that will be consumed beyond the current year. These are established as prepaid expenses. As of December 31, 2022, the Tollway had \$15.6 million in prepaid expenses. These are categorized as both current and noncurrent.

(5) GASB 87 Lease Activity

GASB Statement No. 87 – *Leases* was a new accounting pronouncement that was adopted by the Tollway in the year ended December 31, 2022. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use the underlying asset. A lessee is required to recognize a lease liability and an

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intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Lessor Activity:

The Tollway is a lessor under various long-term types of leases, as follows:

- Land leases, under which entities lease part of Tollway's property.
- Water reservoir lease, under which a local municipality leases a water reservoir owned by the Tollway.
- Oases retail and fuel station leases, under which one company leases the over the road oases pavilions to operate retail establishments and offer rest stops to Tollway patrons and another company operates fuel stations and convenience stores.
- Cell tower leases, under which companies lease space on Tollway cell towers along the Tollway's roadways to place their communication equipment.
- Fiber optic leases, under which companies lease Tollway fiber and duct lines along the Tollway's roadways.

The leases expire at various dates through 2076 and provide for various renewal options. Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index. Management uses the Tollway's incremental borrowing rate when interest rates are not specified in lease agreements.

Some leases require variable payments based on future performance of the lessee and are not included in the measurement of the lease receivable. These variable payments are recognized as inflows of resources in the periods in which the payments are received.

For the year ended December 31, 2022, the Tollway recognized revenue from these leases, as follows:

Lease revenue	\$ 2,761,806
Interest revenue	<u>574,079</u>
Total	\$ 3,335,885

Total future minimum lease payments to be received under lease agreements are as follows:

	<u>Business Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023 \$	2,618,775	\$ 515,315	\$ 3,134,090
2024	2,478,485	441,493	2,919,978
2025	2,493,909	365,132	2,859,041
2026	2,571,874	289,714	2,861,588
2027	1,825,501	218,449	2,043,950
2028-2032	4,003,490	568,179	4,571,669
2033 and thereafter	2,119,602	370,741	2,490,343
Total minimum lease payments \$	<u>18,111,636</u>	\$ <u>2,769,023</u>	\$ <u>20,880,659</u>

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Lessee Activity:

The Tollway is a lessee under one lease, in which the Tollway leases space to operate a customer service call center for its IPASS program. This lease expires in 2023.

For the year ended December 31, 2022, the Tollway recognized the following right-to-use lease asset and accumulated amortization:

Right-to-use lease asset	\$ 738,157
Accumulated amortization	<u>(402,731)</u>
Balance – December 31, 2022	\$ 335,426

This lease expires in 2023. The principal and interest requirements to maturity for this lease are as follows:

Principal to maturity	\$ 345,443
Interest to maturity	<u>866</u>
Total	\$ 346,309

(6) Capital and Lease Assets

Changes in capital and lease assets for the year ended December 31, 2022, are as follows:

	Balance at Jan 1, 2022	Additions and transfers in	Deletions and transfers out	Balance at Dec 31, 2022
Nondepreciable capital assets:				
Land and improvements	\$ 999,292,122	\$ 61,565,458	\$ (27,789,725)	\$ 1,033,067,855
Construction in progress	2,056,602,761	989,901,892	(759,358,665)	2,287,145,988
Total nondepreciable capital assets	<u>3,055,894,883</u>	<u>1,051,467,350</u>	<u>(787,148,390)</u>	<u>3,320,213,843</u>
Depreciable capital assets				
Buildings	61,502,380	9,003,483	-	70,505,863
Temporary Easement	6,871,126	2,136,733	(1,066,830)	7,941,029
Infrastructure	12,289,101,610	798,884,393	(95,418,982)	12,992,567,021
Machinery and equipment	484,660,467	29,557,369	(4,848,000)	509,369,836
Right-to-use building	-	738,157	-	738,157
Total depreciable capital and lease assets	<u>12,842,135,583</u>	<u>840,320,135</u>	<u>(101,333,812)</u>	<u>13,581,121,906</u>
Less accumulated depreciation and amortization				
Buildings	(48,941,340)	(1,478,686)	-	(50,420,026)
Temporary Easement	(3,280,065)	(1,409,310)	1,066,830	(3,622,545)
Infrastructure	(4,707,477,570)	(492,212,720)	95,418,982	(5,104,271,308)
Machinery and equipment	(282,078,827)	(36,287,718)	4,082,356	(314,284,189)
Right-to-use building	-	(402,731)	-	(402,731)
Total accumulated depreciation and amortization	<u>(5,041,777,802)</u>	<u>(531,791,165)</u>	<u>100,568,168</u>	<u>(5,473,000,799)</u>
Total depreciable assets, net	<u>7,800,357,781</u>	<u>308,528,970</u>	<u>(765,644)</u>	<u>8,108,121,107</u>
Total capital assets, net	<u>\$ 10,856,252,664</u>	<u>\$ 1,359,996,320</u>	<u>\$ (787,914,034)</u>	<u>\$ 11,428,334,950</u>

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(7) Revenue Bonds Payable

Changes in revenue bonds payable for the year ended December 31, 2022, are as follows:

	Balance at Jan 1, 2022*	Additions	Deletions	Balance at Dec 31, 2022	Due within one year
2009 Series A	\$ 400,000,000	\$ -	\$ -	\$ 400,000,000	\$ -
2009 Series B	280,000,000	-	-	280,000,000	-
2013 Series A	500,000,000	-	-	500,000,000	-
2014 Series A	101,715,000	-	(101,715,000)	-	-
2014 Series B	500,000,000	-	-	500,000,000	-
2014 Series C	400,000,000	-	-	400,000,000	-
2014 Series D	197,670,000	-	(25,845,000)	171,825,000	30,890,000
2015 Series A	400,000,000	-	-	400,000,000	-
2015 Series B	400,000,000	-	-	400,000,000	-
2016 Series A	333,060,000	-	-	333,060,000	-
2016 Series B	300,000,000	-	-	300,000,000	-
2017 Series A	300,000,000	-	-	300,000,000	-
2018 Series A	484,295,000	-	(15,855,000)	468,440,000	12,900,000
2019 Series A	300,000,000	-	-	300,000,000	-
2019 Series B	225,245,000	-	-	225,245,000	-
2019 Series C	697,870,000	-	(2,000,000)	695,870,000	2,135,000
2020 Series A	500,000,000	-	-	500,000,000	-
2021 Series A	700,000,000	-	-	700,000,000	-
Totals	\$ 7,019,855,000	\$ -	\$ (145,415,000)	\$ 6,874,440,000	\$ 45,925,000
Current portion of revenue bonds payable	(145,415,000)	(45,925,000)	145,415,000	(45,925,000)	
Unamortized bond premium	974,060,054	-	(58,989,033)	915,071,021	
Revenue bonds payable net of current portion, plus unamor- tized bond premium	<u>\$ 7,848,500,054</u>	<u>\$ (45,925,000)</u>	<u>\$ (58,989,033)</u>	<u>\$ 7,743,586,021</u>	

* The January 1, 2022 balances are before any payments of principal due on January 1, 2022.

(a) Build America Bonds

The American Recovery and Reinvestment Act of 2009 authorized the Tollway to issue taxable bonds known as "Build America Bonds" to finance capital expenditures for which it could issue tax-exempt bonds and to elect to receive a subsidy payment from the federal government equal to 35% of the amount of each interest payment on such taxable bonds. The receipt of such subsidy payments by the Tollway is subject to certain requirements, including the filing of a form with the Internal Revenue Service prior to each interest payment date. The subsidy payments are not full faith and credit obligations of the United States of America. As a result of the impact of sequestration, the federal government reduced the amount of the subsidy payments by: 8.7% for subsidies received between March 2013 and September 2013; 7.2% for subsidies received

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between October 2013 and September 2014; 7.3% for subsidies received between October 2014 and September 2015; 6.8% for subsidies received between October 2015 and September 2016; 6.9% for subsidies received between October 2016 and September 2017; 6.6% for subsidies received between October 2017 and September 2018; 6.2% for subsidies received between October 2018 and September 2019; 5.9% for subsidies received between October 2019 and September 2020; and 5.7% for subsidies received between October 2020 and September 2022. The sequestration reduction rate for the federal fiscal year 2022 of October 1, 2021, through September 30, 2022, will remain at 5.7%. The 5.7% sequestration reduction rate will be applied through October 1, 2030, unless and until a law is enacted that cancels or otherwise affects the sequester, at which time the sequestration reduction rate is subject to change. (See Note 20 – Subsequent Events). The Series 2009A Bonds and Series 2009B Bonds are taxable Build America Bonds; all other Tollway bonds are federally tax-exempt bonds.

(b) Series 2009A Bonds

The May 21, 2009, the Tollway issued \$500,000,000 of Toll Highway Senior Priority Revenue Bonds, Taxable 2009 Series A (Build America Bonds – Direct Payment). The Tollway made an irrevocable election to designate the bonds as Build America Bonds pursuant to the provisions of Section 54AA(g) of the Internal Revenue Code of 1986. The Tollway covenanted to apply Build America Bonds subsidy payments to the payment of debt service. This issuance was the fifth bond sale utilized to finance capital projects in the Congestion-Relief Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as two term bonds, \$100,000,000 maturing on January 1, 2024, and \$400,000,000 maturing on January 1, 2034. The term bond maturing January 1, 2024, then-outstanding in an amount of \$78,060,000, was refunded and redeemed, at a redemption price of 100% of the principal amount plus accrued interest, in connection with the issuance of the Tollway's Series 2018A Bonds on January 10, 2019. The bonds maturing January 1, 2034 bear an interest rate of 6.184%, were sold at a price of 100% of the par amount of the bonds, and are subject to optional redemption at a redemption price equal to the greater of: (i) 100% of the principal amount of the bonds to be redeemed; and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the bonds to be redeemed, discounted to the date on which the bonds are to be redeemed on a semi-annual basis at the yield to maturity as of such redemption date of the U.S. Treasury security with a constant maturity most nearly equal to the period from the redemption date to the maturity date of the bonds to be redeemed, plus 30 basis points, plus, in each case, accrued interest. The bonds have not been insured or otherwise credit enhanced by the Tollway.

(c) Series 2009B Bonds

On December 8, 2009, the Tollway issued \$280,000,000 of Toll Highway Senior Priority Revenue Bonds, Taxable 2009 Series B (Build America Bonds – Direct Payment). The Tollway made an irrevocable election to designate the bonds as Build America Bonds pursuant to the provisions of Section 54AA(g) of the Internal Revenue Code of 1986. The Tollway covenanted to apply Build America Bonds subsidy payments to the payment of debt service. This issuance was the sixth bond sale utilized to finance capital projects in the Congestion-Relief Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. In connection with the issuance of the bonds, the Tollway deposited \$12,000,000 funds on hand into the debt service account to pay the bond interest due on June 1, 2010, and a portion of the bond interest due on December 1, 2010. The bonds mature on December 1, 2034. The bonds bear an interest rate of 5.851% and were sold at a price of 100% of the par amount of the bonds. The bonds are subject to optional redemption at a redemption price equal to the greater of: (i)

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100% of the principal amount of the bonds to be redeemed; and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the bonds to be redeemed, discounted to the date on which the bonds are to be redeemed on a semi-annual basis at the yield to maturity as of such redemption date of the U.S. Treasury security with a constant maturity most nearly equal to the period from the redemption date to the maturity date of the bonds to be redeemed, plus 25 basis points, plus, in each case, accrued interest. The bonds have not been insured or otherwise credit enhanced by the Tollway.

(d) Series 2013A Bonds

On May 16, 2013, the Tollway issued \$500,000,000 of Toll Highway Senior Revenue Bonds, 2013 Series A. This issuance was the first bond sale utilized to finance capital projects in the "Move Illinois" Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2027 through 2035 and a term bond maturing January 1, 2038. All bonds were sold bearing a 5.0% interest rate. The bonds were sold at yields which produced an original issue premium of \$63,601,290. The bonds are subject to optional redemption beginning and after January 1, 2023, at a redemption price of 100% of the principal amount plus accrued interest. The term bond maturing January 1, 2038, is subject to annual sinking fund redemption prior to maturity, beginning January 1, 2036. The bonds have not been insured or otherwise credit enhanced by the Tollway.

(e) Series 2014A Bonds

On February 26, 2014, the Tollway issued \$378,720,000 of Toll Highway Senior Revenue Bonds, 2014 Series A (Refunding). The bonds advance refunded \$436,545,000 of Toll Highway Senior Priority Revenue Bonds, 2005 Series A. The bonds also financed costs of issuance. The bonds were sold as serial bonds maturing on December 1 of each of the years 2019 through 2022. The bonds were sold bearing interest rates ranging from 4.5% - 5.0%. The bonds were sold at yields which produced an original issue premium of \$66,772,076. The bonds were not subject to optional redemption. The bonds were not insured or otherwise credit enhanced by the Tollway. The purpose of the refunding was to reduce debt service. The aggregate difference in debt service between the refunding debt, if outstanding through final maturity, and the refunded debt, had it remained outstanding through final maturity, net of Tollway funds on hand that were applied to the refunding transaction, was \$55.7 million. The present value of such savings was estimated at \$44.1 million at the time of the transaction's closing. The final principal and interest payments on the bonds was December 1, 2022, as scheduled.

(f) Series 2014B Bonds

On June 4, 2014, the Tollway issued \$500,000,000 of Toll Highway Senior Revenue Bonds, 2014 Series B. This issuance was the second bond sale utilized to finance capital projects in the "Move Illinois" Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2026 through 2039. All bonds were sold bearing a 5.0% interest rate. The bonds were sold at yields which produced an original issue premium of \$48,929,739. The bonds are subject to optional redemption on or after January 1, 2024, at a redemption price of 100% of the principal amount plus accrued interest. The bonds have not been insured or otherwise credit enhanced by the Tollway.

(g) Series 2014C Bonds

On December 4, 2014, the Tollway issued \$400,000,000 of Toll Highway Senior Revenue Bonds, 2014 Series C. This issuance was the third bond sale utilized to finance capital projects

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in the “Move Illinois” Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2027 through 2039. All bonds were sold bearing a 5.0% interest rate. The bonds were sold at yields which produced an original issue premium of \$53,737,539. The bonds are subject to optional redemption on or after January 1, 2025, at a redemption price of 100% of the principal amount plus accrued interest. The bonds have not been insured or otherwise credit enhanced by the Tollway.

(h) Series 2014D Bonds

On December 18, 2014, the Tollway issued \$264,555,000 of Toll Highway Senior Revenue Bonds, 2014 Series D (Refunding). The bonds advance refunded \$291,660,000 of Toll Highway Senior Priority Revenue Bonds, 2006 Series A-1. The bonds also financed costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2018 through 2025. All bonds were sold bearing a 5.0% interest rate. The bonds were sold at yields which produced an original issue premium of \$49,884,988. The bonds are not subject to optional redemption. The bonds have not been insured or otherwise credit enhanced by the Tollway. The purpose of the refunding was to reduce debt service. The aggregate difference in debt service between the refunding debt, if outstanding through final maturity, and the refunded debt, had it remained outstanding through final maturity, net of Tollway funds on hand that were applied to the refunding transaction, was \$38.4 million. The present value of such savings was estimated at \$33.0 million at the time of the transaction’s closing.

(i) Series 2015A Bonds

On July 30, 2015, the Tollway issued \$400,000,000 of Toll Highway Senior Revenue Bonds, 2015 Series A. This issuance was the fourth bond sale utilized to finance capital projects in the “Move Illinois” Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2027 through 2037 and a term bond maturing January 1, 2040. All bonds were sold bearing a 5.0% interest rate. The bonds were sold at yields which produced an original issue premium of \$39,445,649. The bonds are subject to optional redemption on or after July 1, 2025 at a redemption price of 100% of the principal amount plus accrued interest. The term bond maturing January 1, 2040, is subject to annual sinking fund redemption prior to maturity, beginning January 1, 2038. The bonds have not been insured or otherwise credit enhanced by the Tollway.

(j) Series 2015B Bonds

On December 17, 2015, the Tollway issued \$400,000,000 of Toll Highway Senior Revenue Bonds, 2015 Series B. This issuance was the fifth bond sale utilized to finance capital projects in the “Move Illinois” Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2027 through 2037 and a term bond maturing January 1, 2040. All bonds were sold bearing a 5.0% interest rate. The bonds were sold at yields which produced an original issue premium of \$47,418,612. The bonds are subject to optional redemption on or after January 1, 2026 at a redemption price of 100% of the principal amount plus accrued interest. The term bond maturing January 1, 2040, is subject to annual sinking fund redemption prior to maturity,

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beginning January 1, 2038. The bonds have not been insured or otherwise credit enhanced by the Tollway.

(k) Series 2016A Bonds

On January 14, 2016, the Tollway issued \$333,060,000 of Toll Highway Senior Revenue Bonds, 2016 Series A (Refunding). The bonds advance refunded \$350,000,000 of Toll Highway Senior Priority Revenue Bonds, 2008 Series B. The bonds also financed costs of issuance. The bonds were sold as serial bonds maturing on December 1, 2031, bearing interest rates of 4.00% and 5.00% and December 1, 2032, bearing an interest rate of 5.00%. The bonds were sold at yields which produced an original issue premium of \$49,635,106. The bonds are subject to optional redemption on or after January 1, 2026, at a redemption price of 100% of the principal amount plus accrued interest. The bonds have not been insured or otherwise credit enhanced by the Tollway. The purpose of the refunding was to reduce debt service. The aggregate difference in debt service between the refunding debt, if outstanding through final maturity, and the refunded debt, had it remained outstanding through final maturity, net of Tollway funds on hand that were applied to the refunding transaction, was \$70.0 million. The present value of such savings was estimated at \$50.9 million at the time of the transaction's closing.

(l) Series 2016B Bonds

On June 16, 2016, the Tollway issued \$300,000,000 of Toll Highway Senior Revenue Bonds, 2016 Series B. This issuance was the sixth bond sale utilized to finance capital projects in the "Move Illinois" Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2027 through 2038 and a term bond maturing January 1, 2041. All bonds were sold bearing a 5.0% interest rate. The bonds were sold at yields which produced an original issue premium of \$59,573,902. The bonds are subject to optional redemption on or after July 1, 2026, at a redemption price of 100% of the principal amount plus accrued interest. The term bond maturing January 1, 2041, is subject to annual sinking fund redemption prior to maturity, beginning January 1, 2039. The bonds have not been insured or otherwise credit enhanced by the Tollway.

(m) Series 2017A Bonds

On December 6, 2017, the Tollway issued \$300,000,000 of Toll Highway Senior Revenue Bonds, 2017 Series A. This issuance was the seventh bond sale utilized to finance capital projects in the "Move Illinois" Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2028 through 2039 and a term bond maturing January 1, 2042. All bonds were sold bearing a 5.0% interest rate. The bonds were sold at yields which produced an original issue premium of \$50,071,706. The bonds are subject to optional redemption on or after January 1, 2028, at a redemption price of 100% of the principal amount plus accrued interest. The term bond maturing January 1, 2042, is subject to annual sinking fund redemption prior to maturity, beginning January 1, 2040. The bonds have not been insured or otherwise credit enhanced by the Tollway.

(n) Series 2018A Bonds

On January 10, 2019, the Tollway issued \$515,250,000 of Toll Highway Senior Revenue Bonds, 2018 Series A (Refunding). The bonds refunded \$262,500,000 of Toll Highway Variable Rate Senior Priority Revenue Bonds, 2007 Series A-2, \$189,600,000 of Toll Highway Variable Rate Senior Refunding Revenue Bonds, 2008 Series A-1a, and \$78,060,000 2009 Series A Bonds scheduled to mature on January 1, 2024. The bonds also financed costs of issuance and costs

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of terminating two variable-to-fixed interest rate exchange agreements (swaps) associated with the refunded bonds. The bonds were sold as serial bonds maturing on January 1 of each of the years 2020 through 2031 and were sold bearing an interest rate of 5.00%. The bonds were sold at yields which produced an original issue premium of \$79,372,651. The bonds are subject to optional redemption on or after January 1, 2029, at a redemption price of 100% of the principal amount plus accrued interest. The purpose of the refunding was to reduce risks related to variable interest rates and third-party agreements. The bonds have not been insured or otherwise credit enhanced by the Tollway.

(o) Series 2019A Bonds

On July 11, 2019, the Tollway issued \$300,000,000 of Toll Highway Senior Revenue Bonds, 2019 Series A. This issuance was the eighth bond sale utilized to finance capital projects in the "Move Illinois" Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2036 through 2041 and two term bonds maturing January 1, 2044. Bonds were sold bearing interest rates ranging from 3.0% to 5.0%. The bonds were sold at yields which produced an original issue premium of \$47,215,820. The bonds are subject to optional redemption on or after July 1, 2029, at a redemption price of 100% of the principal amount plus accrued interest. The term bonds maturing January 1, 2044, are each subject to annual sinking fund redemption prior to maturity, beginning January 1, 2042. The bonds have not been insured or otherwise credit enhanced by the Tollway.

(p) Series 2019B Bonds

On November 14, 2019, the Tollway issued \$225,245,000 of Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding). The bonds refunded \$276,560,000 of Toll Highway Senior Refunding Revenue Bonds, 2010 Series A-1. The bonds also financed costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2025 through 2031 and were sold bearing an interest rate of 5.00%. The bonds were sold at yields which produced an original issue premium of \$51,916,736. The bonds are subject to optional redemption on or after January 1, 2030, at a redemption price of 100% of the principal amount plus accrued interest. The bonds have not been insured or otherwise credit enhanced by the Tollway. The purpose of the refunding was to reduce debt service. The aggregate difference in debt service between the refunding debt, if outstanding through final maturity, and the refunded debt, had it remained outstanding through final maturity, net of Tollway funds on hand that were applied to the refunding transaction, was \$69.2 million. The present value of such savings was estimated at \$62.2 million at the time of the transaction's closing.

(q) Series 2019C Bonds

On December 23, 2019, the Tollway issued \$697,870,000 Toll Highway Senior Revenue Bonds, 2019 Series C (Refunding). The bonds refunded \$350,000,000 of Toll Highway Variable Rate Senior Priority Revenue Bonds, 2007 Series A-1, \$87,500,000 of Toll Highway Variable Rate Senior Priority Revenue Bonds, 2007 Series A-2d, \$189,600,000 of Toll Highway Variable Rate Senior Refunding Revenue Bonds, 2008 Series A-1b, and \$94,825,000 of Toll Highway Variable Rate Senior Refunding Revenue Bonds, 2008 Series A-2. The bonds also financed costs of issuance and costs of terminating five variable-to-fixed interest rate exchange agreements (swaps) associated with the refunded bonds. The bonds were sold as serial bonds maturing on January 1 of each of the years 2022 through 2031 and were sold bearing an interest rate of 5.00%. The bonds were sold at yields which produced an original issue premium of \$166,652,297. The bonds are subject to optional redemption on or after January 1, 2030, at a redemption price of 100% of the principal amount plus accrued interest. The purpose of the

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refunding was to reduce risks related to variable interest rates and third-party agreements. The bonds have not been insured or otherwise credit enhanced by the Tollway.

(r) Series 2020A Bonds

On December 17, 2020, the Tollway issued \$500,000,000 of Toll Highway Senior Revenue Bonds, 2020 Series A. This issuance was the ninth bond sale utilized to finance capital projects in the "Move Illinois" Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2036 through 2041 and a term bond maturing January 1, 2045. Bonds were sold bearing an interest rate of 5.0%. The bonds were sold at yields which produced an original issue premium of \$144,942,984. The bonds are subject to optional redemption on or after January 1, 2031, at a redemption price of 100% of the principal amount plus accrued interest. The term bond maturing January 1, 2045, is subject to annual sinking fund redemption prior to maturity, beginning January 1, 2042. The bonds have not been insured or otherwise credit enhanced by the Tollway.

(s) Series 2021A Bonds

On December 16, 2021, the Tollway issued \$700,000,000 of Toll Highway Senior Revenue Bonds, 2021 Series A. This issuance was the tenth bond sale utilized to finance capital projects in the "Move Illinois" Program. The bonds also financed a deposit to the debt reserve account and costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2039 through 2043 and two term bonds maturing January 1, 2046. Bonds were sold bearing interest rates of 4.0% or 5.0%. The bonds were sold at yields which produced an original issue premium of \$172,974,010. The bonds are subject to optional redemption on or after January 1, 2032, at a redemption price of 100% of the principal amount plus accrued interest. The term bonds maturing January 1, 2046, are each subject to annual sinking fund redemption prior to maturity, beginning January 1, 2024. The bonds have not been insured or otherwise credit enhanced by the Tollway.

(t) Defeased Bonds

As of December 31, 2022, there were no defeased Tollway revenue bonds outstanding.

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(u) All Series

Details of outstanding revenue bonds as of December 31, 2022, are as follows:

Issue of 2009 Series A, 6.184% due on January 1, 2032-2034	\$ 400,000,000
Issue of 2009 Series B, 5.851% due on December 1, 2034	280,000,000
Issue of 2013 Series A, 5.00% due on January 1, 2027-2038	500,000,000
Issue of 2014 Series B, 5.00% due on January 1, 2026-2039	500,000,000
Issue of 2014 Series C, 5.00% due on January 1, 2027-2039	400,000,000
Issue of 2014 Series D, 5.00% due on January 1, 2023-2025	171,825,000
Issue of 2015 Series A, 5.00% due on January 1, 2027-2040	400,000,000
Issue of 2015 Series B, 5.00% due on January 1, 2027-2040	400,000,000
Issue of 2016 Series A, 4.00% due on December 1, 2031, and 5.00% due on December 1, 2031-2032	333,060,000
Issue of 2016 Series B, 5.00% due on January 1, 2027-2041	300,000,000
Issue of 2017 Series A, 5.00% due on January 1, 2028-2042	300,000,000
Issue of 2018 Series A, 5.00% due on January 1, 2023-2031	468,440,000
Issue of 2019 Series A, 3.00% due on January 1, 2038, 4.00% due on January 1, 2037, 2039, and 2042-2044, and 5.00% due on January 1, 2036, and 2040-2044	300,000,000
Issue of 2019 Series B, 5.00% due on January 1, 2025-2031	225,245,000
Issue of 2019 Series C, 5.00% due on January 1, 2023-2031	695,870,000
Issue of 2020 Series A, 5.00% due on January 1, 2036-2045	500,000,000
Issue of 2021 Series A, 4.00% due on January 1, 2039-2040, 2042, and 2044-2046, and 5.00% due on January 1, 2041, and 2043-2046	700,000,000
	<hr/>
Total revenue bonds payable	\$ 6,874,440,000
Less current portion	\$ (45,925,000)
Plus unamortized bond premium	<u>915,071,021</u>
Revenue bonds payable net of current portion, plus unamortized bond premium	<u>\$ 7,743,586,021</u>

Accrued interest payable as of the year ended December 31, 2022, was \$159,572,046.

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The annual requirements to retire principal and pay interest on all bonds outstanding at December 31, 2022 all of which are fixed interest rate bonds, are as follows.

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2023	\$ 45,925,000	\$ 345,091,425	\$ 391,016,425
2024	155,025,000	340,067,675	495,092,675
2025	162,715,000	332,124,175	494,839,175
2026	187,530,000	323,368,050	510,898,050
2027	231,265,000	312,898,175	544,163,175
2028	242,700,000	301,049,050	543,749,050
2029	255,135,000	288,603,175	543,738,175
2030	268,090,000	275,522,550	543,612,550
2031	444,185,000	261,783,675	705,968,675
2032	310,030,000	243,242,048	553,272,048
2033	147,435,000	226,733,900	374,168,900
2034	614,505,000	212,715,402	827,220,402
2035	74,300,000	184,557,500	258,857,500
2036	374,425,000	173,339,375	547,764,375
2037	393,175,000	154,169,375	547,344,375
2038	412,800,000	134,080,000	546,880,000
2039	433,300,000	113,077,500	546,377,500
2040	454,800,000	91,085,000	545,885,000
2041	437,100,000	68,887,500	505,987,500
2042	328,000,000	50,397,500	378,397,500
2043	284,000,000	35,852,500	319,852,500
2044	284,000,000	22,185,000	306,185,000
2045	214,000,000	10,450,000	224,450,000
2046	120,000,000	2,700,000	122,700,000
Total	<u>\$ 6,874,440,000</u>	<u>\$ 4,503,980,550</u>	<u>\$ 11,378,420,550</u>

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(v) Capitalized Interest

In 2018, the Tollway implemented GASB 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period* which requires that all interest costs be recognized as an expense in the current period. Prior to implementation, a portion of interest expense attributable to construction was required to be capitalized. GASB 89 changed this requirement prospectively. As of December 31, 2022, the Tollway continues to amortize previously capitalized interest with an unamortized balance of \$98.6 million.

(w) Trust Indenture Agreement

All Tollway bonds outstanding as of December 31, 2022, were issued under the Amended and Restated Trust Indenture effective as of March 31, 1999, amending and restating a Trust Indenture dated as of December 1, 1985 (as amended, restated, and supplemented, the “Trust Indenture”) from the Tollway to The Bank of New York Mellon Trust Company, N.A., as successor Trustee (the “Trustee”). The Trustee serves as a fiduciary on behalf of bondholders. The Trust Indenture establishes the conditions under which the Tollway may issue bonds and the security to be pledged to bondholders. The Trust Indenture establishes two funds: (i) a construction fund to account for the spending of Tollway bond proceeds; and (ii) a revenue fund to account for the deposit of Tollway revenues. The construction fund is divided into different accounts for each project under the Trust Indenture. The revenue fund is divided into six different accounts (some of which are further divided into sub-accounts) which establish an order of funding priority through which Tollway revenues flow. Revenues first fund the maintenance and operation account, which is the only account in the revenue fund in which bondholders do not have a security interest. Remaining revenues fund the other accounts of the revenue fund in the following order of priority: the debt service account, the debt reserve account, the renewal and replacement account, the improvement account, and the system reserve account. (The Trust Indenture also allows for the creation of junior lien bond accounts; to date the Tollway has never issued junior lien bonds.) All accounts of the construction fund and the debt service account and debt reserve account of the revenue fund are held by the Trustee. The Trustee-held funds classified as net position restricted under the Trust Indenture is included in Note 9.

(x) Arbitrage Rebate

In the 1980s, Congress determined that arbitrage rebate rules were needed to curb issuance of investment motivated tax-exempt bonds. These rules were designed to create additional safeguards against issuers obtaining an arbitrage benefit by issuing bonds either prematurely or in excess of actual need in order to benefit from an expected spread between tax-exempt borrowing cost and return on investment of bond proceeds. As a result, under certain conditions gain from arbitrage must be rebated to the United States Government. The Tollway determined that, as of December 31, 2022, no arbitrage rebate liability had accrued.

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(8) Unearned Revenue

The Tollway's communications network includes a fiber optic system. Excess capacity on the fiber optic lines is leased to other organizations in order to offset the cost of the system. Since 2000, when the system was initially upgraded, the Tollway has entered into fiber optic system lease agreements with terms of twenty years. The total unearned revenue balance for the fiber optic system, after removing fully amortized agreements, was \$36,293,674 at December 31, 2022, and the amount earned was \$10,369,553 through December 31, 2022.

The Tollway also invoices annual fiber optic maintenance fees. At December 31, 2022, some of these fees had been paid in advance. These have also been recorded as unearned revenue.

On October 1, 2013, the Tollway entered into a 3-year agreement with Travelers Marketing, LLC, for sponsorship of the Tollway's Highway Emergency Lane Patrol (H.E.L.P.) trucks by its advertising sponsor/partner, State Farm Insurance. In exchange for a cumulative sponsorship fee of \$6,160,250, Travelers has the exclusive right to place State Farm Insurance branding on Tollway H.E.L.P. trucks and H.E.L.P. truck operator uniforms. On October 1, 2016, this contract was extended for an additional 3 years and on October 1, 2019, a three-month extension was executed. An additional 3-year agreement was executed in January 2020. The sponsorship fee paid by Travelers in 2020 has been recorded as unearned revenue and is recognized as revenue as earned.

A summary of changes in unearned revenue for the year ended December 31, 2022, is as follows:

	<u>Balance at January 1</u>	<u>Current Year Activity</u>	<u>Balance at December 31</u>	<u>Current Portion</u>
Unearned revenue				
Fiber optics and co-location	\$ 30,630,380	\$ 5,663,294	\$ 36,293,674	\$ 2,111,745
Accumulated amortization	<u>(8,302,300)</u>	<u>(2,067,253)</u>	<u>(10,369,553)</u>	<u>(1,827,383)</u>
	<u>22,328,080</u>	<u>3,596,041</u>	<u>25,924,121</u>	<u>284,362</u>
Intergovernmental agreements	55,894	65,776	121,670	121,670
Accumulated amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>55,894</u>	<u>65,776</u>	<u>121,670</u>	<u>121,670</u>
H.E.L.P. Truck advertising revenue	5,559,250	601,000	6,160,250	25,042
Accumulated amortization	<u>(5,534,208)</u>	<u>(601,000)</u>	<u>(6,135,208)</u>	<u>-</u>
	<u>25,042</u>	<u>-</u>	<u>25,042</u>	<u>25,042</u>
Totals				
Unearned revenue	36,245,524	6,330,070	42,575,594	2,258,457
Accumulated amortization	<u>(13,836,508)</u>	<u>(2,668,253)</u>	<u>(16,504,761)</u>	<u>(1,827,383)</u>
Net unearned revenue	<u>\$ 22,409,016</u>	<u>\$ 3,661,817</u>	<u>\$ 26,070,833</u>	<u>\$ 431,074</u>

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(9) Restricted Net Position

As of December 31, 2022, the Tollway reported the following restricted net position:

<u>Description</u>	<u>December 31, 2022</u>
Net position restricted under Trust Indenture Agreement	\$ <u>518,315,612</u>

(10) State Employees' Retirement System

Plan Description

Substantially all of the Tollway's full-time employees, as well as the State Police assigned to the Tollway who are not eligible for any other state-sponsored retirement plan, participate in the Illinois State Employees' Retirement System (SERS), which is a component unit of the State of Illinois reporting entity. SERS is a single-employer defined benefit public employee retirement system in which state employees participate, except those covered by the State Universities, Teachers, General Assembly and Judges' Retirement Systems. SERS is governed by a 13 member Board of Trustees, consisting of the Illinois Comptroller, six trustees appointed by the Governor with the advice and consent of the Illinois Senate, four trustees elected by SERS members, and two trustees appointed by SERS retirees. SERS issues a separate annual comprehensive financial report (ACFR). The financial position and results of operations for SERS for fiscal year 2022 are also included in the state's ACFR for the year ended June 30, 2022.

As of June 30, 2022, the breakdown of employees participating or benefitting from SERS, as a whole, is as follows:

Active employees	61,056
Retirees and beneficiaries currently receiving benefits	75,826
Inactive employees entitled to but not yet receiving benefits	3,708

A summary of SERS' benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the SERS' ACFR. Also included therein is a discussion of employer and employee obligations to contribute and the authority under which those obligations are established.

To obtain a copy of SERS' ACFR, write, call, or email:

State Employees' Retirement System
2101 S. Veterans Parkway
Springfield, IL 62794-9255
(217) 785-7444
sers@mail.state.il.us

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Benefit Provisions

SERS provides retirement benefits based on the member's final average compensation and the number of years of credited service that have been established. The retirement benefit formula available to general State employees is 1.67% for each year of covered service and 2.2% for each year of noncovered service. (Covered service is defined as service time where the employee contributed to Social Security as well as SERS). Alternative formula employees have a formula of 2.5% for covered service and 3.0% for noncovered service. The maximum retirement annuity payable is 75% of final average compensation as calculated under the regular formula. The maximum retirement annuity payable is 80% of final average compensation as calculated under the alternative formula.

The minimum monthly retirement annuity payable is \$15 for each year of covered employment and \$25 for each year of noncovered employment.

Participants in SERS under the regular formula Tier 1 and Tier 2 receive the following levels of benefits based on their respective age and years of service credits:

Regular Formula Tier 1	Regular Formula Tier 2
<p>A member must have a minimum of eight years of service credit and may retire at:</p> <ul style="list-style-type: none"> • Age 60, with eight years of service credit. • Any age, when the member's age (years and whole months) plus years of service credit (years and whole months) equal 85 years (1,020 months) (Rule of 85) with eight years of credited service. • Between ages 55-60 with 25-30 years of service credit (reduced 1/2 of 1% for each month under age 60). <p>The retirement benefit is based on final average compensation and credited service. Final average compensation is the 48 highest consecutive months of service within the last 120 months of service.</p> <p>Under the Rule of 85, a member is eligible for the first 3% increase on January 1 following the first full year of retirement, even if the member is not age 60. If the member retires at age 60 or older, he/she will receive a 3% pension increase every year on January 1, following the first full year of retirement.</p> <p>If the member retires before age 60 with a reduced retirement benefit, he/she will receive a 3% pension increase every January 1 after the member turns age 60 and has been retired at least one full year. These pension increases are not limited by the 75% maximum.</p>	<p>A member must have a minimum of 10 years of credited service and may retire at:</p> <ul style="list-style-type: none"> • Age 67, with 10 years of credited service. • Between ages 62-67 with 10 years of credited service (reduced 1/2 of 1% for each month under age 67). <p>The retirement benefit is based on final average compensation and credited service. For regular formula employees, final average compensation is the average of the 96 highest consecutive months of service within the last 120 months of service. The retirement benefit is calculated on a maximum salary of \$106,800. This amount increases annually by 3% or one-half of the Consumer Price Index, whichever is less.</p> <p>If the member retires at age 67 or older, he/she will receive a pension increase of 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less, every year on January 1, following the first full year of retirement. The salary limits for calendar year 2022 is \$119,892.</p> <p>If the member retires before age 67 with a reduced retirement benefit, he/she will receive a pension increase of 3% or 1/2 of the Consumer Price Index for the preceding calendar year, whichever is less, every January 1 after the member turns age 67 and has been retired at least one full year. These pension increases are not limited by the 75% maximum.</p>

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Additionally, SERS provides an alternative retirement formula for State employees in high-risk jobs, such as State policemen, fire fighters, and security employees. Employees qualifying for benefits under the alternative formula may retire at an earlier age depending on membership in Tier 1 or Tier 2. The retirement formula is 2.5% for each year of covered service and 3.0% for each year of noncovered service.

SERS also provides occupational and nonoccupational (including temporary) disability benefits. To be eligible for nonoccupational (including temporary) disability benefits, an employee must have at least eighteen months of credited service. The nonoccupational (including temporary) disability benefit is equal to 50% of the average rate of compensation of the employee on the date of removal from the payroll. Occupational disability benefits are provided when the member becomes disabled as a direct result of injuries or diseases arising out of and in the course of State employment. The monthly benefit is equal to 75% of the average rate of compensation on the date of removal from the payroll. This benefit amount is reduced by workers' compensation or payments under the Occupational Diseases Act.

Occupational and nonoccupational death benefits are also available through SERS. Certain nonoccupational death benefits vest after eighteen months of credited service. Occupational death benefits are provided from the date of employment.

Contributions

Contribution requirements of active employees and the State are established in accordance with Chapter 40, section 5/14-133 of the Illinois Compiled Statutes (ILCS). Member contributions are based on fixed percentages of covered payroll ranging between 4% and 12.50%. Employee contributions are fully refundable, without interest, upon withdrawal from State employment. Tier 1 members contribute based on total annual compensation. Tier 2 members contribute based on an annual compensation rate not to exceed \$119,892 for 2022 with limitations for future years increased by the lesser of 3% or one-half of the annual percentage increase in the Consumer Price Index.

The State is required to make payment for the required departmental employer contributions, all allowances, annuities, any benefits granted under Chapter 40, Article 5/14 of the ILCS and all administrative expenses of SERS to the extent specified in the ILCS. State law provides that the employer contribution rate be determined based upon the results of each annual actuarial valuation.

For fiscal year 2022, the required employer contributions were computed in accordance with the State's funding plan. This funding legislation provides for a systematic 50-year funding plan with an ultimate goal to achieve 90% funding of the plan's liabilities. In addition, the funding plan provided for a 15-year phase-in period to allow the State to adapt to the increased financial commitment. Since the 15-year phase-in period ended June 30, 2010, the State's contribution will remain at a level percentage of payroll, recomputed annually, for the next 35 years until the 90% funded level is achieved. For state fiscal year 2022, the employer contribution rate is 56.169%. The Tollway's contribution amount for calendar year 2022 was \$64,614,356.

The Tollway has made all required contributions through December 31, 2022.

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Pension Liability, Deferred Outflows of Resources, Deferred Inflows of Resources, and Expense Related to Pensions

GASB Statement No. 68, as amended by GASB Statement No. 71, requires an allocation of net pension liability and pension expense, and to recognize proportionate shares for the primary government and component units, including the Tollway.

At December 31, 2022, the Tollway reported a liability of \$779,868,174 for its allocated share of the State's net pension liability for SERS on the statement of net position. The net pension liability was measured as of June 30, 2022 (current year measurement date), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Tollway's portion of the net pension liability was based on the Tollway's proportion of employer contributions relative to all employer contributions made to the plan during the year ended June 30, 2022. As of the current year measurement date of June 30, 2022, the Tollway's proportion was 2.4117%, which was a decrease of 0.1698% from its proportion of 2.5815% measured as of the prior year measurement date of June 30, 2021.

Change in the net pension liability allocated to the Tollway for the year ended December 31, 2022, is as follows:

	Balance			Balance		Amounts due
	January 1	Additions	Deletions	December 31		within one year
Net Pension Liability	\$ 854,495,091	\$ 29,348,866	\$ 103,975,783	\$ 779,868,174	\$	-

For the year ended December 31, 2022, the Tollway recognized pension expense of \$29.3 million. This expense is less than the statutory actual contributions made by the Tollway, due to the implementation of GASB Statement No. 68. The expense decreased due to a decline in the actuarially computed unfunded pension liability because of changes in assumptions used by the actuaries.

At December 31, 2022, the Tollway reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 8,781,965	\$ 85,863
Changes in assumptions	20,239,171	66,787,105
Net difference between projected and actual investment earnings on pension plan investments	14,983,807	-
Changes in proportion and differences between Tollway contributions and proportionate share of contributions	4,620,927	50,136,909
Tollway contributions subsequent to the measurement date	31,875,530	-
	<u>\$ 80,501,400</u>	<u>\$ 117,009,877</u>

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The \$31.9 million reported as deferred outflow of resources related to pensions resulting from Tollway contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending	Amount
12/31/2023	\$ (20,479,664)
12/31/2024	(19,016,380)
12/31/2025	(28,213,276)
12/31/2026	(674,687)
Total	\$ (68,384,007)

Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality: Pub-2010 General and Public Safety Healthy Retiree mortality tables, sex distinct, with rates projected to 2021 generational mortality improvement factors were updated to projection scale MP-2021.

Inflation: 2.25%

Investment Rate of Return: 6.75%

Salary increases: Salary increase rates based on age related productivity and merit rates plus inflation.

Post-Retirement increases: Post-retirement benefit increases of 3.00%, compounded, for Tier 1 and the lesser of 3.00% or one-half of the annual increase in the Consumer Price Index for Tier 2.

Retirement Age: Experience-based table of rates specific to the type of eligibility condition. Table was last updated for the June 30, 2022, valuation pursuant to an experience study of the period July 1, 2018 to June 30, 2021.

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The long-term expected real rate of return on pension plan investments is reviewed annually by the SERS' actuary as part of the economic assumptions review. The actuarial assumptions are developed using historical data and projections employed to model future returns as provided by the Illinois State Board of Investments (ISBI) in conjunction with its investment consultant. The assumed rate of inflation which must be combined with the projected real return is 2.25%.

The target allocations and forward looking annualized geometric real rates of return for each major asset class, which are applicable for a 20-year projection period, are summarized in the following table. The 20-year projections produced an estimated annual real return of 5.11% and a standard deviation of 12.3% for the aggregate portfolio.

	Asset Allocation	
	Target Allocation	20 Year Simulated Rate of Return
U.S. Equity	23.0%	4.6%
Developed Foreign Equity	13.0%	4.9%
Emerging Market Equity	8.0%	5.9%
Private Equity	9.0%	6.9%
Intermediate Investment Grade Bonds	15.0%	-0.5%
Long-Term Government Bonds	5.0%	0.3%
TIPS	3.0%	-0.5%
High Yield and Bank Loans	2.0%	1.9%
Opportunistic Debt	9.0%	4.4%
Real Estate	10.0%	3.3%
Infrastructure	3.0%	6.8%
Total	100.0%	

Discount Rate

A single discount rate of 6.58% was used to measure the total pension liability as of June 30, 2022. This represents an increase of 0.38% from the discount rate used for the June 30, 2021 valuation, 6.20%.

The single discount rate was based on the June 30, 2022 expected rate of return on pension plan investments of 6.75% and a municipal bond rate of 3.69% as of June 30, 2022. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the statutory contributions and the member rate. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2076 at June 30, 2022. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

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Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The net pension liability for the plan was calculated using a single discount rate of 6.58%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate as shown below.

	June 30, 2022		
		Current	
	1% decrease (5.58%)	Discount Rate (6.58%)	1% increase (7.58%)
Tollway's net pension liability	\$948,858,282	\$779,868,174	\$640,113,741

Payables to the Pension Plan

At December 31, 2022, the Tollway had no payable to SERS for outstanding contributions to the pension plans.

(11) Other Post-Employment Benefits (OPEB)

Plan description

The State Employees Group Insurance Act of 1971 ("Act"), as amended, authorizes the Illinois State Employees Group Insurance Program ("SEGIP") to provide health, dental, vision, and life insurance benefits for certain retirees and their dependents. SEGIP includes substantially all employees of State agencies as well as retired employees of The Illinois Toll Highway Authority, Illinois Comprehensive Health Insurance Plan ("ICHIP"), and the State's nine university component units. (Tollway retirees participate in SEGIP, but its active employees are covered under the Tollway's own self-insured health plan and do not participate in SEGIP). Members receiving monthly benefits from the General Assembly Retirement System ("GARS"), Judges Retirement System ("JRS"), State Employees' Retirement System of Illinois ("SERS"), Teachers' Retirement System ("TRS"), and State Universities Retirement System of Illinois ("SURS") are eligible for these other post-employment benefits ("OPEB"). Additionally, certain members covered under TRS for pension purposes are eligible for retiree healthcare benefits under the Teachers' Retirement Insurance Program ("TRIP"). Other TRS members eligible for coverage under SEGIP include: certified teachers employed by certain State agencies, executives employed by the Board of Education, regional superintendents, regional assistant superintendents, TRS employees and members with certain reciprocal service.

The Department of Central Management Services administers these benefits for annuitants with the assistance of the public retirement systems sponsored by the State (GARS, JRS, SERS, TRS and SURS). The State recognizes SEGIP OPEB benefits as a single-employer defined benefit plan. The plan does not issue a stand-alone financial report.

Benefits provided

The health, dental, and vision benefits provided to and contribution amounts required from annuitants are the result of collective bargaining between the State and the various unions representing the State's and the university component units' employees in accordance with limitations established in the Act. Therefore, the benefits provided and contribution amounts are

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subject to periodic change. Coverage through SEGIP becomes secondary to Medicare after Medicare eligibility has been reached. Members must enroll in Medicare Parts A and B to receive the subsidized SEGIP premium available to Medicare eligible participants. The Act requires the State to provide life insurance benefits for annuitants equal to their annual salary as of the last day of employment until age 60, at which time, the benefit amount becomes \$5,000.

Funding policy and annual other postemployment benefit cost

OPEB offered through SEGIP are financed through a combination of retiree premiums, State contributions and Federal government subsidies from the Medicare Part D program. Contributions are deposited in the Health Insurance Reserve Fund, which covers both active State employees and retirement members. Annuitants may be required to contribute towards health and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employee's Retirement System do not contribute toward health and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced 5% for each year of credited service with the State allowing those annuitants with 20 or more years of credited service to not have to contribute towards health and vision benefits. All annuitants are required to pay for dental benefits regardless of retirement date. The Director of Central Management Services shall, on an annual basis, determine the amount the State shall contribute toward the basic program of group health benefits. State contributions are made primarily from the General Revenue Fund on a pay-as-you-go basis. No assets are accumulated or dedicated to funding the retiree health insurance benefit and a separate trust has not been established for the funding of OPEB.

Total OPEB liability, deferred outflows of resources, deferred inflows of resources and expense related to OPEB.

GASB 75 requires an allocation of net OPEB liability and OPEB expense and to recognize proportionate shares for the primary government and component units, including the Tollway.

At December 31, 2022, the Tollway recorded a liability of \$228,601,504 for its allocated share of the State's net OPEB liability on the statement of net position. The total OPEB liability, as reported at December 31, 2022, was measured as of June 30, 2022, with an actuarial valuation as of June 30, 2021. The Tollway's portion of the net OPEB liability was based on the Tollway's proportion of employer contributions relative to all employer contributions made to the plan during the year ended June 30, 2021 for the Tollway's active employees and Illinois State Police District 15 active employees. Effective January 9, 2023, the "Act" was amended to change the method used to calculate the Tollway's annual contribution for its retired employees. Instead of requiring a specific liability to be calculated for future tollway retirees, the Tollway became required to contribute the "retiree-load" portion of SEGIP premiums for all active Tollway employees each month. Under this methodology, the Tollway will no longer be required to pay a portion of its retirees' health, dental and life premiums. The legislative change applied to any payments not yet made as of the date of the legislation. Therefore, the calendar year 2022 contribution due from the Tollway was computed using this method. As of the current year measurement date of June 30, 2022, the Tollway's proportion was 1.3384%.

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The State's unfunded OPEB liability, a portion of which is allocated to the Tollway, decreased significantly. This resulted in a Tollway recovery of OPEB expense in the amount of \$70.1 million for the year ended December 31, 2022. Generally accepted accounting principles require that this recovery be shown as a negative operating expense.

At December 31, 2022, the Tollway reported deferred outflows and deferred inflows of resources, as of the measurement date of June 30, 2022, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,338,549	\$ 62,511,101
Changes in assumptions	5,642,777	223,918,820
Changes in proportion	16,486,441	40,296,996
Tollway contributions subsequent to the measurement date	10,089,766	-
	<u>\$ 34,557,533</u>	<u>\$ 326,726,917</u>

The amounts reported as deferred outflows of resources related to OPEB resulting from Tollway contributions subsequent to the measurement date will be recognized as a reduction to the OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending	Amount
12/31/2023	\$ (80,525,687)
12/31/2024	(80,078,162)
12/31/2025	(71,653,846)
12/31/2026	(55,600,542)
12/31/2027	(14,400,913)
	<u>\$ (302,259,150)</u>

Actuarial methods and assumptions

The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified. The actuarial valuation for the SEGIP was based on GARS, JRS, SERS, TRS, and SURS active, inactive, and retiree data as of June 30, 2021, for eligible SEGIP employees, and SEGIP retiree data as of June 30, 2021.

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Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB liability
Discount Rate	3.69%
Inflation Rate	2.25%
Projected Salary Increases	2.75% - 7.17%
Healthcare Cost Trend Rates	Trend rates for plan year 2023 are based on actual premium increases. For non-Medicare costs, trend rates start at 8% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 5.77% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.
Retirees' Share of Benefit-Related Costs	Healthcare premium rates for members depend on the date of retirement and the years of service earned at retirement. Members who retire before January 1, 1998, are eligible for single coverage at no cost to the member. Members who retire after January 1, 1998, are eligible for single coverage provided they pay a portion of the premium equal to 5% for each year of service under 20 years. Eligible dependents receive coverage provided they pay 100% of the required dependent premium. Premiums for plan years 2022 and 2023 are based on actual premiums. Premiums after 2023 were projected based on the same healthcare cost trend rates applied to per capita claim costs.

The demographic assumptions and economic assumptions used in the OPEB valuation are consistent with those used in the June 30, 2022, pension valuations for GARS, JRS, SERS, TRS, and SURS as follows:

General Employees and retirees	Base Mortality Table	Male Set Back Years	Female Set Back Years	Male Scaling Factor	Female Scaling Factor
Pre-retirement	Pub-2010 General Employee, sex distinct	2	1	89%	95%
Post-retirement	Pub-2010 General Healthy Retiree sex distinct	—	(1)	111%	111%

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Discount Rate

Retirees contribute a percentage of the premium rate based on service at retirement. The State contributes additional amounts to cover claims and expenses in excess of retiree contributions. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.69% at June 30, 2022, and 1.92% at June 30, 2021, was used to measure the total OPEB liability.

Sensitivity of total OPEB liability to changes in the single discount rate

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 3.69%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher (4.69%) or lower (2.69%) than the current rate:

June 30, 2022		
Current Single Discount		
1% Decrease ^(a)	Rate Assumption	1% Increase ^(b)
2.69%	3.69%	4.69%
\$ 252,214,867	\$ 228,601,504	\$ 203,045,962

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Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate

The following presents the plans total OPEB liability, calculated using the healthcare cost trend rates as well as what the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.0% in 2024 decreasing to an ultimate trend rate of 4.25% in 2039.

June 30, 2022		
Healthcare Cost 1% Decrease ^(a)	Trend Rates Assumption	1% Increase ^(b)
\$ 197,923,196	\$ 228,601,504	\$ 259,694,852

- (a) Current healthcare trend rates -
Pre-Medicare per capita costs: 6.08% in 2023, 8.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2039.
- Post-Medicare per capita costs: 2.78% in 2023, 0.00% from 2024 to 2028, 19.42% from 2029 to 2033, 5.77% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2039.
- (b) One percentage point decrease in current healthcare trend rates -
Pre-Medicare per capita costs: 5.08% in 2023, 7.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2039
- Post-Medicare per capita costs: 1.78% in 2023, 0.00% from 2024 to 2028, 18.24% from 2029 to 2033, 4.77% in 2034, decreasing ratably to an ultimate trend rate of 3.25% in 2039.
- (c) One percentage point increase in current healthcare trend rates -
Pre-Medicare per capita costs: 7.08% in 2023, 9.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2039
- Post-Medicare per capita costs: 3.78% in 2023, 1.00% from 2024 to 2028, 20.42% from 2029 to 2033, 6.77% in 2034, decreasing ratebly to an ultimate trend rate of 5.25% in 2039.

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(12) Risk Management

The Tollway has a self-insured risk program for workers' compensation claims, and is liable to pay all approved claims. Claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims liabilities include non-incremental claims adjustment expenses. The estimated liabilities for workers' compensation claims of \$16,708,796 and incurred but not reported employee health claims of \$1,689,644 as of December 31, 2022, are included in the accompanying financial statements.

Changes in workers' compensation claims payable for the year ended December 31, 2022, are as follows:

<u>Balance at January 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31</u>	<u>Current Portion</u>
\$ 18,139,723	\$ 4,302,042	\$ (5,732,969)	\$ 16,708,796	\$ 4,300,000

Changes in health insurance claims payable for the year ended December 31, 2022, are as follows:

<u>Balance at January 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31</u>	<u>Current Portion</u>
\$ 1,691,870	\$ 20,275,730	\$ (20,277,956)	\$ 1,689,644	\$ 1,689,644

Additionally, the Tollway purchases commercial insurance policies for general liability insurance and vehicle liability insurance which have a level of retention of \$1,000,000 per occurrence for general liability and for vehicle insurance. Property insurance coverage for damages to capital assets other than vehicles includes retention of \$1,000,000 per occurrence.

The Tollway has not had significant reductions in insurance coverage during the current or prior year nor did settlements exceed insurance coverage in any of the last three years.

(13) Compensated Absences

The accrued compensated absences liability reported in the statement of net position represents the vacation for all years, and 50% of unused sick time for the period beginning January 1, 1984, and ending December 31, 1997, accrued by the employees, and is payable upon termination or death of the employee. The payment provided shall not be allowed if the purpose of the separation from employment and any subsequent re-employment is for the purpose of obtaining such payment. The Tollway's liability for unused annual vacation leave and sick leave as defined above is recorded in the accompanying financial statements at the employee's pay rate.

Changes in accrued compensated absences for the year ended December 31, 2022, are as follows:

<u>Balance at January 1</u>	<u>Accrued</u>	<u>Used</u>	<u>Balance at December 31</u>	<u>Due within one year</u>
\$ 10,596,027	\$ 8,694,521	\$ 8,767,174	\$ 10,523,374	\$ 8,800,000

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(14) Pledges of Future Revenues

All revenue bonds issued under the Tollway's Trust Indenture are secured by a pledge of and lien on Tollway net revenues and certain other funds (excluding amounts reserved for the payment of maintenance and operating expenses) as provided in the Trust Indenture.

<u>Bond issue</u>	<u>Purpose</u>	<u>December 31, 2022</u>	
		<u>Pledged future net revenues</u>	<u>Term of commitment</u>
2009 Series A Senior Priority Revenue (Build America Bonds - Direct Payment)	Fund Congestion-Relief Program	\$ 671,813,700	2034
2009 Series B Senior Priority Revenue (Build America Bonds - Direct Payment)	Fund Congestion-Relief Program	476,593,600	2034
2013 Series A Senior Revenue	Fund <i>Move Illinois</i> Program	820,499,750	2038
2014 Series B Senior Revenue	Fund <i>Move Illinois</i> Program	843,625,000	2039
2014 Series C Senior Revenue	Fund <i>Move Illinois</i> Program	671,400,000	2039
2014 Series D (Refunding) Senior Revenue	Refund 2006A Bonds	183,217,375	2025
2015 Series A Senior Revenue	Fund <i>Move Illinois</i> Program	707,482,500	2040
2015 Series B Senior Revenue	Fund <i>Move Illinois</i> Program	707,482,500	2040
2016 Series A (Refunding) Senior Revenue	Refund 2008B Bonds	486,762,750	2032
2016 Series B Senior Revenue	Fund <i>Move Illinois</i> Program	535,700,000	2041
2017 Series A Senior Revenue	Fund <i>Move Illinois</i> Program	545,935,000	2042
2018 Series A (Refunding) Senior Revenue	Refund portions of 2007A, 2008A, 2009A Bonds	596,318,250	2031
2019 Series A Senior Revenue	Fund <i>Move Illinois</i> Program	573,940,000	2031
2019 Series B (Refunding) Senior Revenue	Refund 2010A-1 Bonds	285,676,375	2044
2019 Series C (Refunding) Senior Revenue	Refund 2007A, 2008A Bonds	896,383,750	2031
2020 Series A Senior Revenue	Fund <i>Move Illinois</i> Program	1,004,505,000	2045
2021 Series A Senior Revenue	Fund <i>Move Illinois</i> Program	1,371,085,000	2046
		<u>\$ 11,378,420,550</u>	

Proceeds from the bonds identified above provided financing or refinancing for the construction and/or improvement of the various corridors within the Tollway's toll highway system. Future projected principal and interest payments on the bonds are expected to require approximately 35% of future pledged net revenue (incorporating estimates for previously approved future commercial vehicle annual toll rate increases based on the consumer price index, such increases 3.65% in 2023 and projected to be approximately 4.5% in each of 2024 and 2025, 3% in 2026, and 2% thereafter. The total principal and interest remaining to be paid on the bonds is approximately \$11.4 billion. Principal and interest paid in calendar year 2022 was approximately \$483.2 million, and total pledged net revenue in calendar year 2022 was approximately \$1.2 billion.

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(15) Commitments

At December 31, 2022, the remaining obligations against current contracts open for the “*Move Illinois*” capital program totaled \$2.3 billion. The Tollway plans to fund remaining payments under these contracts through revenues, accumulated cash, and bond issue proceeds.

(16) Pending Litigation

There are pending claims and lawsuits against the Tollway, which, among other things, seek damages arising out of alleged personal injury, unpaid health insurance contributions, wrongful discharge and other employment-related matters. Generally, the Tollway’s exposure is limited to the self-insured retention of \$500,000 per general liability incident. Also pending are various workers’ compensation claims and numerous Administrative Review actions in which individual parties are challenging the results of toll violation enforcement proceedings.

Management, after taking into consideration legal counsel’s evaluation of such actions, is not aware of any matters that would have a material effect on the financial position of the Tollway.

(17) Contingent Liabilities

A contingent liability is defined as a liability that is not sufficiently predictable to permit recording in the accounts but in which there is a reasonable possibility of an outcome which might affect financial position or results of operations. It is the opinion of management that the Tollway has no liabilities meeting this definition as of December 31, 2022.

(18) New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following statements:

Statement No. 96 – *Subscription-Based Information Technology Arrangements* (SBITAs)– This statement provides guidelines for the financial reporting for SBITA liabilities, capitalization and note disclosures. This statement is effective for fiscal years beginning after June 15, 2022. Management has not yet determined the impact of this pronouncement on the Tollway’s financial statements.

Statement No. 99 – *Omnibus 2022* – This statement clarifies practice issues relating to derivative instruments, GASB 34, GASB 53, GASB 63, GASB 87, GASB 94, GASB 96, extends the period during which the London Interbank Offered Rate (LIBOR) is considered appropriate and disclosures related to nonmonetary transactions, accounting for SNAP benefits. Some requirements were effective upon issuance, some are effective for years beginning after June 15, 2022, and some are effective for years beginning after June 15, 2023. The clarifications addressed in this pronouncement will be followed by the Tollway as necessary.

Statement No. 100 – *Accounting Changes and Error Corrections* – This statement clarifies the reporting requirements for accounting changes and error corrections. It is effective for years beginning after June 15, 2023. Management does not anticipate that this will impact the Tollway’s financial statements.

Statement No. 101 – *Compensated Absences* – This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash, if the leave is attributable to services already rendered, the leave accumulates and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included. This statement is

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effective for years beginning after December 15, 2023. Management has not yet determined the impact of this pronouncement on the Tollway's financial statements.

(19) Related Parties

The Tollway has entered into various intergovernmental agreements with the State of Illinois, through the Illinois Department of Transportation (IDOT). Intergovernmental receivables of approximately \$83.3 million are recorded at December 31, 2022, representing construction projects performed by the Tollway that pertain to the infrastructure owned by IDOT. Accrued liabilities totaling approximately \$40.8 million are recorded for amounts owed to IDOT for construction projects IDOT has performed for infrastructure assets owned by the Tollway.

(20) Subsequent Events

On January 1, 2023, a toll rate increase took effect for commercial vehicles, reflecting an increase in the Consumer Price Index (CPI) for All Urban Consumers based on the annualized percentage change in the CPI over the 36-month period ending on June 30 of the prior year. This increase was implemented pursuant to the Tollway Board of Directors' approval in 2008 and affirmation in 2011 of annual CPI-based commercial vehicle toll rate increases beginning January 1, 2018, and each year thereafter, and approval in 2022 of a revised calculation methodology beginning January 1, 2023.

Effective February 17, 2023, the Governor of Illinois appointed Arnaldo Rivera Chairman of the Tollway's Board of Directors. Chairman Rivera replaced former Chair Dorothy Abreu who resigned on January 30, 2023. Per the Tollway's bylaws, Chairman Rivera also is the Chief Executive Officer of the Tollway. Director Alice Gallagher passed away on March 21, 2023, which created a vacancy that remains as of the date of this report. The total number of vacancies, as of the date of this report, is two. On May 1, 2023, the Governor of Illinois reappointed Jacqueline Gomez Fuentes, James Connolly and James Sweeney to the Tollway Board of Directors, each to a term ending March 1, 2027.

On May 18, 2023, the Tollway issued \$500 million of Toll Highway Senior Revenue Bonds, 2023 Series A, to fund a portion of "Move Illinois" Program capital program expenditures.

The 5.7% reduction in U.S. Treasury subsidies of Build America Bond interest payments for the federal fiscal year ending September 30, 2023 is expected to reduce such subsidies earned by the Tollway for the Series 2009B interest payment due June 1, 2023 and the Series 2009A interest payment due July 1, 2023 by a total of \$410,160.

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(21) Subsequent Discovery of Facts

Subsequent to the issuance of the financial statements and reports, Tollway management was made aware of an error in the methodology used to calculate the OPEB Expense Recovery related to the January 9, 2023 amendment to the State Employees Group Insurance Act of 1971 (“Act”) discussed more fully in Note 11. The calculated OPEB expense recovery of \$517,423,118 was overstated by \$447,346,978, Deferred Outflows of Resources were overstated by \$411,495,847 and Deferred Inflows of Resources were understated by \$35,851,131 due to reflecting all of the changes related to the OPEB expense recovery in the current year. These changes are required under Governmental Accounting Standards to be treated as a change in proportion and accreted over the estimated average service life of the SEGIP’s members.

The table below presents the corrections made to these financial statements.

	Amount Initially Reported	Amount of Error	Amount as Correctly Stated
OPEB Expense Recovery	\$ 517,423,118	\$ 447,346,978	\$ 70,076,140
Deferred Outflows of Resources	\$ 446,053,380	\$ 411,495,847	\$ 34,557,533
Deferred Inflows of Resources	\$ 290,875,786	\$ 35,851,131	\$ 326,726,917

REQUIRED SUPPLEMENTARY INFORMATION

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Schedule of Tollway's Proportionate Share
of the Net Pension Liability of the
State Employees' Retirement System (SERS)
Year ended December 31, 2022

Last 10 Fiscal Years**

	SERS Fiscal Year Ended June 30,								
	2022	2021	2020	2019	2018	2017***	2016	2015	2014
Tollway's proportion of the net pension liability*	2.4117%	2.5815%	2.5578%	2.5568%	2.6698%	2.6999%	2.6382%	2.6261%	2.6826%
Tollway's proportionate share of the net pension liability, pursuant to GASB 68 reporting requirements	\$ 779,868,174	\$ 854,495,091	\$ 891,871,048	\$ 853,819,076	\$ 882,540,010	\$ 888,456,774	\$ 900,824,457	\$ 733,523,053	\$ 727,079,026
Tollway's covered payroll	\$ 115,611,655	\$ 118,275,046	\$ 112,876,932	\$ 115,464,445	\$ 110,352,910	\$ 111,183,988	\$ 111,478,841	\$ 112,947,877	\$ 110,979,470
Tollway's proportionate share of the net pension liability as a percentage of its covered payroll	674.56%	722.46%	790.13%	739.46%	799.74%	798.78%	808.07%	649.44%	655.15%
Plan fiduciary net position as a percentage of the total pension liability	40.73%	41.91%	35.51%	35.64%	34.57%	33.44%	30.58%	35.27%	34.98%

* Tollway's proportion of net pension liability is estimated as the percentage of Tollway annual contributions to SERS to total annual contributions to SERS.

** GASB 68 requires disclosure of this information over a 10 year period. However, since GASB 68 was implemented in 2015, applicable information is only available for the nine years presented.

*** Effective for fiscal year 2017, GASB Statement No. 82 amends GASB Statement Nos. 67 and 68 to require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based instead of covered-employee payroll, which is the payroll of employees that are provided with pensions through the pension plan.

See accompanying independent auditors' report.

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Schedule of Contributions to SERS Pension Plan

Year ended December 31, 2022

Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll*	Actual Contribution as a % of Covered Payroll
2022	\$ 72,108,036	\$ 64,614,356	\$ 7,493,680	\$ 118,137,448	54.69%
2021	78,630,956	65,315,580	13,315,376	117,725,621	55.48%
2020	74,525,328	61,919,610	12,605,718	115,054,947	53.82%
2019	76,600,914	59,411,115	17,189,799	113,210,062	52.48%
2018	73,135,906	55,197,741	17,938,165	110,795,575	49.82%
2017	57,493,911	55,576,566	1,917,345	111,226,982	49.97%
2016	53,283,494	50,197,749	3,085,745	111,478,841	45.03%
2015	53,713,047	48,299,509	5,413,538	112,947,877	42.76%
2014	52,494,228	44,751,713	7,742,515	110,979,470	40.32%

Note: GASB 68 requires disclosure of this information over a 10 year period. However, since GASB 68 was implemented in 2015, applicable information is only available for the nine years presented.

Actuarially determined contributions are calculated as of June 30th, which is 6 months prior to the beginning of the fiscal year

* Actual contributions and covered payroll are based on the Tollway's calendar year and were equal to the statutorily required contribution.

See accompanying independent auditors' report.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Schedule of Tollway's Proportionate Share
of the Net OPEB Liability of the
State's Employee Group Insurance Program (SEGIP)
For the Year Ended December 31, 2022

Last 10 Fiscal Years**

	Fiscal Year Ended June 30,					
	2022	2021	2020	2019	2018	2017
Tollway's proportion of the net OPEB liability*	1.3384%	1.2567%	1.3706%	0.2995%	0.3495%	0.2520%
Tollway's proportionate share of the net OPEB liability	\$ 228,601,504	\$ 493,963,815	\$ 580,018,281	\$ 131,448,041	\$ 140,125,903	\$ 104,136,124
Tollway's covered-employee payroll	\$ 115,611,655	\$ 118,275,046	\$ 112,876,932	\$ 115,464,445	\$ 110,352,910	\$ 111,183,988
Proportionate share of Net OPEB liability as a percentage of covered-employee payroll	197.73%	417.64%	513.85%	113.84%	126.98%	93.66%

* Beginning in 2020, the Tollway's proportion of net OPEB liability is estimated based on the Tollway's specific actuarial share of the total State of Illinois liability. Prior to 2020, the Tollway's share was erroneously estimated based on actual contributions to SEGIP.

** GASB 75 requires disclosure of this information over a 10 year period. However, since GASB 75 was implemented in 2018, applicable information is only available for the five years presented.

See accompanying independent auditors' report.

**SUPPLEMENTARY INFORMATION-TRUST INDENTURE
AGREEMENT SCHEDULES (NON-GAAP)**

Schedule 4

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Schedule of Changes in Fund Balance – by Fund
Trust Indenture Basis of Accounting (Non GAAP)
For the Year Ended December 31, 2022

	Revenue fund	Construction fund	Total
Increases:			
Toll revenue	\$ 1,336,521,453	\$ -	\$ 1,336,521,453
Toll evasion recovery	198,557,196	-	198,557,196
Concessions	1,222,500	-	1,222,500
Interest	25,293,715	470,022	25,763,737
Miscellaneous	30,083,897	-	30,083,897
Total increases	<u>1,591,678,761</u>	<u>470,022</u>	<u>1,592,148,783</u>
Decreases:			
Engineering and maintenance of roadway and structures	93,674,878	-	93,674,878
Services and toll collection	97,874,084	-	97,874,084
Traffic control, safety patrol, and radio communications	46,961,179	-	46,961,179
Procurement, IT, finance and administration	91,265,723	-	91,265,723
Insurance and employee benefits	45,084,973	-	45,084,973
Construction	1,136,845,116	-	1,136,845,116
Construction expense reimbursed by bond proceeds	(291,154,468)	291,154,468	-
Bond principal payments	145,415,000	-	145,415,000
Bond interest and other financing costs	350,901,488	-	350,901,488
Build America bond subsidy	(13,571,260)	-	(13,571,260)
Bond - Other Financing Costs	242,397	-	242,397
Recovery of Series 2021 A Bond Issuance Costs	-	(38,501)	(38,501)
Total decreases	<u>1,703,539,110</u>	<u>291,115,967</u>	<u>1,994,655,077</u>
Change in fund balance	(111,860,349)	(290,645,945)	(402,506,294)
Fund balance, January 1, 2022	1,378,826,210	290,645,945	1,669,472,155
Fund balance, December 31, 2022	<u>\$ 1,266,965,861</u>	<u>\$ -</u>	<u>\$ 1,266,965,861</u>

See accompanying independent auditors' report.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois
 Schedule of Changes in Fund Balance – by Fund
 Trust Indenture Basis of Accounting (Non GAAP)
 For the Year Ended December 31, 2021

	Revenue fund	Construction fund	Total
Increases:			
Toll revenue	\$ 1,292,369,818	\$ -	\$ 1,292,369,818
Toll evasion recovery	147,047,083	-	147,047,083
Concessions	1,428,418	-	1,428,418
Interest	2,355,771	13,529	2,369,300
Miscellaneous	20,575,673	-	20,575,673
Total increases	<u>1,463,776,763</u>	<u>13,529</u>	<u>1,463,790,292</u>
Decreases:			
Engineering and maintenance of roadway and structures	89,903,171	-	89,903,171
Services and toll collection	104,741,994	-	104,741,994
Traffic control, safety patrol, and radio communications	44,705,767	-	44,705,767
Procurement, IT, finance and administration	81,314,607	-	81,314,607
Insurance and employee benefits	50,452,012	-	50,452,012
Construction	1,239,321,433	-	1,239,321,433
Construction expense reimbursed by bond proceeds	(675,256,144)	675,256,144	-
Bond principal payments	136,505,000	-	136,505,000
Build America bond subsidy	(13,631,459)	-	(13,631,459)
Bond Proceeds	-	(843,317,045)	(843,317,045)
Bond interest and other financing costs	327,555,360	-	327,555,360
Bond Issuance Costs - Bonds for Construction	-	2,364,046	2,364,046
Total (decreases)/increases	<u>1,385,611,741</u>	<u>(165,696,855)</u>	<u>1,219,914,886</u>
Change in fund balance	78,165,022	165,710,384	243,875,406
Fund balance, January 1, 2021	1,300,661,188	124,935,561	1,425,596,749
Fund balance, December 31, 2021	<u>\$ 1,378,826,210</u>	<u>\$ 290,645,945</u>	<u>\$ 1,669,472,155</u>

See accompanying independent auditors' report.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Schedule of Changes in Fund Balance – Revenue Fund – by Account
Trust Indenture Basis of Accounting (Non GAAP)
For the Year Ended December 31, 2022

	Revenue fund and accounts							Total
	Revenue account	Maintenance and operations		Debt service	Debt service reserve	Renewal and replacement	Improvement	
		Operating sub account	Operating reserve sub account					
Increases:								
Toll revenue	\$ 1,336,521,453	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,336,521,453
Toll evasion recovery	198,557,196	-	-	-	-	-	-	198,557,196
Concessions	1,222,500	-	-	-	-	-	-	1,222,500
Interest	6,169,294	-	-	2,782,772	4,066,131	3,283,725	8,991,793	25,293,715
Miscellaneous	30,083,897	-	-	-	-	-	-	30,083,897
Intrafund transfers	(1,557,182,811)	402,474,613	-	475,869,958	-	288,000,000	399,838,240	-
Total increases	<u>15,371,529</u>	<u>402,474,613</u>	<u>-</u>	<u>478,652,730</u>	<u>4,066,131</u>	<u>291,283,725</u>	<u>399,830,033</u>	<u>1,591,678,761</u>
Decreases:								
Engineering and maintenance of roadway and structures	-	93,674,878	-	-	-	-	-	93,674,878
Services and toll collection	-	97,874,084	-	-	-	-	-	97,874,084
Traffic control, safety patrol, and radio communications	-	46,961,179	-	-	-	-	-	46,961,179
Procurement, IT, finance and administration	-	91,265,723	-	-	-	-	-	91,265,723
Insurance and employee benefits	-	45,084,973	-	-	-	-	-	45,084,973
Construction expenses	-	-	-	-	-	256,816,701	880,028,415	1,136,845,116
Construction expenses reimbursed by bond proceeds	-	-	-	-	-	-	(291,154,468)	(291,154,468)
Bond principal payments	-	-	-	145,415,000	-	-	-	145,415,000
Interest and other financing costs	-	-	-	350,901,488	206,897	-	-	351,108,385
Build America bond subsidy	-	-	-	(13,571,260)	-	-	-	(13,571,260)
Bond - Other Financing Costs	-	-	-	35,500	-	-	-	35,500
Total decreases	<u>-</u>	<u>374,860,837</u>	<u>-</u>	<u>482,780,728</u>	<u>206,897</u>	<u>256,816,701</u>	<u>588,873,947</u>	<u>1,703,539,110</u>
Change in fund balance	15,371,529	27,613,776	-	(4,127,998)	3,859,234	34,467,024	(189,043,914)	(111,860,349)
Fund balance, January 1, 2022	9,938,407	7,999,648	27,400,000	59,119,069	429,808,341	149,210,500	695,350,245	1,378,826,210
Fund balance, December 31, 2022	<u>\$ 25,309,936</u>	<u>\$ 35,613,424</u>	<u>\$ 27,400,000</u>	<u>\$ 54,991,071</u>	<u>\$ 433,667,575</u>	<u>\$ 183,677,524</u>	<u>\$ 506,306,331</u>	<u>\$ 1,266,965,861</u>

See accompanying independent auditors' report.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
 A Component Unit of the State of Illinois
 Schedule of Changes in Fund Balance – Revenue Fund – by Account
 Trust Indenture Basis of Accounting (Non GAAP)
 For the Year Ended December 31, 2021

	Revenue fund and accounts							Total
	Revenue account	Maintenance and operations		Debt service	Debt service reserve	Renewal and replacement	Improvement	
	Operating sub account	Operating reserve sub account						
Increases:								
Toll revenue	\$ 1,292,369,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,292,369,818
Toll evasion recovery	147,047,083	-	-	-	-	-	-	147,047,083
Concessions	1,428,418	-	-	-	-	-	-	1,428,418
Interest	97,586	-	-	13,587	2,118,104	22,348	104,146	2,355,771
Miscellaneous	20,575,673	-	-	-	-	-	-	20,575,673
Intrafund transfers	(1,452,825,074)	372,141,623	-	456,108,541	-	228,000,000	396,574,910	-
Total increases	<u>8,693,504</u>	<u>372,141,623</u>	<u>-</u>	<u>456,122,128</u>	<u>2,118,104</u>	<u>228,022,348</u>	<u>396,679,056</u>	<u>1,463,776,763</u>
Decreases:								
Engineering and maintenance of roadway and structures	-	89,903,171	-	-	-	-	-	89,903,171
Services and toll collection	-	104,741,994	-	-	-	-	-	104,741,994
Traffic control, safety patrol, and radio communications	-	44,705,767	-	-	-	-	-	44,705,767
Procurement, IT, finance and administration	-	81,314,607	-	-	-	-	-	81,314,607
Insurance and employee benefits	-	50,452,012	-	-	-	-	-	50,452,012
Construction expenses	-	-	-	-	-	263,921,389	975,400,044	1,239,321,433
Construction expenses reimbursed by bond proceeds	-	-	-	-	-	-	(675,256,144)	(675,256,144)
Bond principal payments	-	-	-	136,505,000	-	-	-	136,505,000
Build America bond subsidy	-	-	-	(13,631,459)	-	-	-	(13,631,459)
Interest and other financing costs	-	-	-	327,348,463	206,897	-	-	327,555,360
Total decreases	<u>-</u>	<u>371,117,551</u>	<u>-</u>	<u>450,222,004</u>	<u>206,897</u>	<u>263,921,389</u>	<u>300,143,900</u>	<u>1,385,611,741</u>
Change in fund balance	8,693,504	1,024,072	-	5,900,124	1,911,207	(35,899,041)	96,535,156	78,165,022
Fund balance, January 1, 2021	1,244,903	6,975,576	27,400,000	53,218,945	427,897,134	185,109,541	598,815,089	1,300,661,188
Fund balance, December 31, 2021	<u>\$ 9,938,407</u>	<u>\$ 7,999,648</u>	<u>\$ 27,400,000</u>	<u>\$ 59,119,069</u>	<u>\$ 429,808,341</u>	<u>\$ 149,210,500</u>	<u>\$ 695,350,245</u>	<u>\$ 1,378,826,210</u>

See accompanying independent auditors' report.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois
Notes to the Trust Indenture Basis Schedules
December 31, 2022

(1) Summary of Significant Accounting Policies

The Trust Indenture requires the Tollway to provide separate funds for construction (Construction Fund) and for operations (Revenue Fund), which funds are not annually appropriated by the Illinois General Assembly. The Trust Indenture permits the Tollway to create additional accounts for the purpose of more precise accounting. The Illinois State Treasurer holds monies for the Tollway as ex-officio custodian and has recorded these monies in a custodial account. Part of this account is part of the Maintenance and Operation Account within the Revenue Fund.

Prior to fiscal year 2005, the Tollway issued separate annual financial statements, prepared on the basis of accounting described below, in order to demonstrate compliance with the requirements of the Trust Indenture (Trust Indenture Annual Statements). Beginning in 2005, the Tollway has included schedules, prepared on the basis of accounting described below, in the supplementary information section of this report. The Tollway believes that these schedules, along with the GAAP basis financial statements contained in this report, are sufficient to demonstrate compliance with the annual financial reporting requirements of the Trust Indenture. As a result, separate Trust Indenture Annual Statements are no longer prepared. Certain items in the presentation of the Trust Indenture information contained herein vary from the presentation previously used in the Trust Indenture Annual Statements. In addition, the schedules contained in this section of the report present only the Revenue Fund and the Construction Fund. Previously, the Trust Indenture Annual Statements included "Infrastructure and Long-term Debt Accounts," which was optional reporting allowed under the Trust Indenture.

Basis of Accounting

Under the provisions of the Trust Indenture, the basis of accounting followed for the Construction Fund and the Revenue Fund within the Schedule of Changes in Fund Balance by Fund, differs in certain respects from accounting principles generally accepted in the United States of America.

The major differences are as follows:

1. Capital construction and asset acquisitions are charged against fund balance as incurred. In addition, there is no provision for depreciation.
2. Monies received from sale of assets are recorded as revenue when the cash is received.
3. Monies received for long-term fiber optic leases are recorded as revenue when received.
4. Principal retirements on revenue bonds are expensed when paid. The results of defeasement are accounted for as revenue or expense at the time of the transaction.
5. Bond proceeds (including premiums) are recorded as income in the year received. Amounts received from refunding issuances, if any, are recorded net of transfers to the escrow agent.
6. Unrealized gains and losses on Debt Reserve invested funds are netted against interest and other financing costs.
7. Capital lease obligations are not recorded. Payments under capital leases are expensed in the period payments are made.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois
Notes to the Trust Indenture Basis Schedules
December 31, 2022

8. Interest related to construction in progress is not capitalized.
9. Recoveries of expenses are classified as decreases in operating expenses for Trust Indenture reporting and as miscellaneous operating revenue for GAAP.
10. In Trust Indenture reporting, transponder purchases and other miscellaneous expenses are reflected in the Renewal and Replacement fund as capital expense. For GAAP the expenses are reflected as an operating expense.
11. Construction expenses incurred under intergovernmental agreements are decreased by payments received under these intergovernmental agreements.
12. Prepaid expenses are recorded only if refundable for Trust Indenture reporting.
13. The provisions of GASB Statement No. 68 regarding net pension liability and deferred outflows and inflows of resources are not reflected in the Trust Indenture reporting. Pension expense reflects the statutory contributions required under Chapter 40, section 5/14 of the Illinois Compiled Statutes.
14. The provisions of GASB Statement No. 75 regarding net OPEB liability and deferred outflows and inflows of resources are not reflected in the Trust Indenture reporting.
15. The provisions of GASB 87 regarding leases are not reflected in the Trust Indenture reporting.

Therefore, the accompanying Schedules of Changes in Fund Balance by Fund, which are prepared in accordance with the aforementioned accounting principles, are not intended to, and do not, present the financial position or the results of operations in accordance with accounting principles generally accepted in the United States of America.

A description of the individual accounts within the Revenue Fund and Construction Fund, as well as the required distribution of revenues collected, is as follows:

The Revenue Fund

All revenues received by the Tollway other than investment income shall be delivered by the Tollway to the Treasurer, for deposit in the Revenue Fund. On or before the 20th day of each month the Treasurer shall, at the direction of the Tollway, transfer or apply the balance as of such date of transfer in the Revenue Fund not previously transferred or applied in the following order of priority:

- A. To the Operating Sub-Account, operating expenses set forth in the annual budget for the fiscal year in an amount equal to one-twelfth of the total approved budget, less all other amounts previously transferred by the Treasurer for deposit to the credit of the Operating Sub-Account during that fiscal year, less the balance, if any, which was on deposit to the credit of the Operating Sub-Account on December 31 of the preceding fiscal year.
- B. To the Operating Reserve Sub-Account, the amount specified by the Tollway, but not to exceed 30% of the amount annually budgeted for operating expenses.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois
Notes to the Trust Indenture Basis Schedules
December 31, 2022

- C. To the Interest Sub-Account, an amount equal to interest due on unpaid bonds, plus one-sixth of the difference between the interest payable on bond and interest due within the next six months.
- D. To the Principal Sub-Account, an amount equal to any principal due plus one-twelfth of any principal of such outstanding senior bonds payable on the next principal payment date.
- E. To the Redemption Sub-Account, an amount for each bond equal to one-twelfth of any sinking fund installment of outstanding bonds payable within the next twelve months.
- F. To the Provider Payment Sub-Account, amounts as provided in any supplemental indenture for paying costs of credit enhancement or qualified hedge agreements for bonds or for making reimbursements to providers of credit enhancement or qualified hedge agreements for bonds.
- G. To the Debt Service Reserve Account, an amount sufficient to cause the balance in it to equal the debt reserve requirement and to make reimbursement to providers of reserve account credit facilities.
- H. To the Junior Bond Debt Service or Junior Bond Debt Reserve Account, any amounts required by applicable supplemental indentures.
- I. To the Renewal and Replacement Account, one-twelfth the portion of the renewal and replacement amount set forth in the annual budget for the fiscal year.
- J. The balance of such amounts in the Revenue Funds are to be applied as follows:
 - 1) To the credit of the Improvement Account for allocation to a project as determined by the Tollway in its sole discretion, until the balance in the Account is equal to the improvement requirement or a lesser amount as the Tollway may from time to time determine.
 - 2) To the credit of the System Reserve Account, the entire amount remaining in the Revenue Fund after depositing or allocating all amounts required to be deposited to the credit of the above Accounts and Sub-Accounts.

Maintenance and Operation Account

The Maintenance and Operation Account consists of the Operating Sub-Account and the Operating Reserve Sub-Account. Moneys in the Operating Sub-Account are applied to operating expenses at the direction of the Tollway.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois
Notes to the Trust Indenture Basis Schedules
December 31, 2022

Revenues are transferred to the Operating Sub-Account to cover the expenses set forth in the annual budget for the current fiscal year. One-twelfth of the operating expenses outlined in the annual budget are transferred to this account once a month. Revenue is recorded on an accrual basis and as such may not be available for allocation until the cash is collected.

The Operating Reserve Sub-Account receives or retains an amount not to exceed 30% of the amount budgeted for operating expenses in the annual budget for the current fiscal year. Monies in the Operating Reserve Sub-Account are held as a reserve for the payment of operating expenses and are to be withdrawn if moneys are not available to the credit of the Operating Sub-Account to pay operating expenses.

If the Tollway determines that the amount in the Operating Reserve Sub-Account exceeds that amount necessary, the excess will be withdrawn from such Sub-Account and applied as revenues. By resolution, the Board voted to maintain a \$27.4 million fund balance in this account.

Debt Service Account

The Debt Service Account consists of the Interest Sub-Account, the Principal Sub-Account, the Redemption Sub-Account, and the Provider Payment Sub-Account, to be held by the Trustee.

Revenues are required to be deposited to cover the interest and principal amounts due and unpaid for bonds, credit enhancement or qualified hedge agreements. Revenues must also be deposited to the credit of the Debt Reserve Account in an amount sufficient to cause the balance in it to equal the debt reserve requirement.

The Debt Reserve Account receives funds to provide an amount sufficient to cause the balance in it to equal the debt reserve requirement and to make any required reimbursement to providers of reserve account credit facilities.

Renewal and Replacement Account

Revenues must be credited to the Renewal and Replacement Account in an amount set forth in the annual budget for the renewal and replacement deposit. An amount set forth in the budget shall be determined based on recommendations of the Consulting Engineer. Additional funds can be transferred to this account by the Tollway, based on the capital plan expenditures.

Improvement Account

At the direction of the Tollway, the balance of amounts in the Revenue Fund are applied to the Improvement Account, for allocations to projects, determined by the Tollway, until the balance in the Account is equal to the improvement requirement.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois
Notes to the Trust Indenture Basis Schedules
December 31, 2022

System Reserve Account

At the direction of the Tollway, the balance in the Revenue Fund is deposited to the credit of the System Reserve Account to provide for deficiencies in any other account or sub-account. If all accounts have sufficient funds, System Reserve Account funds can be used to pay off debt, fund construction projects, make improvements, or pay for any other lawful Tollway purpose. There were no balances or activity in the System Reserve Account during 2022.

The Construction Fund

The Construction Fund is held as a separate segregated fund. The Construction Fund receives funds from the sale of bonds (other than refunding bonds) and investment of proceeds. The Treasurer establishes and maintains within the Construction Fund a separate, segregated account for each Project, the costs of which are to be paid in whole or in part out of the Construction Fund.

(2) Miscellaneous

The following items are reported as Bond Interest and Other Financing Costs:

Components of Bond Interest and Other Financing Costs - 2022

	<u>Debt Service</u>	<u>Debt Reserve</u>	<u>Total</u>
Bond interest expense	\$ 350,901,488	\$ -	\$ 350,901,488
Other financing costs	35,500	206,897	242,397
	<u>\$ 350,936,988</u>	<u>\$ 206,897</u>	<u>\$ 351,143,885</u>

Other Information:

- (1) Construction and Other Capital Expenses for Renewal and Replacement and Improvement include accrued expenses.
- (2) Bond interest expense includes accrued interest payable at December 31, 2022.
- (3) In November 2008, the Tollway purchased a \$100 million surety bond. This policy is being amortized over the life of the bonds (24.1 years). The amortization is shown in the debt reserve column above.
- (4) Cash and investment balances held by the Trustee at December 31, 2022, are \$214.0 million in the Debt Service accounts and \$458.9 million in the Debt Reserve account.
- (5) Insurance and Employee Benefits includes expense for retirement, worker's compensation, the employer portion of FICA, and medical insurance.

Schedule 6

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois
 Schedule of Toll Revenue by Class of
 Vehicles (Unaudited)

For the Years Ended December 31, 2022 and 2021

Class of Vehicle	2022		2021	
	<u>Average Daily Transactions*</u>	<u>Revenue**</u>	<u>Average Daily Transactions*</u>	<u>Revenue**</u>
1. Auto, motorcycle, taxi, station wagon, ambulance, single-unit truck or tractor: 2 axes, 4 tires	2,267,560	\$ 642,279,365	2,210,407	\$ 616,711,641
2. Single-unit truck or tractor, buses: 2 axes, 6 tires	45,430	35,152,243	45,417	34,314,601
3. Trucks and buses with 3 & 4 axes	60,123	75,168,239	59,617	72,139,062
4. Trucks with 5 or more axes, other vehicles and toll adjustments	<u>249,176</u>	<u>583,921,606</u>	<u>250,573</u>	<u>569,204,514</u>
TOTAL	<u>2,622,289</u>	<u>\$ 1,336,521,453</u>	<u>2,566,014</u>	<u>\$ 1,292,369,818</u>

* The "Average Daily Transactions" represents the average daily number of vehicles passing through the toll plazas.

** Toll revenue does not include tolls collected through the Evasion Recovery Program of approximately \$198.6 and \$147.0 million, respectively. These are reported as Toll Evasion Recovery revenue.

Schedule 7

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois

Renewal and Replacement Account (Unaudited)⁽¹⁾

Trust Indenture Basis (Non-GAAP)

For the Years Ended December 31, 2008 through 2022

<u>Year</u>		<u>Total funds Credited (1)</u>
2008	\$	1,907,175
2009		161,463,238
2010		206,096,487
2011		174,192,997
2012		300,660,937
2013		200,364,611
2014		200,208,079
2015		240,311,545
2016		300,845,345
2017		423,015,675
2018		425,924,437
2019		428,965,993
2020		121,455,373
2021		228,022,348
2022		291,283,725

⁽¹⁾ Includes earnings on the Renewal and Replacement Account

See accompanying independent auditors' report.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Summary of Operating Revenues, Maintenance and Operating
Expenses, Net Operating Revenues and Debt Service Coverage (Unaudited)
Trust Indenture Basis (Non-GAAP))
For the Years Ended December 31, 2013 through December 31, 2022
(Amounts in thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019⁽⁸⁾ (9) (10)</u>	<u>2018</u>	<u>2017</u>	<u>2016⁽⁶⁾⁽⁷⁾</u>	<u>2015⁽⁵⁾</u>	<u>2014⁽⁴⁾</u>	<u>2013⁽³⁾</u>
Operating revenue:										
Toll revenue	\$ 1,336,521	\$ 1,292,370	\$ 1,149,020	\$ 1,380,751	\$ 1,341,051	\$ 1,309,189	\$ 1,216,298	\$ 1,146,629	\$ 968,972	\$ 943,152
Toll evasion recovery	198,557	147,047	93,164	81,554	70,469	65,640	64,491	64,323	53,769	54,221
Concession and other revenue	31,307	22,004	26,630	8,864	12,232	13,041	11,481	7,664	12,373	11,537
Interest income ⁽¹⁾	25,294	2,356	13,726	38,455	34,389	13,947	6,529	1,846	1,041	866
Total operating revenue	<u>1,591,679</u>	<u>1,463,777</u>	<u>1,282,540</u>	<u>1,509,624</u>	<u>1,458,141</u>	<u>1,401,817</u>	<u>1,298,799</u>	<u>1,220,462</u>	<u>1,036,155</u>	<u>1,009,776</u>
Maintenance and operating expenses:										
Engineering and maintenance	93,675	89,903	91,503	95,540	78,404	74,054	53,650	55,477	47,614	43,225
Toll services	97,874	104,742	130,701	136,124	141,981	140,217	109,854	101,415	107,326	106,321
Police, safety and communication	46,961	44,706	45,729	42,190	40,762	37,908	27,256	24,958	27,606	22,551
Procurement, IT, finance and administration	91,266	81,315	46,334	46,074	47,341	32,077	25,731	23,851	24,192	19,138
Insurance and employee benefits	45,085	50,452	45,935	30,278	27,873	35,282	92,748	92,778	91,082	86,278
Total expenses	<u>374,861</u>	<u>371,118</u>	<u>360,202</u>	<u>350,206</u>	<u>336,361</u>	<u>319,538</u>	<u>309,239</u>	<u>298,479</u>	<u>297,820</u>	<u>277,513</u>
Net operating revenues	<u>\$ 1,216,818</u>	<u>\$ 1,092,659</u>	<u>\$ 922,338</u>	<u>\$ 1,159,418</u>	<u>\$ 1,121,780</u>	<u>\$ 1,082,279</u>	<u>\$ 989,560</u>	<u>\$ 921,983</u>	<u>\$ 738,335</u>	<u>\$ 732,263</u>
Total debt service ⁽²⁾⁽³⁾	\$ 500,297	\$ 467,926	\$ 442,114	\$ 419,460	\$ 424,244	\$ 398,411	\$ 387,933	\$ 358,846	\$ 308,443	\$ 297,708
Net revenues after debt service ⁽²⁾	\$ 716,521	\$ 624,733	\$ 480,224	\$ 739,958	\$ 697,536	\$ 683,868	\$ 601,627	\$ 563,137	\$ 429,892	\$ 434,555
Debt service coverage ⁽²⁾	2.43	2.34	2.09	2.76	2.64	2.72	2.55	2.56	2.39	2.46

⁽¹⁾ - Excludes interest income on construction funds.

⁽²⁾ - Includes, as applicable in years 2011 -2019, synthetic fixed interest rates as determined under swap agreements for 1998 Series B, 2007 Series A, and 2008 Series A.

⁽³⁾ - In August 2013, the Tollway advance refunded a portion of the 2005 A bonds.

⁽⁴⁾ - In February 2014, the Tollway advance refunded a portion of the 2005 A bonds.

In December 2014, the Tollway advance refunded the remainder of the Tollway's outstanding 2006 A-1 bonds.

⁽⁵⁾ - On July 1, 2015, the Tollway redeemed \$ 36.81 million principal amount of 2005 A bonds, in advance of their January 1, 2016, scheduled maturity.

⁽⁶⁾ - In January 2016, the Tollway advance refunded all of the 2008B bonds.

⁽⁷⁾ - In April 2016, the Tollway redeemed \$69.2 million principal amount of 1998B in advance of their January 1, 2017, scheduled maturity.

⁽⁸⁾ - In January 2019, the Tollway refunded a portion of its 2007 Series A, 2008 Series A and 2009 Series A bonds.

⁽⁹⁾ - In November 2019, the Tollway refunded all of the 2010 Series A-1 bonds.

⁽¹⁰⁾ - In December 2019, the Tollway refunded the remainder of its 2007 Series A and 2008 Series A bonds.

See accompanying independent auditors' report.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois

Annual Toll Transactions
Passenger and Commercial Vehicles (Unaudited)
For the Years Ended December 31, 2013 through 2022
(Transactions in thousands)

Year	Passenger	Commercial	Total	Percentage passenger
2013	720,513	95,529	816,042	88.29%
2014	737,238	101,041	838,279	87.95%
2015	777,719	103,896	881,615	88.22%
2016	823,643	108,248	931,891	88.38%
2017	883,468	113,866	997,334	88.58%
2018	889,184	119,768	1,008,952	88.13%
2019	900,809	122,413	1,023,222	88.04%
2020	686,065	120,584	806,649	85.05%
2021	806,799	129,797	936,596	86.14%
2022	827,659	129,476	957,135	86.47%

The Tollway began tolling the Illinois Route 390 tollway on an approximately 6.5 mile segment in July 2016, and an approximately 3.5 mile segment in November 2017.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois

Annual Toll Revenues

Passenger and Commercial Vehicles (Unaudited)

For years 2013 to 2022

(Dollars in thousands)

<u>Year</u>	<u>Passenger</u>	<u>Commercial</u>	<u>Total</u>	<u>Percentage passenger</u>
2013	\$ 622,349	\$ 320,803	\$ 943,152	65.99%
2014	630,556	338,416	968,972	65.07%
2015	662,720	483,909	1,146,629	57.80%
2016	686,846	529,452	1,216,298	56.47%
2017	724,905	584,285	1,309,190	55.37%
2018	719,165	621,886	1,341,051	53.63%
2019	726,063	654,688	1,380,751	52.58%
2020	522,789	626,231	1,149,020	45.50%
2021	616,712	675,658	1,292,370	47.72%
2022	642,279	694,242	1,336,521	48.06%

The changed rate structures implemented in 2015-2018 contributed to the increase and decrease, respectively, in the percentage of revenues from passenger vehicles.

See accompanying independent auditors' report.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois
 Operating Revenues, Maintenance and Operating
 Expenses and Net Operating Revenues¹ (Unaudited)
 For selected years from 1959 to 2022
 (Dollars in thousands)

Year:	<u>Operating revenue</u>	<u>Maintenance and operating expenses</u>	<u>Net operating revenues</u>
1959	\$ 14,974	\$ 4,709	\$ 10,265
1969	57,395	13,015	44,380
1979	100,436	39,733	60,703
1989	254,734	85,065	169,669
1999	366,092	146,881	219,211
2009	658,052	255,185	402,867
2010	672,760	250,857	421,903
2011	697,416	245,975	451,441
2012	963,755	253,058	710,697
2013	1,009,776	277,512	732,264
2014	1,036,156	297,821	738,335
2015	1,220,462	298,479	921,983
2016	1,298,799	309,239	989,560
2017	1,401,817	319,538	1,082,279
2018	1,458,141	336,361	1,121,780
2019	1,509,624	350,206	1,159,418
2020	1,282,540	360,202	922,338
2021	1,463,777	371,118	1,092,659
2022	1,591,679	374,861	1,216,818

⁽¹⁾ Determined according to the Series 1955 Bond Resolution through December 26, 1985, and in accordance with the Indenture subsequent to December 26, 1985.

See accompanying independent auditors' report.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Frank J. Mautino
Auditor General, State of Illinois

and

Board of Directors
The Illinois State Toll Highway Authority

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Illinois State Toll Highway Authority (the Tollway), a component unit of the State of Illinois, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Tollway's basic financial statements, and have issued our report thereon dated June 12, 2023, with the exception of Note 21 as to which the date is October 26, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tollway's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tollway's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tollway's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

Honorable Frank J. Mautino
Auditor General, State of Illinois
and
Board of Directors
The Illinois State Toll Highway Authority

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

We consider the deficiency described in the accompanying schedule of findings as item 2022-002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings as item 2022-001 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tollway's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2022-001.

Tollway Responses to the Findings

Government Auditing Standards require the auditor to perform limited procedures on the Tollway's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. The Tollway's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tollway's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tollway's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Oak Brook, Illinois
July 12, 2023, with the exception of finding 2022-002 as to which the date is October 26, 2023

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Schedule of Findings
For the Year Ended December 31, 2022
Current Findings – *Government Auditing Standards*

Finding 2022-001 – Inadequate Internal Controls over Intergovernmental Agreements

The Illinois State Toll Highway Authority (Tollway) did not have adequate internal controls in place to ensure transactions over Intergovernmental Agreements (IGA) were properly recorded for financial reporting purposes.

The Tollway enters into intergovernmental agreements with other governments and municipalities for cost sharing on construction projects that impact both the Tollway and other entities' property. The intergovernmental agreements itemize the estimated costs to each party. The Tollway utilizes percentage of completion reports to calculate the estimated amount due from each entity at a given point in time. The amount due from the other entity is recorded as a receivable and as a reduction of Assets Under Construction (capital asset – construction in progress). IGA revenue and expense are recognized for the same amount. Upon completion of the project, final actual costs are determined, and the final receivable is adjusted to the earned amount. The net effect is no impact to the Tollway's Net Position.

During our testing of Intergovernmental Receivables, we noted the Tollway improperly recorded receivable balances from two entities within an IGA resulting in an overstatement of Intergovernmental Receivables of \$4,971,539, an understatement of Capital Assets of \$4,971,539, and an overstatement of both Revenue and Expense of \$4,971,539. All errors net to a zero effect on the Statement of Net Position and the Statement of Revenue, Expenses and Changes in Net Position.

After extrapolating the known errors over the sample population of \$12,829,216, the estimated projected impact of these errors is an overstatement of Intergovernmental Receivables of \$8,100,807, an understatement of Capital Assets – Construction in Progress of \$8,100,807, and an overstatement of both Revenues and Expenses under IGA's of \$8,100,807. The net effect of this error on net position is \$0. Management elected not to record the proposed adjusting entry for this error.

The Internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financial reporting to ensure transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and demonstrate compliance with laws, regulations, and other compliance requirements. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles. Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Tollway to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should include procedures to accurately record financial transactions and accurately prepare the financial statements.

Tollway officials stated this error was due to a misinterpretation of the payment terms in the intergovernmental agreement.

Failure to accurately record financial transactions could result in a misstatement of the Tollway's financial statements. (Finding Code No. 2022-001)

RECOMMENDATION

We recommend the Tollway implement controls to ensure Intergovernmental Agreements are reviewed and accurately accounted for to reduce the risk of future potential misstatements.

Honorable Frank J. Mautino
Auditor General, State of Illinois
and
Board of Directors
The Illinois State Toll Highway Authority

TOLLWAY RESPONSE

The Tollway concurs with the recommendation. The Tollway has enhanced its verification procedures for intergovernmental agreement accounting to include additional verifications of payment terms and balances with Tollway staff involved in drafting and administering the agreements.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Schedule of Findings
For the Year Ended December 31, 2022
Current Findings – *Government Auditing Standards*

Finding 2022-002 – Inadequate Internal Controls over the Financial Reporting of Other Post-Employment Benefits

The Illinois State Toll Highway Authority (Tollway) did not have adequate internal controls in place to ensure other post-employment benefits (OPEB) expense, and the related deferred inflows of resources and deferred outflows of resources, were properly recorded in the financial statements.

The Tollway relies on the audited Report on the Allocation of Other Post Employment Benefit Amounts provided by Central Management Services in order to recognize its OPEB liability, OPEB expense, and related deferred inflows of resources and deferred outflows of resources. The Tollway did not properly utilize the information in the report, causing deferred inflows of resources to be understated by \$35,851,131, deferred outflows of resources to be overstated by \$411,495,847, and OPEB expense recovery to be overstated by \$447,346,978.

The Internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financial reporting to ensure transactions are properly recorded and accounted for to permit the preparation of reliable financial statements. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles. Effective internal controls should include procedures to accurately record financial transactions and accurately prepare the financial statements.

Tollway officials stated this error was due to a change in legislation which necessitated a change to the method in which the Tollway's OPEB balances are calculated. This resulted in a change in the presentation of the Tollway's OPEB balances in the statewide OPEB allocation schedule, that led to an inadvertent omission of certain Tollway OPEB-related deferred outflows and inflows. As a result, the Tollway recorded an expense recovery that was inconsistent with the accounting treatment as required by GASB 75.

Failure to accurately record financial transactions resulted in a material misstatement of the Tollway's financial statements. The audited financial statements for the year ended December 31, 2022 were required to be recalled and reissued. (Finding Code No. 2022-002)

RECOMMENDATION

We recommend the Tollway implement controls to ensure its OPEB liability, OPEB expense, and related deferred inflows of resources and deferred outflows of resources are reviewed and accurately accounted for to reduce the risk of future potential misstatements.

Honorable Frank J. Mautino
Auditor General, State of Illinois
and
Board of Directors
The Illinois State Toll Highway Authority

TOLLWAY RESPONSE

The Tollway concurs with the finding. A significant reduction of the State's unfunded OPEB liability resulted in allocation of an OPEB expense recovery to State funds, public universities, and agencies, including the Tollway. This factor, combined with a new statutory change to the allocation methodology applicable to the Tollway, provided a reasonable explanation to the Tollway, auditors and consultants for the Tollway's large OPEB expense recovery, which was fully reported in one year instead of accreting the OPEB expense recovery over the 5.276 year period prescribed in the GASB Statement No. 75 actuarial valuation of employer-financed retiree health benefits provided through SEGIP. The Tollway does not anticipate this situation to recur. Nonetheless, the Tollway will enhance its review procedures for the Tollway's share of OPEB liability, expense, deferred outflows of resources and deferred inflows of resources, as presented in the Statewide allocation schedule.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Schedule of Findings
For the Year Ended December 31, 2022
Prior Year Findings Not Repeated – *Government Auditing Standards*

A. Failure to Implement Controls to Comply with a Communication Letter Requirement

During the prior year financial audit, the Illinois State Toll Highway Authority (Tollway) failed to implement controls necessitated by the terms of our communication letter that required timely notification to its external auditor, that one of our employees was seeking employment with the Authority, increasing the impact of an independence breach and resulting in a waste of the State's resources as defined in Government Auditing Standards, §6.21.

During the current year financial audit, we noted the Tollway strengthened its controls over hiring and tracking members involved on the financial audit team both from the external audit firm and the Office of the Auditor General. Similar exceptions were not noted during our current year engagement. (Finding Code No. 2021-001)

B. Inadequate Internal Controls over the Estimated Benefits of Future Retirees

During the prior year financial audit, the Tollway and the Department of Central Management Services (CMS) failed to implement internal controls to ensure the pro rata share estimate of future retiree benefits for "True Tollway Employees" and "ISP District 15 Support Staff" is prepared completely and accurately using a three-year rolling average of the pro rata share of current retirees.

During the current year financial audit, we noted the Tollway, State Employees Retirement System, and CMS developed a legislative remedy that allowed for the improvement of the Tollway's calculation of the estimated benefit of future retirees. The condition was noted to be remediated during the financial audit for the year ended December 31, 2022. (Finding Code No. 2021-002)

C. Need to Enhance Relationship with the Illinois State Police

During the prior year financial audit, we noted the need for Tollway to update the duties, roles, functions, and responsibilities within its Intergovernmental Agreement (IGA) with the Illinois State Police (ISP).

During the current year financial audit, we noted the Tollway and ISP agreed to revise the IGA between both parties, enhancing the relationship between the Tollway and ISP. The condition was noted to be remediated during the financial audit for the year ended December 31, 2022. (Finding Code No. 2021-003, 2020-002)

D. Noncompliance with the State Employees Group Insurance Act of 1971

During the prior year financial audit, the Tollway did not enter into an interagency agreement with the State Employees Retirement System (SERS) and the Department of Central Management Services (CMS) to memorialize each party's roles and responsibilities to fulfill compliance with the State Employees Group Insurance Act of 1971 (Act).

During the current year financial audit, we noted the Tollway, SERS, and CMS developed a legislative remedy which complies with Section 11 of the Act. The condition was noted to be remediated during the financial audit for the year ended December 31, 2022. (Finding Code No. 2021-004, 2020-003)



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APPENDIX B
CONSULTING ENGINEERS' REPORT

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CONSULTING ENGINEERS REPORT

TOLL HIGHWAY SENIOR REVENUE BONDS
2024 SERIES A



2024



DECEMBER 8, 2023

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¹ **Important:** This report is subject to limitations contained in the Official Statement and Part 7.0 below.

1 Illinois Tollway History and Capital Program Background

The Illinois Tollway is a user-financed administrative agency of the State of Illinois whose purpose is to operate, maintain and service a system of toll roads located in Northern Illinois (Illinois Tollway system). The Illinois Tollway began in 1953 as the Illinois State Toll Highway Commission, created by an act of the Illinois State Legislature. The Illinois State Toll Highway Commission was directed by the Legislature to construct the original 187 miles of the Illinois Tollway system that included the Tri-State, Northwest (now the Jane Addams Memorial) and East-West (now the Reagan Memorial) Tollways. These routes opened to traffic in 1958. On April 1, 1968, the Illinois State Toll Highway Commission became the Illinois State Toll Highway Authority (hereafter referred to as the Illinois Tollway).

The Illinois Tollway system has played a key role in the transportation network in Northern Illinois. When it opened in 1958, it was originally envisioned as a bypass to route traffic around the urban core of Chicago. Over the last six decades, the Illinois Tollway system has evolved to also serve commercial and commuter traffic throughout Northern Illinois and within the Chicago metropolitan region. Expansion of the system through the construction of extensions, lane additions, new routes and capacity improvements were implemented to keep pace with overall traffic growth in the region and the demand for reliable and efficient transportation. Improvements to the Illinois Tollway system have been made in coordination with and in response to regional and state-level transportation planning objectives.

1.1 Prior Legislative Directives

The Illinois Tollway system has grown over the last six decades as a result of several legislative directives:

In 1970, the Governor approved the construction of the Reagan Memorial Extension (originally called the East-West Extension), between IL Route 56 west of Aurora and US Route 30 near Sterling – Rock Falls, which added an additional 69.5 miles to the system. This extension was included in the original authorization for the Illinois Tollway system but was not included in the original construction. This route extension was opened to traffic in 1974.

In 1984, the Illinois State Legislature directed the Illinois Tollway to construct the Veterans Memorial Tollway (originally called the North-South Tollway), which added an additional 17.5 miles to the system. This route opened to traffic in 1989.

In July 1993, the Illinois General Assembly authorized the Illinois Tollway to construct the south extension of the Veterans Memorial Tollway from I-55 to I-57. The portion from I-55 to I-80 opened to traffic in November 2007. The portion from I-80 to I-57 has not moved forward. The following projects authorized in July 1993 have also not moved forward: a north extension of Illinois Route 53 from Lake-Cook Road to Illinois Route 120 in Grayslake and east to I-94, and a Richmond Extension from Illinois Route 120 in Grayslake to the Illinois-Wisconsin border near Richmond, Illinois.

In 1995, the Illinois Tollway was authorized to construct the Elgin O'Hare Extension and the Western O'Hare Bypass. The projects are now known as Illinois Route 390 (IL 390) and I-490 respectively and are identified within the *Move Illinois* Program described below. In addition, the *Move Illinois* Program includes studies for a northern extension of the Veterans Memorial Tollway (Illinois Route 53), referred to as the Tri-County Access Study. Portions of the IL 390 extension project, which is substantially complete, opened to traffic in July 2016 and November 2017.

1.2 Illinois Tollway Capital Projects & Programs Overview

Illinois Tollway capital expenditures are generally categorized into two categories, Improvement (I) and Renewal and Replacement (RR). Expenditures classified as improvements are typically those that add capacity/lane miles and/or improve operations of the existing system. Expenditures classified as renewal and replacement projects are those intended for the purposes of maintaining the existing, baseline system at a state of good repair.

Multi-year capital programs are packages of capital projects that are periodically developed and implemented over a period of years to address the evolving transportation goals and needs of the region and to ensure the longevity of the system, as well as create jobs, stimulate local economy and alleviate congestion. Funding for these programs is provided through user fees (e.g., tolls), concession and miscellaneous revenues, investment earnings and revenue bonds.

1.2.1 Congestion-Relief Program: 2004 - 2016

In 2004, the Illinois Tollway Board approved a \$5.3 billion 10-Year Congestion-Relief Plan to address the condition of existing infrastructure, congestion, the needs of growing communities and the enhancement of local economies. Known as the Congestion-Relief Program (CRP), this program evolved through the regional long-range planning process, coordination with local communities and planning agencies, a comprehensive re-evaluation of the entire Illinois Tollway system and an extensive review of the condition of the Illinois Tollway's then 274-miles of roadways and structures.

The key components of the CRP were to reconstruct or rehabilitate nearly all of the aging infrastructure across the Illinois Tollway system and to convert the mainline toll plazas to open road tolling in order to eliminate the need for users to stop and pay tolls on the mainline. Many existing corridors were widened to provide additional capacity, and I-355 was extended 12 miles south from I-55 to I-80.

The CRP was closed out in 2018 having achieved all program goals.

1.2.2 Move Illinois: The Illinois Tollway Driving the Future

In 2011, the Illinois Tollway Board approved the 15-year *Move Illinois* capital improvement program to address the overall age and condition of the system not reconstructed in the CRP, as well as provide additional mobility and congestion-relieving improvements. The *Move Illinois* Program is discussed in more detail in the subsequent section of this report.

1.2.3 Illinois Tollway and the COVID Pandemic

In response to the unprecedented pandemic emergency event, the Illinois Tollway acted quickly to ensure the safety of its staff and customers and to continue to deliver on its commitment to operate and maintain its facilities to the highest standards. Through deliberate and effective actions of its Leadership, the Illinois Tollway rapidly and successfully deployed an action plan to transition its office-based staff to a sustainable telework environment, and in coordination with state health and emergency management officials, instituted appropriate steps to protect its maintenance and operations staff who are essential to providing service to its customers. These actions, supported through the strong commitment of staff at all levels, ensured the Illinois Tollway ability to maintain the highest levels of service during this global health situation.

The Illinois Tollway is positioned to continue to deliver projects for its capital program known as the Move Illinois Program, including major contracts related to the Central Tri-State (I-294) and Elgin O'Hare Western Access projects, along with renewal and replacement projects planned as part of its Systemwide program needs.

2 Move Illinois: The Illinois Tollway Driving the Future

As required by the Toll Highway Act, the Illinois Tollway undertook a process to develop a long-term capital plan, which resulted in a comprehensive 15-year capital program to complete the rebuilding of the 55-year-old system and commit approximately \$15 billion in transportation funding to improve mobility, relieve congestion, reduce pollution and link economies across Northern Illinois. *Move Illinois: The Illinois Tollway Driving the Future* (Move Illinois Program) mapped out the Illinois Tollway's next capital program for 2012 – 2026. Current projections are for the Program to be completed by 2027.

The basis for *Move Illinois: The Illinois Tollway Driving the Future* was a capital needs analysis performed by Illinois Tollway staff and consultants that included a comprehensive assessment of the current and future physical and operational characteristics of the entire Illinois Tollway system. Previous long-range plans were reevaluated, the needs of communities and stakeholders were catalogued, and new technology and transit opportunities were explored.

On August 25, 2011, the Illinois Tollway Board of Directors approved a \$12.1 billion long-range plan for the Illinois Tollway system known as “*Move Illinois: The Illinois Tollway Driving the Future*.” Upon Board approval, it became known as the “*Move Illinois Program*”. The key goals of the *Move Illinois Program* are to:

- Save drivers time and money
- Stimulate and drive the economic engine
- Build a 21st century transportation system
- Take care of the existing system
- Be the “cleanest and greenest” program in history

These goals ensure national and international competitiveness with other major cities in the U.S. and around the world. To achieve these goals, a program was developed using a two-pronged approach: maintain the existing Illinois Tollway system and enhance regional mobility with new priority projects. The program and the projects that make up *Move Illinois* are further described in later sections of this report, including modifications of the program that increased its budget estimated overall net cost from \$14.786 billion (in the April report) to \$15.003 billion currently. The increased estimate is primarily due to scope revisions and cost increases of the Elgin O'Hare Western Access project (EOWA).

Bond proceeds and Illinois Tollway revenues are being used to fund *Move Illinois*. The program outlined in this report funds necessary improvements to the existing Illinois Tollway system. These needs have been programmed to be performed at the time appropriate to maintain the existing 294 centerline miles in a state of good repair. These projects include:

- Reconstruct, and widen for significant portions, the Central Tri-State Tollway (I-294) from 95th Street to Balmoral Avenue and the Edens Spur (I-94)
- Reconstruct and widen the Jane Addams Memorial Tollway (I-90) from near O'Hare to the I-39 interchange in Rockford (substantially completed)
- Preserving the Reagan Memorial Tollway (I-88)
- Preserving the Veterans Memorial Tollway (I-355)
- Repairing roads, bridges and maintenance facilities
- Other capital projects

In addition, the program funds new priority projects that focus on enhancing regional mobility, including:

- Constructing a new interchange at I-294/I-57 and 147th Street ramps (substantially complete)
- Completing Elgin O'Hare Western Access, including rehabilitation and widening of the existing IL 390 (substantially complete), construction of an extension of IL 390 (substantially complete), and construction of I-490 between I-90 and I-294
- Implementing features to accommodate transit and provide increased flexibility for passenger vehicles on the Jane Addams Memorial Tollway (I-90) (substantially complete)
- Planning for other routes as determined by the Board of Directors

The Consulting Engineers rely on the Program Management Office (PMO) to provide scopes of work and estimates of construction costs. The PMO utilizes several methods for verifying the various types of estimates, and while the Consulting Engineers have not independently verified the PMO's methods, the review conducted shows that the cost-tracking and estimating practices presently used by the PMO for *Move Illinois* appear to be appropriate.

It should be noted that under the Consulting Engineers contract, cost-estimating services are provided to the Illinois Tollway and are directed by the PMO. The Consulting Engineers provided the PMO with annual costs associated with major maintenance for segments of the system required before reconstruction or rehabilitation projects are implemented. These costs are included in the Bridge and Ramp Repairs and other projects described within this section.

The project construction costs (for projects other than Systemwide Improvements) and durations were developed by the PMO and are predicated on the following basic assumptions:

1. Project construction will be in general conformance with past Illinois Tollway practices
2. Construction scope and schedule shall be as described below
3. Construction costs are escalated to the mid-point of construction
4. Escalation rate is 4% APR, compounded annually, unless noted otherwise
5. No unforeseen conditions / circumstances or unusual price escalation not currently identified will occur

As year five of the \$12.1 billion *Move Illinois* Program began, the Illinois Tollway went through a process to validate corridor estimates across the program. The program estimates were adjusted to account for less than expected cost escalation since 2012 and the close-out of contracts completed in the early years of the program. As a result of the less than expected cost escalation, favorable construction industry market conditions and closing of projects, expenditures were less than anticipated in some corridors, such as the Tri-State I-294/I-57 Interchange, Systemwide Maintenance Facilities, Reagan Memorial Tollway (I-88), Veterans Memorial Tollway (I-355) and Tri-State Tollway (I-94). This provided an opportunity to re-allocate funds into the Tri-State corridor where the funds could be better utilized as that corridor progressed through design development.

In April 2017, the Illinois Tollway Board of Directors authorized a modification of the *Move Illinois* Program which increased the amount for the central portion (Balmoral Avenue – 95th Street) of the Tri-State Tollway (I-294) (the “Central Tri-State”) by approximately \$2.1 billion, from \$1.9 billion to \$4.0 billion, increasing the total cost budget of the *Move Illinois* Program from \$12.15 billion to \$14.273 billion. Enhancements included in the new Central Tri-State scope are allowing the Illinois Tollway to rebuild roadway and improve bridges on the 22-mile-long portion of I-294, as well as construct additional lanes to relieve congestion, improve interchanges to increase access and work to deliver solutions for stormwater, noise abatement and freight.

In December 2023, the Illinois Tollway Board of Directors is expected to authorize an additional modification of the *Move Illinois* Program, including to provide additional funding for I-490, which is expected to increase its total cost budget from \$14.3 billion to \$15.2 billion.

Table 1 provides the estimated annual program expenditures required to fund the current *Move Illinois* Program. This table is based upon information provided by: (i) the Illinois Tollway for the historical years 2012 through 2022; and (ii) the PMO, for the years 2023 through 2027. The PMO’s projection incorporates its most recent cost estimates to complete the *Move Illinois* Program, which totals \$15.2 billion before reimbursements, and \$15.0 billion net of reimbursements.

Table 1: Move Illinois Program – Estimated Program Expenditures

Year	Move Illinois Program Estimated Program Expenditures ¹ (Millions)
2012	\$108.2
2013	\$502.2
2014	\$886.7
2015	\$1,239.2
2016	\$985.2
2017	\$747.0
2018	\$919.5
2019	\$941.6
2020	\$1,102.8
2021	\$1,239.3
2022	\$1,136.8
2023	\$1,155.3
2024	\$1,401.7
2025	\$1,407.7
2026	\$958.8
2027	\$326.1
Total	\$15,003.5

Notes: ¹

- From time to time, the Illinois Tollway may receive reimbursements under various intergovernmental agreements. Estimated program expenditures do not assume credit for such reimbursements with the following exceptions:
 - For completed years (2012 – June 2023), the totals are net of reimbursements received under various intergovernmental agreements totaling \$196.6 million.
 - A credit of \$158.2 million is assumed for the Elgin O'Hare Western Access project (EOWA). The program anticipates contributions from local, federal and other sources, of which \$32.9 million has been earned.
- Central Tri-State project has a budgetary reserve of \$28.1 million due to net surplus of cumulative bid savings. At this time, this reserve is assumed to be needed for the completion of the Central Tri-State project, and has been completely allocated in the 2024 Budget.
- The sum of the amounts in Table 1 total to an amount approximately \$54.6 million greater than the total shown. This discrepancy is primarily due to timing differences in recognizing work earned between the Tollway, which provides the historical amounts for 2012 – 2022, and the PMO, which provides the projected amounts for 2023 – 2027.

The following Sections 2, 3.1 and 3.2 provide descriptions of major projects within the *Move Illinois* Program, including cost and timing estimates. The sum of all project costs included in these sections is \$15,358.3 million. The difference between that \$15,358.3 million total and the \$15,003.5 million total from Table 1 on the preceding page is \$354.8 million, consisting of (i) \$196.6 million received under various intergovernmental agreements during the period 2012-June 2023, as the second note under Table 1; and (ii) \$158.2 million of local, federal and other sources assumed for the Elgin O'Hare Western Access project, as per the third note under Table 1.

2.1 Jane Addams Memorial Tollway (I-90)

2.1.1 Kennedy Expressway to Elgin Toll Plaza – Reconstruct / Add Lane

Length: 25.0 miles

Project Description: Reconstruct & widen from six to eight lanes.

Project Benefits:

- Provide congestion relief by expanding the roadway from six to eight lanes
- Provide median lane and median shoulder widening in each direction
- Improve safety and mobility throughout the corridor
- Reduce annual maintenance costs
- Improve ride quality and traffic flow by replacing 50+ year-old pavement
- Upgrade to current standards and operational requirements

Construction Period: 2013-2016

Total Cost: \$1,478.5 million

The estimated project cost was increased from \$1,474.1 from the 2023A Consulting Engineers Report due to updated cost estimates.

2.1.2 Elgin Toll Plaza to IL Route 47 – Reconstruct / Add Lane

Length: 7.5 miles

Project Description: Reconstruct & widen from four lanes to six lanes.

Project Benefits:

- Provide congestion relief by expanding the roadway from four to six lanes
- Provide median lane and median shoulder widening in each direction
- Improve safety and mobility throughout the corridor
- Reduce annual maintenance costs
- Improve ride quality and traffic flow by replacing 50+ year-old pavement
- Upgrade to current standards and operational requirements

Construction Period: 2013-2015

Total Cost: \$202.1 million

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

2.1.3 IL Route 47 to I-39 – Reconstruct / Add Lane

Length: 29.0 miles

Project Description: Reconstruct & widen from four to six lanes.

Project Benefits:

- Provide congestion relief by expanding the roadway from four to six lanes
- Provide median lane and median shoulder widening in each direction
- Improve safety and mobility throughout the corridor
- Reduce annual maintenance costs
- Improve ride quality and traffic flow by replacing 50+ year-old pavement
- Upgrade to current standards and operational requirements

Construction Period: 2013-2015

Total Cost: \$482.0 million

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

2.1.4 Kennedy Expressway to I-39 – Transit Accommodation

Length: 61.5 miles

Project Description: Miscellaneous improvements to allow future transit accommodation that are contracted as part of the roadway and bridge reconstruction and widening projects. The costs of median lane widening and median shoulder widening to accommodate transit are included in the section costs above. This widened cross section could be used for future operational improvements. SMART technology initiatives are also included within the main roadway sections above.

Project Benefits:

- Allow operation of a Bus Rapid Transit (BRT) system (by others)
- Allow for accommodation of rail transit in the future (by others)
- Provide basic infrastructure for lane management of transit and Illinois Tollway system users

Construction Period: 2013-2015 (Note: Transit Accommodation construction timeline includes those forecasted in main roadway sections above)

Total Cost: \$0.9 million

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

2.1.5 Kennedy Expressway to I-39 – ROW Acquisition

Length: 61.5 miles

Project Description: Acquire right-of-way (ROW) and easements necessary for roadway and bridge reconstruction and widening.

Project Benefits:

- Allow projects to move forward with optimal design elements

Period: 2012-2021

Total Cost: \$13.7 million

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

2.1.6 Kennedy Expressway to I-39 – Utility and Fiber Optic Relocation

Length: 61.5 miles

Project Description: Relocate Illinois Tollway-owned fiber optic and private utilities to accommodate roadway and bridge reconstruction and widening.

Project Benefits:

- Allows projects to move forward with optimal design elements
- Maintains Illinois Tollway fiber optic continuity
- Modernize utilities crossing Illinois Tollway right-of-way as necessary

Construction Period: 2012-2016

Total Cost: \$160.2 million

The estimated project cost was increased from \$159.7 million in the 2023A Consulting Engineers Report due to updated cost estimates.

2.1.7 Kennedy Expressway to I-39 – Bridge and Ramp Repairs

Length: 61.5 miles

Project Description: Reconstruct or rehabilitate crossroad bridges and ramps.

Project Benefits:

- Upgrade to current standards and operational requirements
- Preserve and maintain the crossroad structures and ramps
- Reduce maintenance costs

Construction Period: 2013-2026

Total Cost (Escalated, 4%): \$32.2 million

No adjustments in cost and a minor change in schedule from the 2023A Consulting Engineers Report.

2.2 Tri-State Tollway (I-94/I-294/I-80)

2.2.1 95th Street to Balmoral Avenue – Reconstruct

Length: 22.3 miles

Project Description: Reconstruction of existing eight lanes and capacity enhancement from widening.

Project Benefits:

- Improve ride quality and traffic flow by replacing 50+ year-old pavement
- Better accommodate current and future traffic demand with the addition of a Flex Lane
- Improved operations at the I-290 Interchange
- Improvements at I-55 to reduce mainline congestion
- Reduce annual maintenance costs
- Upgrade to current standards and operational requirements

Construction Period: 2018-2027

Total Cost (Escalated, 4%): \$3,657.4 million

The estimated project cost was adjusted from \$3,618.5 million in the 2023A Consulting Engineers Report due to updated cost estimates.

2.2.2 Edens Spur – Reconstruct

Length: 5.0 miles

Project Description: Reconstruct existing four lanes of pavement.

Project Benefits:

- Improve ride quality and traffic flow by replacing 50+ year-old pavement
- Reduce annual maintenance costs
- Upgrade to current standards and operational requirements

Construction Period: 2018-2021

Total Cost: \$113.3 million

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

2.2.3 Bishop Ford Expressway to Russell Road – Bridge and Ramp Repairs

Length: 78.0 miles

Project Description: Reconstruct or rehabilitate crossroad bridges and ramps.

Project Benefits:

- Upgrade to current standards and operational requirements
- Preserve and maintain the crossroad structures and ramps
- Reduce maintenance costs

Construction Period: 2012-2027

Total Cost (Escalated, 4%): \$183.9 million

The estimated project cost was adjusted from \$225.3 million in the 2023A Consulting Engineers Report due to reallocation of funds to 95th Street to Balmoral Avenue to offset changes in project cost estimates.

2.2.4 Bishop Ford Expressway to Russell Road – ROW Acquisition

Length: 78.0 miles

Project Description: As necessary during reconstruction or repair projects, will provide right-of-way and easements for improvements.

Project Benefits:

- Allows projects to move forward with optimal design elements

Period: 2017-2027

Total Cost (Escalated, 4%): \$125.7 million

The estimated project cost was adjusted from \$132.3 million in the 2023A Consulting Engineers Report due to decreased parcel acquisition costs.

2.2.5 Bishop Ford Expressway to Russell Road – Utility and Fiber Optic Relocation

Length: 78.0 miles

Project Description: As necessary during reconstruction or repair projects, will provide relocation of fiber optic and private utilities for improvements.

Project Benefits:

- Allows projects to move forward with optimal design elements
- Maintains Illinois Tollway fiber optic continuity
- Modernizes utilities crossing Illinois Tollway right-of-way as necessary

Construction Period: 2017-2026

Total Cost (Escalated, 4%): \$172.6 million

The estimated project cost was adjusted from \$163.6 million in the 2023A Consulting Engineers Report due to updated cost projections.

2.3 Veterans Memorial Tollway (I-355)

2.3.1 I-55 to Boughton Road, Collector-Distributor Roads, North Avenue to Army Trail Road – Mill, Patch and Overlay

Length: 17.5 miles

Project Description: Rehabilitate remaining original (1992) I-355 pavement between I-55 and Army Trail Road. Add safety improvements throughout.

Project Benefits:

- Preserve and maintain the existing pavement
- Improve ride quality and traffic flow
- Reduce annual maintenance costs
- Upgrade to current standards and operational requirements

Construction Period: 2013

Total Cost: \$19.8 million

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

2.3.2 I-55 to Army Trail Road – Mill, Patch and Overlay

Length: 17.5 miles

Project Description: Second rehabilitation of the original I-355 pavement between I-55 and Army Trail Road.

Project Benefits:

- Preserve and maintain the existing pavement
- Improve ride quality and traffic flow
- Reduce annual maintenance costs
- Upgrade to current standards and operational requirements

Construction Period: 2018-2020

Total Cost: \$144.6 million

The estimated project cost was adjusted from \$142.9 million in the 2023A Consulting Engineers Report due to updated project estimates.

2.3.3 I-80 to Army Trail Road – Bridge and Ramp Repairs

Length: 30.0 miles

Project Description: Reconstruct or rehabilitate crossroad bridges and ramps.

Project Benefits:

- Upgrade to current standards and operational requirements
- Preserve and maintain the crossroad structures and ramps
- Reduce maintenance costs

Construction Period: 2018-2025

Total Cost (Escalated, 4%): \$14.8 million

No adjustments in cost with a minor adjustment in schedule from the 2023A Consulting Engineers Report.

2.3.4 I-80 to Army Trail Road – ROW Acquisition

Length: 30.0 miles

Project Description: As necessary during reconstruction or repair projects, will provide right-of-way and easements for improvements.

Project Benefits:

- Allows projects to move forward with optimal design elements

Period: 2023-2026

Total Cost (Escalated, 4%): \$0.1 million

The estimated project cost was adjusted from \$0.5 million in the 2023A Consulting Engineers Report due to updated cost estimates.

2.3.5 I-80 to Army Trail Road – Utility and Fiber Optic Relocation

Length: 30.0 miles

Project Description: As necessary during reconstruction or repair projects, will provide relocation of fiber optic and private utilities for improvements.

Project Benefits:

- Allows projects to move forward with optimal design elements
- Maintains Illinois Tollway fiber optic continuity
- Modernizes utilities crossing Illinois Tollway right-of-way as necessary

Construction Period: 2016-2023

Total Cost (Escalated): \$1.2 million

The estimated project cost was adjusted from \$1.3 million in the 2023A Consulting Engineers Report due to updated project estimates.

2.4 Reagan Memorial Tollway (I-88)

2.4.1 York Road to I-290 – Reconstruct

Length: 1.5 miles

Project Description: Reconstruct existing four and six lanes of pavement.

Project Benefits:

- Improve ride quality and traffic flow by replacing 50+ year-old pavement
- Reduce annual maintenance costs
- Upgrade to current standards and operational requirements

Construction Period: 2018-2020

Total Cost: \$62.6 million

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

2.4.2 East-West Connector Road Between I-294 and I-88 – Reconstruct

Length: 3.7 miles

Project Description: Reconstruct existing four lanes of pavement.

Project Benefits:

- Improve ride quality and traffic flow by replacing 50+ year-old pavement
- Reduce annual maintenance costs
- Upgrade to current standards and operational requirements

Construction Period: 2019-2022

Total Cost (Escalated, 4%): \$29.1 million

The estimated project cost was adjusted from \$29.5 million in the 2023A Consulting Engineers Report due to updated contract projections.

2.4.3 IL Route 251 to IL Route 56 – Mill, Patch and Overlay

Length: 38.1 miles

Project Description: Rehabilitate existing four lanes of pavement.

Project Benefits:

- Preserve and maintain existing pavement
- Improve ride quality and traffic flow
- Reduce annual maintenance costs
- Upgrade to current standards and operational requirements

Construction Period: 2018-2020

Total Cost: \$156.8 million

The estimated project cost was decreased from \$158.9 million in the 2023A Consulting Engineers Report due to updated contract projections.

2.4.4 Aurora Toll Plaza (61) to IL Route 59 – Mill, Patch and Overlay

Length: 5.5 miles

Project Description: Rehabilitate existing six lanes of pavement.

Project Benefits:

- Preserve and maintain existing pavement
- Improve ride quality and traffic flow
- Reduce annual maintenance costs
- Upgrade to current standards and operational requirements

Construction Period: 2014, 2020-2022

Total Cost (Escalated, 4%): \$44.6 million

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

2.4.5 U.S. Route 30 to I-290 – Bridge and Ramp Repairs

Length: 96.5 miles

Project Description: Reconstruct or rehabilitate crossroad bridges and ramps.

Project Benefits:

- Upgrade to current standards and operational requirements
- Preserve and maintain the crossroad structures and ramps
- Reduce maintenance costs

Construction Period: 2013-2027

Total Cost (Escalated, 4%): \$52.8 million

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

2.4.6 U.S. Route 30 to I-290 – ROW Acquisition

Length: 96.5 miles

Project Description: As necessary during reconstruction or repair projects, will provide right-of-way and easements for improvements.

Project Benefits:

- Allows projects to move forward with optimal design elements

Construction Period: 2016-2023

Total Cost (Escalated, 4%): \$0.4 million

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

2.4.7 U.S. Route 30 to I-290 – Utility and Fiber Optic Relocation

Length: 96.5 miles

Project Description: As necessary during reconstruction or repair projects, will provide relocation of fiber optic and private utilities for improvements.

Project Benefits:

- Allows projects to move forward with optimal design elements
- Maintains Illinois Tollway fiber optic continuity
- Modernizes utilities crossing Illinois Tollway right-of-way as necessary

Construction Period: 2018-2021

Total Cost: \$0.9 million

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

2.5 I-294 / I-57 Interchange

2.5.1 Ramps to/from Memphis & 147th Street Ramps

Length: N/A

Project Description: Construct the new system interchange at I-294 and I-57, as well as the 147th Street ramps.

Project Benefits:

- Provide economic benefit to the region
- Add access between two major interstates
- **Construction Period:** 2012-2021
- **Total Cost:** \$ 115.1 million (Illinois Tollway Commitment)
- No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

2.5.2 Tri-State Tollway (I-294) / I-57 Interchange – New Ramps and Structures

Length: N/A

Project Description: Construct new ramps to complete system interchange at I-294 and I-57.

Project Benefits:

- Provide economic benefit to the region
- Add access between two major interstates
- **Construction Period:** 2019-2024
- **Total Cost (Escalated, 4%):** \$185.4 million (Illinois Tollway Commitment)

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

2.5.3 Tri-State Tollway (I-294) / I-57 Interchange – ROW Acquisition

Length: N/A

Project Description: Acquire right-of-way and easements necessary for roadway and bridge reconstruction and widening.

Project Benefits:

- Allows project to move forward with optimal design elements

Period: 2013-2027

Total Cost: \$7.9 million

The estimated project cost was decreased from \$11.9 million in the 2023A Consulting Engineers Report due to updated cost projections.

2.5.4 Tri-State Tollway (I-294) / I-57 Interchange – Utility and Fiber Optic Relocation

Length: N/A

Project Description: Relocate Illinois Tollway-owned fiber optic and private utilities to accommodate roadway and bridge reconstruction and widening.

Project Benefits:

- Allows projects to move forward with optimal design elements
- Maintains Illinois Tollway fiber optic continuity
- Modernizes utilities crossing Illinois Tollway right-of-way as necessary

Construction Period: 2013-2025

Total Cost (Escalated, 4%): \$1.6 million

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

2.6 Elgin O'Hare Western Access Project, IL 390 and I-490

2.6.1 EOWA: IL 390 From US 20 to IL 83 – Roadway and Bridge Construction

Length: 10 miles

Project Description: Repairs to existing IL 390 (formerly Elgin O'Hare Expressway) from US 20 to IL 53; Widening of the existing IL 390 between IL 19 and IL 53; Construction of new four-lane (with auxiliary lanes) facility from west of IL 53 to IL 83, ROW acquisitions.

Project Benefits:

- Provide economic benefit to the region
- Improve travel efficiency – reduce congestion on the local street network
- Provide access to the west side of O'Hare Airport

- Facilitate multimodal opportunities

Construction Period: 2013-2017

IL 390 Cost (Escalated, 2.5%): \$888.2 million

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

2.6.2 I-490 South Leg From I-294 to Western Access Interchange – New Roadway Construction

Length: 7.7 miles

Project Description: Construction of a new four-lane facility from the extension of IL 390 to I-294 to the south, including O'Hare ramp connections, ROW acquisitions.

Project Benefits:

- Provide economic benefit to the region
- Improve travel efficiency – reduce congestion on the local street network
- Provide access to the west side of O'Hare Airport
- Facilitate multimodal opportunities

Construction Period: 2016-2027

I-490 South Leg Cost (Escalated, 2.5%): \$1,412.6 million

The estimated project cost was adjusted from \$1,489.7 million in the 2023A Consulting Engineers Report due to updated cost estimates. The segment is scheduled to be substantially complete in 2027.

2.6.3 I-490 North Leg from Western Access Interchange to I-90 – New Roadway Construction

Length: 3.1 miles

Project Description: Construction of a new four-lane facility from north of the Western Access Interchange to I-90, including collector-distributor roadways along I-90, ROW acquisitions.

Project Benefits:

- Provide economic benefit to the region
- Improve travel efficiency – reduce congestion on the local street network
- Provide access to the west side of O’Hare Airport
- Facilitate multimodal opportunities

Construction Period: 2016-2027

I-490 North Leg Cost (Escalated, 2.5%): \$1,113.8 million

The estimated project cost was adjusted from \$1,076.9 million in the 2023A Consulting Engineers Report due to updated cost estimates. The scheduled completion for this segment is the end of 2027.

2.6.4 Elgin O’Hare Western Access – ROW Acquisition

Length: 20.8 miles

Project Description: Acquire right-of-way and easements necessary for roadway and bridge reconstruction and widening.

Project Benefits:

- Allows project to move forward with optimal design elements

Construction Period: 2013-2027

Total Cost: \$695.1 million

The estimated project cost was adjusted from \$698.2 million in the 2023A Consulting Engineers Report due to right-of-way acquisition related payments and subsequent estimates.

2.6.5 Elgin O'Hare Western Access – Utility and Fiber Optic Relocation

Length: 20.8 miles

Project Description: Relocate Illinois Tollway-owned fiber optic and private utilities to accommodate roadway and bridge reconstruction and widening.

Project Benefits:

- Allows projects to move forward with optimal design elements
- Maintains Illinois Tollway fiber optic continuity
- Modernizes utilities crossing Illinois Tollway right-of-way as necessary

Construction Period: 2013-2026

Total Cost: \$317.0 million

The estimated project cost was adjusted from \$287.7 million in the 2023A Consulting Engineers Report primarily due to updated cost estimates.

2.6.6 EOWA Funding by Others

The current estimate of the EOWA corridor total cost, as described in subsections 2.6.1 – 2.6.5 above, is \$4.427 billion. The currently anticipated funding sources for this total consists of \$4.269 billion from the Illinois Tollway and \$158.2 million from local, federal, and other sources. Committed or anticipated funding from other local, federal, and other sources may include local government contributions in the form of grants and in-kind contributions, including land and right-of-way (ROW), design, utility and materials. Of the \$158.2 million of funding currently assumed to come from local, federal and other sources, \$32.9 million has been earned.

2.7 Planning for Other Projects

2.7.1 Planning for Other Projects

Length: N/A

Project Description: Planning studies for other routes as determined by the Board of Directors.

Project Benefits:

- Study and preparation of planning studies, including Environmental Impact Statements.

Period: 2013-2027

Total Cost (Escalated, 4%): 276.3 million

The estimated project cost was adjusted from \$58.8 million in the 2023A Consulting Engineers Report, including to accommodate the inclusion of additional fiber expansion projects, as well as the design and construction of additional plaza conversions.

3 Systemwide Improvements and Initiatives

3.1 Systemwide Maintenance Facilities

Maintenance Facilities – Reconstruct / Relocate / Rehabilitate

Locations:

- M-1 (Alsip) – Reconstruct
- M-5 (Schaumburg) – Reconstruct/ Relocate
- M-6 (Marengo) – Reconstruct
- M-7 (Rockford) – Reconstruct
- M-8 (Naperville) – Reconstruct / Relocate
- M-11 (DeKalb) – Rehabilitate
- M-12 (Dixon) – Rehabilitate

Project Description: Reconstruct, relocate or rehabilitate aging maintenance facilities.

Project Benefits:

- Optimize maintenance operations to meet expanded system needs
- Reduce annual facilities maintenance costs

Construction Period: 2013-2027

Total Cost (Escalated, 4%): \$344.9 million

The estimated project cost was increased from \$342.0 million in the 2023A Consulting Engineers Report due to updated cost estimates.

3.2 Systemwide Improvements

3.2.1 Infrastructure Renewal – Bridge, Pavement, Drainage and Safety Appurtenance Repairs

Length: N/A

Project Description: Annual bridge, pavement, drainage and safety appurtenance repairs and upgrades which are not included in the major corridor improvements.

Project Benefits:

- Preserve and maintain existing infrastructure
- Upgrade to current standards and operational requirements

Construction Period: 2012-2027

Total Cost (Escalated, 4%): \$683.8 million

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

3.2.2 Infrastructure Enhancements – Business Systems and Toll Collection Upgrades

Length: N/A

Project Description: Business Systems and Information Technology upgrades, including toll collection systems and related software to keep pace with and incorporate best practices

Project Benefits:

- Optimize all toll collection operations

Construction Period: 2013-2021

Total Cost: \$109.9 million

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

3.2.3 Infrastructure Enhancements – Information Technology and Intelligent Transportation System Upgrades

Length: N/A

Project Description: Intelligent Transportation System (ITS) upgrades, including communications tower replacements and related software to keep pace with and incorporate best practices.

Project Benefits:

- Ensure reliability of communication network
- Improve traffic and incident management

Construction Period: 2012-2026

Total Cost (Escalated, 4%): \$170.1 million

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

3.2.4 Non-Roadway Projects

Length: N/A

Project Description: Annual miscellaneous capital expenditures, including transponders, vehicles, computers and other items that are critical to the Illinois Tollway's day-to-day operations.

Project Benefits:

- Maintain the state-of-good-repair
- Modernize the current systems

Construction Period: 2017-2026

Total Cost (Escalated): \$892.1 million

The estimated project cost was adjusted from \$895.0 million in the 2023A Consulting Engineers Report due to updated project estimates.

3.2.5 Access Expansion – Service Interchanges

Length: N/A

Project Description: Source of matching funds for construction of two service interchanges in accordance with the Illinois Tollway Interchange Policy.

Project Benefits:

- Construct interchanges on the existing system
- Provide economic benefit to the region

Construction Period: 2012-2027

Total Cost (Escalated, 4%): \$132.4 million (Illinois Tollway Commitment)

The estimated project cost was adjusted from \$131.5 million in the 2023A Consulting Engineers Report due to updated project estimates.

3.2.6 Toll Collection Upgrades – Plaza Modifications for Electronic Tolling Upgrades

Length: N/A

Project Description: Implement mainline and ramp plaza modifications to accommodate electronic toll collection upgrades.

Project Benefits:

- Reduce operational and maintenance costs
- Reduce environmental impacts
- Improve operational efficiency

Construction Period: 2016-2026

Total Cost (Escalated): \$274.9 million

No adjustments in cost or schedule from 2023A Consulting Engineers Report.

3.2.7 Program Support

Length: N/A

Project Description: Program management, project management, technical and administrative service contracts.

Project Benefits:

- Program management to execute projects efficiently and to manage budget and schedule

Construction Period: 2012-2026

Total Cost (Escalated, 4%): \$540.7 million

No adjustments in cost or schedule from 2023A Consulting Engineers Report.

3.2.8 Utility and Fiber Optic Relocation

Length: 0.0 miles

Project Description: As necessary during reconstruction or repair projects, will provide relocation of fiber optic and private utilities for improvements.

Project Benefits:

- Allows projects to move forward with optimal design elements
- Maintains Illinois Tollway fiber optic continuity
- Modernizes utilities crossing Illinois Tollway right-of-way as necessary

Construction Period: 2014-2026

Total Cost (Escalated, 4%): \$9.7 million

No adjustments in cost or schedule from the 2023A Consulting Engineers Report.

3.2.9 Systemwide Right-of-Way

Length: 0.0 miles

Project Description: Acquire right-of-way and easements necessary for interchange improvements, maintenance facilities.

Project Benefits:

- Allows project to move forward with optimal design elements

Construction Period: 2018-2023

Total Cost (Escalated, 4%): \$36.0 million

No adjustments in cost and a schedule adjustment from the 2023A Consulting Engineers Report.

3.3 Intelligent Transportation System

Deployment of Intelligent Transportation System (ITS) on the Illinois Tollway began in the late 1980s with the installation of Road Weather Information Systems (RWIS) for monitoring atmospheric and pavement conditions during inclement weather. The system was further expanded with the construction of a systemwide fiber optic communications network, deployment of roadway CCTV cameras for monitoring traffic, Microwave Vehicle Detection System (MVDS), deployment of Digital Messaging Signs (DMS) and I-PASS electronic tolling initiative in the late 1990s.

The Illinois Tollway's first traffic operations center (TOC) opened in 2003. The TOC employs a Traffic Incident Management System (TIMS) software package, which is monitored and controlled from the TOC at the Central Administration (CA) building. The TIMS software package is a management platform that allows operators to monitor traffic conditions in real-time, manage response and clearance of incidents, monitor construction zones and communicate with a variety of stakeholders, including Illinois Tollway staff, other Traffic Management Centers, the media and directly to the motorist. The TOC was integrated (two-way) with the computer-aided dispatch (CAD) system a year later. An early review of the impact of the CAD-TIMS integration resulted in a 25% reduction in incident response times.

In 2005, the Illinois Tollway launched the Congestion Relief Program (CRP) to rebuild and widen major segments of the Illinois Tollway system, implement open road tolling and add a 12-mile extension to I-355 one of four interstate routes that comprise the Illinois Tollway system. The CRP contained funding to advance ITS as part of the capital program. ITS deployments continued, and the integration of incident management was further developed early in the CRP implementation process.

Since then, the Illinois Tollway ITS system has been expanded and enhanced to reduce the incident timeline (the time from once an incident is detected, to the time the incident is cleared, and the roadway is returned to normal conditions) to include a systemwide network of communications, monitoring and traveler information tools. This system has enhanced the

Illinois Tollway's ability to meet the overarching traffic and incident management goals and objectives of improving the mobility, efficiency and safety of the Illinois Tollway roads.

To date, the Illinois Tollway ITS system includes the following primary systems that are integrated into TIMS:

- Systemwide fiber optics and communications equipment and infrastructure
- Closed Circuit Television (CCTV) camera surveillance— a device used to monitor traffic conditions, determine appropriate incident responses, and inform the public. CCTV cameras are mounted on truss, poles, towers, and various Illinois Tollway buildings.
- Vehicle Detection Systems (VDS) – in-pavement or aerial devices that utilize either microwave radar or wireless/Bluetooth technology for traffic and queue detection along the mainline and ramps. The data from this detection system provides the basis for the Illinois Tollway's posted travel times. Bluetooth solar powered detection devices allow for ease of traffic monitoring, particularly for temporary use in construction zones.
- Dynamic Message Signs (DMS) – Electronic, remotely changeable signs that inform motorists of current traffic conditions, including travel times.
- Active Traffic Management System (ATMS) - an operational concept that utilizes a smaller DMS with a highly specialized purpose of informing customers of current lane conditions for advance warnings. These associated devices are known as lane control usage signs (LCS) and full-matrix display signs. The ATMS concept is only deployed along Janes Addams Memorial Tollway (I-90), within the M-5 Maintenance section.
- Virtual Weigh-in-Motion (VWIM) – to assist overweight vehicle enforcement measuring the weight of vehicles moving at highway speeds, equipped with a tire anomaly classification system detecting flat tires or missing tires and equipped with an over-height vehicle detection system (virtual gantry) that monitors over height vehicles.
- Road Weather Information Systems (RWIS) – a field data collection system comprised of fixed roadside sensors that measure and report environmental and pavement conditions. The weather readings taken from the RWIS are used by the Illinois Tollway's Roadway Maintenance Division to determine when to salt and plow roads during the winter months. The data from these sensors are also shared with other state agencies and local media.
- Portable Changeable Message Signs (PCMS) – for providing traveler information to motorists on a short-term basis or within construction zones.
- Advanced Warning Flasher Beacon (FB) – an alert system where a vehicle detector collects and transmits traffic data which is sent to a central information hub (such as TIMS). TIMS would then process the data and determine whether the presence of a queue or not. Upon detection of a queue, a signal is sent back to the field from the TOC to activate the warning flasher.

Since 2010, the Illinois Tollway's focus has shifted from significant expansion of the ITS system, which coincided with the broader CRP, to filling in gaps in the system with devices to better manage traffic operations while maintaining and improving the existing assets. The system has continued to expand as part of both standalone ITS projects and the "mainstreaming" of the ITS system within larger roadway rehabilitation projects.

The first corridor-wide solar-powered / wireless communications CCTV & Roadway Sensor project was undertaken in 2013. Since then, 28 elements have been implemented and fully utilized. By 2015, these 28 elements have been converted to AC power with fiber optic communications (FOC). Additionally, during 2014, temporary solar-powered / wireless units were installed to maintain Jane Addams Memorial Tollway (I-90) corridor ITS operations. These units were replaced with permanent devices during the Jane Addams Memorial Tollway (I-90) corridor reconstruction/widening. Intermediate Power Distribution & Communication (IPDC) facilities were also installed along the I-90 corridor.

Continued ITS rehabilitation and replacement occur through small systemwide and capital contracts that include Microwave Vehicle Detection Systems (MVDS) replacement (end of lifecycle), Type 2 DMS installations near ramp queue locations, new CCTV installations not originally scoped as part of the *Move Illinois* Program, systemwide ramp queue detectors and a permanent truck scale at Maintenance Facility M-2 (Hillside).

New CCTV and MVDS equipment support poles have been designed and implemented that provide less vibration during windy conditions, allowing for better camera video quality of the roadway at the TOC. First issue of the ITS guide drawings, special provisions and ITS Deployment Guide were developed in 2015 and have been revised yearly based on construction lessons learned and product improvements. The ITS base drawings, guides and special provisions are used by the designers for every ITS construction contract at the Tollway.

In 2017, the Illinois Tollway opened the first “smart corridor” in the system. The Jane Addams Memorial Tollway (I-90) was funded under the current Program. This corridor included a combination of traditional Illinois Tollway ITS devices, including CCTV, MVDS, RWIS at the Fox River Bridge. A virtual weigh-in-motion system was also installed at Beverly Road. The corridor also provided enhanced full color/full matrix DMS capable of illustrating color and graphic messages. Also included were IPDC’s and new ITS devices, including a Lane Control System (LCS) over each lane. The LCS can indicate if a specific lane or lanes are open (green arrow), closed (red “X”) or merging (yellow diagonal arrow), alerting drivers to change lanes and avoid incidents. The goal is to increase roadway safety and efficiency through this implementation.

Major deployments in 2023 included the following:

- Transportation System Management and Operations (TSMO) - Continued support of existing ITS deployments and operations, field training, fiber optics administration and Traffic Operations Safety Committee and Safety Subcommittee.
- Traffic Incident Management Systems (TIMS) Software - Modernization of TIMS software to expand and enhance its current functionality, including integration of ramp queue detection and traffic signal operations at strategic locations where recurring ramp congestion has been identified.
- Vehicle detection - use of third-party data to provide greater density of coverage for travel times and congestion; lane-by-lane detection technologies and the installation of detectors at all remaining non-tolled system to system ramp locations.
- Dynamic Message Signs (DMS) - Expand the use of overhead gantry DMS as part of any Active Traffic Management (ATM) system.

- CCTV Camera Surveillance - Continue the strategy for full camera coverage of every mile of urban roadways (east of IL 47) and in rural areas at interchanges and high-accident locations as budget permits. Implement enhanced CCTV quality and coverage on the Central Tri-State Tollway (I-294) following the higher standards deployed in the reconstruction of the Jane Addams Memorial Tollway (I-90).
- Truck-Related ITS – Installation of new VWIM systems VWIM systems with Tire Anomaly Classification System (TACS) and Over Height Vehicle Detection System (OHVDS) on the Veterans Memorial Tollway (I-355), and Reagan Memorial Tollway (I-88). Further examined truck violation data in coordination with ISP and Illinois Tollway's ITS to ensure VWIM systems maintain calibration.
- Weather Information Systems - Continue to maintain 20 existing RWIS and contracted weather service. Continue to explore sensor and weather data resource options. Began pilot project for advanced mobile road weather sensors for the Illinois Tollway's fleet vehicles.
- Communications/IT - Continue support for existing electrical, fiber and radio deployments and communications and IT support contracts. Mapped fiber distribution panels and fiber jumpers in the Illinois Tollway's Asset Management System.
- Emerging Technology - Continue evolving the Jane Addams Memorial Tollway (I-90) CV Pilot Project and develop a test site for others in the state looking to test CV technologies. Completed an Illinois Tollway CAV stakeholder interview summary.

Major initiatives planned for 2024 included the following:

- Video Incident Detection (VID) – Began test deployment of VID for wrong-way driver detection and long underpass incident detection. VID is being tested on select roadside CCTV cameras and on the three CCTV cameras along the Tri-State Tollway (I-94) westbound to Deerfield Road's long underpass. If successful, expand use within the Illinois Tollway's system will be evaluated. VID has the potential to significantly reduce incident detection time and improve incident response and clearance times.
- Wrong-Way Driver Detection and Warning Systems (WWDS) – Learn from the ongoing pilot project at the Reagan Memorial Tollway (I-88) and Peace Road interchange that will detect wrong-way vehicles and provide warning to TIMS, ISP and approaching motorists. Pilot new microwave and video detection technology, CCTV camera video detection and 24/7 LED flashing signage at select locations.
- Advanced Consideration of Flex Lane Utilization – Considering the success of the Flex Lane on the Jane Addams Memorial Tollway (I-90) and a recent Illinois Tollway needs analysis for Flex Lane operations. Flex Lanes should be considered for both incident management and for peak period congestion relief. A Flex Lane and new corresponding ATM system is currently planned for an approximately 22-mile, capacity-constrained section of the Central Tri-State Tollway (I-294).
- Tire Anomaly Classification System (TACS) and Over Height Vehicle Detection System (OHVDS) – TACS is a monitoring system that uses in-pavement sensors to look at the tired of commercial vehicles for potential problems with their wear and operations. Problem vehicles can then be identified, pulled over and inspected, preventing tire blow-outs. OHVDS is a detection system that uses an infrared light

sensor beam to detect vehicles and operating over the legal height limit. Over height vehicles can then be identified and removed from the system, potentially preventing costly damage to overhead sign structures and bridges. TACS and OHVDS can be added to existing VWIM systems to take advantage of the same infrastructure and reporting system.

- Incident Management - Test and potentially implement systems to help with incident management, including migrating to electronic data collection, quick-tow devices for H.E.L.P. vehicles, a recently tested debris clean-up system and a work zone intrusion detection system. Improve crash reconstruction systems with the use of drones or other technology enhancements.

3.4 Environmental Initiatives

The Illinois Tollway is committed to protecting the environment and implementing numerous green initiatives throughout the Illinois Tollway system and its construction projects. Environmental initiatives throughout the Illinois Tollway include both the continuation of previous commitments along with innovative programs. The following is a summary.

3.4.1 Expanded Use of Brine for Roadway De-icing

The Illinois Tollway continues to make firm investments into expanding its use of salt brine across its system. Salt brine is produced by dissolving dry salt into a solution which can then be directly sprayed on the pavement or used to 'wet' dry salt before it is applied, depending on the conditions.

Use of brine has benefits for the Tollway, Tollway customers and the environment. Traditionally, dry salt crystals have been used primarily to de-ice roadway pavement. When dry salt is released from plow truck spreaders, it tends to bounce and scatter, with a substantial amount of salt, approximately 30%, being lost on the shoulders, in the median or beyond, where it is not effective and can easily enter waterways. Thus, salt spread rates need to be set high enough to ensure an adequate amount salt remains on the pavement for safe roadway operations, after accounting for salt bounce and scatter.

When dry salt is pre-wetted with brine before it is applied to the pavement, it reduces the tendency for salt to bounce and scatter and enhances its ability remain on the pavement; when pre-wetted, only 4% of salt is lost beyond the road surface. The implications are that pre-wetting the salt can allow application rates to be reduced up to approximately 25% and achieve the desired deicing effect.

From a safety and operations perspective, Pre-wetting immediately activates the salt, jump starting the deicing process, resulting in more rapid improvement of roadway driving conditions during icing events.

Preventing excess salt from entering waterways is key and the reduction of salt applied to the system subsequently results in less salt (chlorides) entering and affecting our rivers, streams and lakes. Reduced salt application is also a requirement of the Illinois Tollway's Section 401 Clean Water Act environmental permit for the Illinois Route 390 Tollway Project, the reconstruction of the Jane Addams Memorial Tollway (I-90) and Central Tri-State Reconstruction (I-294) projects.

From a business perspective, increased use of brine will decrease the Illinois Tollway's dependency on salt, which can save costs, particularly during winter seasons when salt supplies are low and demand is high.

The Illinois Tollway has been testing brine for several years, having procured two mobile brine makers, with limited production capacity and outfitting its fleet for increased brine applications.

The first stationary, high volume, automatic brine making system was installed at the Aurora (M-8) Maintenance Facility. This system served as the pilot program to guide similar installations at other Maintenance Facilities, including the most recent installation at the Hoffman Estates (M-5) facility.

This pilot program informs installations of future permanent brine makers across the system in its effort to reduce its impact on the environment while maintaining the high level of safety that its customers enjoy.

3.4.2 Enhanced Environmental Inspections

In 2019, the Illinois Tollway enhanced its physical inspection program of detention basins, bioswales, and storm water outfalls. Ensuring that these assets are operating as intended is imperative to protecting surface water resources which are conveyed through and received by the Illinois Tollway's drainage system.

The enhanced inspection program incorporates additional assessment criteria as part of an improved asset management rating system that better addresses individual components and conditions that may have changed since the initial construction or since the previous inspection. The assessment criteria for storm water outfalls now includes nine physical and sensory indicators of illicit discharges as defined per U.S. Environmental Protection Agency guidance. Furthermore, assessment of detention basins has been expanded to include criteria that more specifically evaluate the function and safety of the basins including components (e.g. control structure, overflow weir and headwalls), nuisance issues (e.g. animal dens and burrows), vegetation components (e.g. invasive, woody, inhibited or dead), cleanliness (e.g. litter and debris accumulations), and erosion (e.g. unstable or eroding banks, damaged erosion controls). In addition to assessment of physical conditions, criteria related to bioswale function and vegetation have been incorporated to enhance the assessment of effectiveness and overall health.

This enhanced inspection program and rating system was implemented to improve tracking and identification of maintenance issues, aid in planning preventative maintenance to avoid costlier drainage repairs, and more effectively identify and eliminate potential illicit storm water discharges to maintain compliance with Illinois EPA permit requirements.

3.4.3 Environmental Research

From 2019-2021, the Illinois Tollway funded research on removing environmentally detrimental pollutants, such as chlorides from winter deicing activities, while also improving the function of the drainage system by harvesting invasive plants at a critical time in the growing season. Results indicated that *Typha* spp. (cattail) takes up more metals and Phragmites (common reed) better absorbs chlorides, but an annual harvest of the Illinois Tollway's detention basins will not remove enough chloride from the stormwater to offset

winter road salting. Nevertheless, the other environmental benefits justify continuing the practice of invasive vegetation management and removal throughout the Illinois Tollway's drainage system. An alternative concept that surfaced during the project was the potential to utilize biochar to enhance the capture of stormwater pollutants.

Biochar is a type of pure carbon charcoal that is produced from super-heating or cooking plant matter and is primarily used as a soil enhancer in the agricultural industry. Many studies have demonstrated its usefulness in pollutant capture as well, due to its high surface area and cation exchange potential. In 2022, the University of Illinois and Loyola University teamed up to begin a new project. For the next three years, the team will provide a literature review and a field study to determine biochar's potential for capturing roadway pollutants in stormwater within a sample set of the Illinois Tollway's bioswales. Through this partnership, the team aims to enhance the pollutant-capturing ability and to lengthen the life of the environmentally beneficial drainage features. Biochar may enhance plant growth, which results in increased heavy metal and chloride uptake.

Pre-treatment soil and vegetation samples were collected in fall of 2022. In 2023, field work for the new study commenced. Sensors were placed in the bioswales to record water depth and conductivity data. Biochar was added at the end of each experimental block. The biochar will be sampled to test its salt and heavy metal adsorption capacity.

3.4.4 Landscape and Tree Planting Initiative

The Systemwide Landscape Master Plan was finalized in December 2017 with the goal of establishing and maintaining healthy tree communities throughout the Illinois Tollway's 294 miles, 5 corridors and 12 counties. In partnership with The Morton Arboretum, the Master Plan leverages existing efforts in creating and nurturing current and future tree communities in the region focused on increasing the region's tree canopy. The initial planting efforts commenced in the Spring of 2018 as part of the Illinois Tollway's goal of planting 58,000 trees in support of the program, and in October 2021, the Illinois Tollway surpassed its goal to plant 58,000 new trees along its system across 12 counties and is still ongoing. The Master Plan also includes functional planting of shrubs at strategic locations to help reduce snow drifting on pavement while complementing Illinois Tollway environmental programs and initiatives.

3.4.5 NPDES MS4 Inspection and Annual Reporting

The Illinois Tollway maintains compliance with the Illinois Environmental Protection Agency's (EPA) Storm Water Management Program ILR40 Permit conditions (ILR40 Permit) under the Small Municipal Separate Storm Sewer System (MS4), permit number ILR400494. An inspection of the entire system is completed annually and includes outfall inspections, illicit discharge detection and visual dry weather screening.

3.4.6 INVEST Program

The Illinois Tollway continues to utilize the Infrastructure Voluntary Evaluation Sustainability Tool (INVEST) developed by the Federal Highway Administration (FHWA) which enables transportation agencies to assess the sustainability of their projects and systems. The Illinois Tollway customized the FHWA's INVEST program in 2015 by incorporating supplements to existing FHWA criteria and creating new criteria. Currently in version 1.2 of the INVEST

program, the Illinois Tollway evaluates its practices using 419 criteria. In 2023, the Illinois Tollway began updating the INVEST program a second time, with the intent of creating more challenging and quantifiable criteria. Once this revision is complete, the Illinois Tollway’s efforts for 2023 will be scored with the new v1.4 scoring modules for System Planning and Operations and Maintenance.

In 2023, the Illinois Tollway also used the INVEST Project Development module to evaluate in-progress design and construction contracts with an estimated construction cost exceeding \$10 million. Projects that reached construction substantial completion in 2013 and 2014 averaged a silver rating, while projects in 2015, 2016 and 2017 averaged a Gold rating. Projects that reached construction substantial completion in 2018 to 2022 had less extensive planning processes, more diverse scopes and, for those scored using version 1.2 of the INVEST, more stringent scoring criteria. The 2018 to 2022 projects averaged a silver rating. The 2023 Project Development scoring is ongoing; however, projects are anticipated to average a Silver rating. Projects that start the design phase after the v1.4 Project Development module is released will be scored under the new criteria.

Planners, designers, engineers, construction managers, contractors and Illinois Tollway employees have been participating in a rigorous sustainability process, including project scoring and workshops that involve brainstorming sustainability practices. The Illinois Tollway’s INVEST Program not only improves Illinois Tollway sustainability, which directly benefits its customers and the community. It also exposures industry professionals to sustainable principles and practices. These professionals can then incorporate them into other projects throughout the region and country.

3.4.7 Stormwater Management

Several storm events have occurred throughout the Illinois Tollway’s history, resulting in pavement flooding. The Consulting Engineers have listed known flooding issues with the potential to impact the traveling public. Until mitigation measures are completed in each of these locations, the Consulting Engineers monitor them during, or following, severe rain events to evaluate the public impacts and provide recommendations to the Illinois Tollway. In 2023, three flooding locations were identified across the Illinois Tollway’s system. All three locations lie along the Central Tri-State Tollway (I-294) corridor. All locations are programmed to be remediated as part of future reconstruction. Figure 2 details the flooding locations and their mitigation statuses.

Table 2: Flooding Locations and Mitigation

Location	Mitigation Status
I-294 & St. Charles Road	In construction (I-20-4533)
I-294 & 95th Street	In construction (I-20-4517)
NB I-294 & Hinsdale Oasis	In construction (I-21-4831)

3.5 System Growth

The following table depicts how the Illinois Tollway system has grown and will grow throughout the implementation of the *Move Illinois* Program. All lanes (mainline, auxiliary, ramps and toll

plaza manual lanes) are included. The basis of these values was determined by mapping all of the Illinois Tollway’s lanes individually and categorizing them appropriately. As improvement projects add new lanes, such as on I-490 and I-294, the total lane mile values may be revised accordingly in future versions of this and/or other reports, based on the evolution of those designs.

The system growth projections from 2023 to 2027 are based on calculations provided by the Design Corridor Managers (DCM) of the respective improvement projects, current as of the date of this report. Based upon the proposed project scopes, specifically those that increase capacity on the mainline, add interchange ramps and add mainline elements, the overall system lane-mile total is expected to grow by 16.4% from 2012 through 2027.

Table 3: Growth of the Illinois Tollway System per Corridor (By Lane Miles)

Tollway	2012	2013	2014	2015	2016	2017	2018	2019
Tri-State Tollway (I-294/I-94/I-80)	786.5	786.5	798.6	801.2	800.4	794.9	794.9	799.7
Jane Addams Memorial Tollway (I-90)	470.3	474.0	540.9	542.5	612.8	615.6	616.1	619.2
Reagan Memorial Tollway (I-88)	528.6	528.6	529.4	531.0	531.0	530.1	530.1	534.0
Veterans Memorial Tollway (I-355)	263.5	263.5	263.5	263.5	264.3	263.1	263.1	264.5
Illinois Route 390 Tollway (IL 390)	0.0	0.0	0.0	0.0	51.3	73.3	73.3	73.3
I-490 Tollway (I-490)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Lane Miles	2,048.9	2,052.6	2,132.4	2,138.2	2,259.8	2,277.0	2,277.5	2,290.7
% Increase - Annual		0.18%	3.89%	0.27%	5.69%	0.76%	0.02%	0.58%
% Increase - Aggregate		0.2%	4.1%	4.3%	10.0%	10.8%	10.8%	11.4%

Tollway	2020	2021	2022	2023	2024	2025	2026	2027
Tri-State Tollway (I-294/I-94/I-80)	799.6	799.6	809.1	815.6	825.8	842.6	851.3	856.5
Jane Addams Memorial Tollway (I-90)	621.1	621.7	618.2	615.5	615.5	615.5	615.5	620.9
Reagan Memorial Tollway (I-88)	534.0	534.0	533.9	533.9	533.9	533.9	533.9	533.9
Veterans Memorial Tollway (I-355)	264.5	264.5	261.2	261.2	261.2	261.2	261.2	261.2
Illinois Route 390 Tollway (IL 390)	73.3	73.3	74.0	74.0	74.0	74.0	74.0	85.2
I-490 Tollway (I-490)	0.0	0.0	0.0	0.0	0.0	0.0	3.8	54.0
Total Lane Miles	2292.5	2293.1	2296.4	2300.2	2,310.4	2,327.2	2,339.7	2,411.7
% Increase - Annual	0.08%	0.03%	0.14%	0.17%	0.44%	0.72%	0.54%	2.74%
% Increase - Aggregate	11.5%	11.5%	11.6%	11.8%	12.2%	13.0%	13.5%	16.4%

4 Condition of the Illinois Tollway System

The Illinois Tollway continues to function as an essential component of the transportation network in Northern Illinois. As part of the current *Move Illinois* Program to date:

- Approximately 21.5% of the system mainline pavement existing prior to the commencement of the *Move Illinois* Program was reconstructed and widened
- Reconstruction and widening of the Jane Addams Memorial Tollway (I-90) east of Mill Road to the Eastern Terminus has been completed
- Construction of a new interchange for the Tri-State Tollway (I-294) with Interstate 57 has commenced with the initial phase ramps opened in 2014
- Rehabilitation and widening of the Illinois Route 390 Tollway west of Rohlwing Road was completed
- Construction of the Illinois Route 390 Tollway extension to Illinois Route 83 was completed.

As part of the previous, completed CRP capital program, the following was completed:

- Approximately 43% of the system mainline pavement existing prior to the commencement of the CRP capital program was reconstructed or reconstructed/widened
- Approximately 32.3% of the system mainline pavement existing prior to the commencement of the CRP capital program was rehabilitated
- Open road tolling was implemented at all mainline toll plazas throughout the system.
- Construction of the Veterans Memorial Tollway (I-355) South Extension to I-80 was completed

The current capital program is effectively managing the infrastructure condition of the system. It is recommended that programmed capital maintenance continue to occur as programmed and that issues identified during annual inspections be addressed as part of this programmed work.

Most of the system mainline pavement which has not been reconstructed or reconstructed/widened as part of the CRP or the *Move Illinois* Programs to date (approximately 10.2% of the system mainline pavement existing prior to the commencement of the *Move Illinois* Program) is programmed for reconstruction or reconstruction and widening as part of the *Move Illinois* Program through 2027. Additionally, sections of pavement constructed, reconstructed, reconstructed and widened or rehabilitated as part of the CRP (approximately 21.2% of the system mainline pavement existing prior to the commencement of the *Move Illinois* Program) are programmed for rehabilitation required by the pavement preservation program as part of the *Move Illinois* Program through 2027.

Once complete, the *Move Illinois* Program will have:

- Reconstructed or reconstructed/widened approximately 90.0 centerline miles or 31.7% of the system mainline pavement existing prior to the commencement of the *Move Illinois* Program
- Rehabilitated approximately 60.1 centerline miles or 21.2% of the system mainline pavement existing prior to the commencement of the *Move Illinois* Program
- Constructed approximately 17.1 centerline miles of new routes and route extensions
- Increased the system-wide lane mileage by approximately 15.7% through various widening projects, construction of route extensions and new interchanges, and the inclusion of the Elgin O'Hare Western Access corridor

NOTE: The above percentages are based upon the approximately 284.1 centerline miles of mainline pavement existing prior to the commencement of the *Move Illinois* program and may not include new construction/expansion of interchange ramps, auxiliary or plaza pavements.

4.1 Transportation Asset Management System

Inspections are performed annually throughout the entire Illinois Tollway system (Annual Inspections) pursuant to requirements of the Trust Indenture. The purpose of these inspections is to evaluate Illinois Tollway assets, which include but are not limited to pavement, bridges, overhead sign structures, structural walls, drainage structures, slopes, ditches, safety appurtenances, facilities and ITS devices. Certain Illinois Tollway assets, including bridges, structural walls, overhead sign structures and facilities, are inspected on multi-year cycles which are described in further detail later in this report.

Repair activities are logged in the Illinois Tollway's Asset Management System. Any deficiencies that are appropriate for Illinois Tollway Maintenance to repair are instantaneously transmitted to the appropriate Maintenance Division for repair. All other deficiencies requiring repair by a contractor are transmitted to the Illinois Tollway Engineering Department for incorporation into a current or future contract, based on the severity of the deficiency.

4.2 Pavement

The Illinois Tollway roadway pavement is inspected annually. The inspection includes a structural evaluation, a pavement surface evaluation and a visual inspection that detail areas for repair by means as appropriate, determined by the severity of the deficiency.

4.2.1 Visual Inspection

Visual inspection of the Illinois Tollway roadway system is performed annually. This inspection consists of documenting the condition of the mainline and ramp pavements from the edge-of-shoulder and from a vehicle outfitted with cameras that capture continuously. This visual pavement inspection includes all bridge decks, approaches, shoulders and gutters.

4.2.2 Pavement Structural Evaluation

The structural evaluation of the Illinois Tollway roadway system pavement is performed annually by the Illinois Tollway's Pavement Consultant during the spring and summer months.

This evaluation consists of Falling Weight Deflectometer (FWD) testing and a pavement coring program, from which the data is used to analyze and assess the structural integrity of the mainline pavements and assist in identifying deficiencies.

FWD testing is completed by measuring the deflections caused by an impulse deflection device that applies a dynamic load by dropping a weight onto a circular load plate placed on the pavement surface. The results of the FWD testing are utilized to determine pavement layer and subgrade structural parameters, to evaluate load transfer characteristics at pavement joints and to detect the presence of subsurface voids.

The pavement coring program consists of six-inch diameter full-depth cores taken through bound pavement layers at strategically identified locations throughout the Illinois Tollway system. Pavement cores are used to verify pavement layer thickness, inspect material and bonding conditions and assess the condition of pavement layers below the surface.

4.2.3 Surface Evaluation

The pavement surface evaluation of the Illinois Tollway roadway system is performed annually during the summer and fall months. This evaluation utilizes electronic and visual surveillance of the pavement surface to determine the extent of pavement distress.

The Illinois Tollway utilizes a pavement inspection and evaluation system similar to that developed by the Illinois Department of Transportation (IDOT), which categorizes pavement conditions using Condition Rating System (CRS) values. Pavement sections with a CRS rating greater than or equal to 7.5 (Excellent) require little to no maintenance. As a section's CRS value drops below 7.5, falling into 6.6 to 7.4 range (Good), the pavement is still in good condition, but begins to require some maintenance. CRS values in the range of 6.0 to 6.5 (Transitional) indicate that the pavement section is beginning to show appreciable deterioration levels and is transitioning from a pavement that requires maintenance to one that will require rehabilitation or resurfacing in the next few years. Once the CRS rating falls below 6.0, entering the 4.5 to 5.9 range (Fair), the pavement is in fair condition and requires rehabilitation. Generally, pavements with a CRS rating of less than 5.5 (Poor), halfway through the Fair rating of pavement condition, exhibit poor interstate pavement ride quality and need immediate attention/rehabilitation.

The CRS ratings utilized for the Illinois Tollway pavement surface evaluation are provided in the following table:

Table 4: CRS Rating System

CRS Rating	General Pavement Surface Condition
>7.5	Excellent
6.6 to 7.4	Good
6.0 – 6.5	Transitional
4.5 – 5.9	Fair
< 4.5	Poor

It should be noted that while the riding surface may reflect a high CRS rating, the aging pavement substructure, drainage problems or other unknown conditions that may exist below the pavement surface are not reflected by the CRS rating. Structural evaluations as described above, projected traffic loading and analysis of the pavement’s history can also factor into the pavement’s overall condition rating and Remaining Interval Life (RIL), as described below.

CRS values are determined by digitally recording surface conditions and measuring certain types of surface distress and rideability of pavements through the collection of electronic sensor data. This data is collected by a semi-automatic survey process which utilizes a survey vehicle outfitted with cameras that capture continuous images of the pavement surface and panoramic images of the roadway. The images and sensor data are processed by experienced CRS rating personnel who assign CRS values. In 2023, approximately 84.0% of the Illinois Tollway network is rated in “excellent” to “good” condition. A summary of the most recent system-wide CRS ratings is included in the following table:

Table 5: Summary of Mainline Pavement CRS Ratings from the 2023 Evaluation (Lane Miles)

Tollway	Excellent >7.5	Good 6.6-7.4	Transitional 6.0-6.5	Fair 4.5-5.9	Poor 0-4.4	**Not Rated
Tri-State Tollway (I-294/I-94/I-80)	225.7	251.9	53.9	14.7	0.0	118.7
Jane Addams Memorial Tollway (I-90)	78.2	384.4	18.5	3.0	0.0	0.0
Reagan Memorial Tollway (I-88)	267.8	140.2	44.0	0.0	0.0	0.8
Veterans Memorial Tollway (I-355)	101.3	63.4	12.0	4.8	0.0	7.7
Illinois Route 390 Tollway (IL 390)	30.5	12.1	7.5	1.2	0.0	0.0
Total*	703.3	851.9	135.8	23.7	0.0	127.2
% of Total	38.2%	46.3%	7.3%	1.3%	0.0%	6.9%

* Total - Lane Miles Surveyed does not equal total actual system lane mileage due to approximate beginning and ending points of the field survey, construction activity and the exclusion of auxiliary lanes and other lane types.

** Not Rated - Sections that contained construction and the long bridges were excluded from the survey and listed as "Not Rated".

Note: This evaluation does not include auxiliary or ramp lanes that are required for entering and exiting the Illinois Tollway. Due to this, route and system totals may not match information in other sections of the report. Percentages may not total to 100% due to rounding.

Ramp lanes are evaluated on a three-year basis due to the reduced traffic and anticipated improved condition compared to the mainline, though the Illinois Tollway may begin to monitor the ramps more closely since the current programs are not expected to address many of the system's ramps. Auxiliary lanes are generally in better condition than the adjacent mainline lanes due to reduced traffic and are generally maintained in conjunction with the mainline lanes.

CRS ratings are only one indicator of overall pavement condition and, if used alone, can be misleading. A newly rehabilitated roadway will likely receive an "excellent" CRS rating even though the underlying concrete pavement and base could be largely deteriorated. In such a case, the "excellent" CRS rating is expected to rapidly deteriorate to a "transitional" or "poor" CRS rating, and the pavement will likely require additional work in a relatively short period of time. It is anticipated that Illinois Tollway pavement sections not reconstructed as part of recent capital program projects which received a CRS rating of "good" to "excellent" will rapidly deteriorate to a "transitional" or lower rating due to the condition of the underlying concrete base pavement.

Considering this, the Remaining Interval Life (RIL) categories were developed. The RIL categories take into account current CRS ratings, traffic volumes and pavement thickness information. This data is projected to determine how many theoretical years are remaining before a condition level is reached where major repairs are required. The RIL categories are

developed using specific pavement performance models, historical condition data for a specific pavement type and assumed rehabilitation treatments. The RIL categories have been found to be a reliable indicator of pavement performance. However, if there is any deviation from the future rehabilitation treatments assumed in developing the performance model, then the model will no longer accurately predict pavement performance, and the RSL category may be incorrect.

The Illinois Tollway RIL categories included 0 years, 1-2 years, 3-4 years, 5-8 years, 9-12 years, 13-19 years and 20+ years. An RIL category of 20 or more years was created to allow for better programming of future rehabilitation projects. New pavement with an expected life of 30 or more years would typically be categorized with an RIL of 20 or more years. In contrast, pavement categorized with an RIL of 0 years will require extensive intermittent pavement repairs to maintain the pavement integrity.

The Illinois Tollway has generally been successful in maintaining consistent pavement conditions to date. This has been accomplished through activities performed by the Maintenance Division and programmed major repair work through the capital programs.

The system mainline pavement sections which have been constructed, reconstructed, or reconstructed and widened as part of the capital programs to date addressed the concern of failing base pavement on those portions of the system. However, there still exist areas of concern where the pavement has not been reconstructed. In addition to intermittent repairs system-wide, other short-term repairs in these areas include asphalt resurfacing on the Edens Spur (I-94) completed in 2010, on the Reagan Memorial Tollway (I-88) completed in 2012 and on the Tri-State Tollway (I-294) completed in 2012. These short-term repairs serve to improve pavement surface conditions and ride quality; however, they do not adequately address the deterioration of the underlying concrete base pavement. Based on pavement age and repair histories, reconstruction of these pavements is likely the most cost-effective long-term repair strategy. The Edens Spur was reconstructed in 2020.

Currently, a majority of the system mainline pavement not reconstructed or reconstructed and widened to date is programmed for reconstruction or reconstruction and widening as part of the capital programs through 2027. Additionally, sections of pavement constructed, reconstructed, reconstructed and widened, or rehabilitated as part of the CRP are programmed for rehabilitation through 2027 per the *Move Illinois* Program pavement preservation program.

While the Illinois Tollway's annual maintenance efforts have focused on maintaining pavement basic integrity through projects such as emergency patching and intermittent pavement repairs, the original pavement infrastructure continues to deteriorate due to load-related (vehicle loading) and non-load related (environmental) impacts. In the past, this resulted in a repair cycle that continued to accelerate until the implementation of the CRP when more substantial improvements were made. The strategy of maintaining pavement through small-scale maintenance projects became infeasible due to increasing construction costs, repair quantities, traffic disruptions and reduced pavement life. The current capital programs focus on rehabilitating or reconstructing the aging infrastructure through the reconstruction or reconstruction and widening of approximately 31.7% of the mainline system by the end of the *Move Illinois* Program in 2027. Approximately 21.5% of the system mainline pavement has been completed thus far.

Long-term pavement repairs began to be addressed in 2005, the first year of the CRP. As part of this, the underlying concrete base pavement deterioration issues along the Tri-State Tollway (I-294/I-94) and the Reagan Memorial Tollway (I-88) have been or are programmed to be addressed. As is shown in the following table, approximately 24.3% of system-wide pavement surveyed in 2023 was categorized with an RIL of eight years or less. The pavement within these categories will require repairs within the next eight years to maintain pavement integrity. This is a major improvement over the 85.1% of pavement system-wide that was within these categories in 2004 before the CRP began. Additionally, 25.4% of pavement surveyed in 2023 was categorized with an RIL of greater than 20 years, compared to 2.2% in 2004. In 2023, the overall Illinois Tollway network had an estimated RIL of 14.22 years with 68.8% of the network having an RIL of greater than 12 years.

NOTE: The above percentages are based upon the approximately 284.1 centerline miles of mainline pavement existing prior to the commencement of the *Move Illinois* Program and may not include new construction/expansion of interchange ramps, auxiliary or plaza pavements.

Table 6: Summary of Mainline Pavement RIL Values from the 2023 Evaluation (Lane Miles)

Tollway	≥ 20 Years	13-19 Years	9-12 Years	5-8 Years	3-4 Years	1-2 Years*	0 Years*	***Not Rated
Tri-State Tollway (I-294/I-94/I-80)	66.7	322.4	71.8	38.7	11.7	7.6	27.2	118.7
Jane Addams Memorial Tollway (I-90)	366.7	28.8	0.1	65.6	15.0	4.6	3.4	0.0
Reagan Memorial Tollway (I-88)	9.1	92.9	110.2	225.2	0.0	4.0	10.5	0.8
Veterans Memorial Tollway (I-355)	0.9	57.2	111.1	4.4	3.0	0.0	4.8	7.7
Illinois Route 390 Tollway (IL 390)	23.6	0.1	5.9	13.1	1.7	4.2	2.6	0.0
Total**	467.1	501.4	299.1	347.0	31.4	20.4	48.5	127.2
% of Total	25.4%	27.2%	16.2%	18.8%	1.7%	1.1%	2.6%	6.9%

* Zero to Two Years - Critical areas in need of attention. Veterans Memorial Tollway (I-355) MP 10 to 13, Illinois Route 390 Tollway (IL 390) MP 6.54 to 7.6 (rehabilitation planned for 2024), Reagan Memorial Tollway (I-88) Plaza 69 (MP 56) and MP 129 to 131, Jane Addams Memorial Tollway (I-90) MP 17 to 18 and MP 0 to 8 (rehabilitation planned for June 2024), and Tri-State Tollway (I-294) MP 0 to 1, MP 4 to 6, MP 18 to 21, and MP 26 to 28 (patchwork in 2023 for MP 4 to 6, with MP 18 to 28 as part of the CTS reconstruction).

**Total - Lane Miles Surveyed does not equal total actual system lane mileage due to approximate beginning and ending points of the field survey and the exclusion of auxiliary lanes and other lane types.

*** Not Rated – Roadway sections that were under construction (the Central Tri-State MP 21 to 27, and MP 28 to 37.5) and lane bridges, such as the Mile Long Bridge, Bensenville Railroad Yard on I-294, Des Planes River Valley Bridge on I-355 were excluded from the survey and listed as “Not Rated”.

4.2.4 Summary of Mainline Pavement Condition

4.2.4.1 Tri-State Tollway (I-294/I-94)

The 77.6-mile Tri-State Tollway (I-94/I-294/I-80) was constructed as concrete pavement in 1958 as part of the original pavement network from Illinois Route 394 to Wolf Road as two lanes of pavement in each direction, from Wolf Road to O'Hare Interchange as three lanes of pavement in each direction, and from O'Hare Interchange to North Terminus as two lanes.

In the 1960s and 1970s, I-294 was rehabilitated and widened from the Tri-State Tollway (I-94)/Illinois Route 394 to the North Terminus with an additional lane of concrete pavement in each direction and a bituminous overlay. In the 1980s, the bituminous overlay was replaced from the Tri-State Tollway (I-94)/Illinois Route 394 to the North Terminus.

Additionally, in the 1970's, the pavement was rehabilitated and widened to three lanes from Old US 41 to Rockland Road with concrete pavement and a bituminous overlay. A bituminous overlay was subsequently placed from Rockland Road to the Edens Expressway.

Throughout the 1980s and 1990s, I-94 was rehabilitated with bituminous overlays to help extend the life of the pavement. In 2000, the pavement was reconstructed and widened to four lanes from Half Day Road to the Edens Spur Ramp as concrete pavement. Subsequent rehabilitation in 2000 from Pflugston Road to the Edens Expressway included removing and replacing the bituminous overlay.

Additionally, in the 1990s, I-294 was rehabilitated from Tri-State Tollway (I-94)/Illinois Route 394 to 95th Street and O'Hare Interchange to North Terminus with a bituminous overlay. The segment from 88th Avenue to the O'Hare Interchange was partially reconstructed and widened to four lanes of concrete pavement.

In the early 2000s, I-294 was rehabilitated from 95th Street to Plaza 35 (Cermak Road) with a bituminous overlay at locations that were not fully reconstructed. In the late 2000s, the segments from Tri-State Tollway (I-94)/Illinois Route 394 to 95th Street and from O'Hare Interchange to North Terminus were fully reconstructed and widened to as four lanes of concrete pavement. I-94 was reconstructed and widened to four lanes from old US 41 to Half Day Road as concrete pavement. Additionally, the concrete pavement surrounding Plaza 21 (Waukegan) was reconstructed.

In the 2010s, the *Move Illinois* program rehabilitated the pavement from 95th Street to the O'Hare Interchange with an overlay replacement until reconstruction could be completed. The pavement from Wolf Road to Balmoral Avenue was rehabilitated with its first overlay. Additionally, the segment from Half Day Road to the Edens Spur Ramp was overlaid.

In the early 2020s, I-94 from the Edens Spur Ramp to the Edens Expressway was reconstructed as asphalt pavement. Additionally, Atkinson Road to Half Day Road was rehabilitated with its first overlay.

In the 2020s, I-294 was reconstructed and widened to five lanes as composite pavement from 95th Street to Joliet Road. Reconstruction and widening to five lanes as composite pavement is underway from Joliet Road to O'Hare Oasis.

The Central Tri-State mainline pavement is scheduled for reconstruction in 2020 to 2027, as part of the *Move Illinois* Program. The majority of the mainline pavement along this route outside the limits of the Central Tri-State was reconstructed, or reconstructed and widened, from 2006 to 2009 as part of the CRP.

I-294 has some of the oldest pavement on the Tollway system, with portions along the central Tri-State nearing 60 years in age. In 2023, 71.8% of this corridor, including the Edens Spur, was rated in “excellent” to “good” condition. However, 23.6% of the corridor is estimated to have an RIL of under 12 years.

For the purposes of this report, the Tri-State Tollway is separated into the following three sections:

South Tri-State Tollway (Bishop Ford Freeway to 95th Street)

The majority of this pavement was rated in “excellent” and “good” condition (CRS) with an RIL rating of 13 years or more. The pavement from the Bishop Ford Freeway (I-94) to 163rd Street has undergone reconstruction and widening, completed in 2007. The pavement from 163rd Street to 95th Street has undergone reconstruction and widening, completed in 2008. In 2023, 46.7% of this section was rated in “excellent” condition with approximately, 71% of the section having an RIL of greater than 5 years.

Central Tri-State Tollway (95th Street to Balmoral Avenue)

The majority of this pavement was not rated in recent analysis since the pavement is largely under reconstruction (78.2%), the portion that was rated was rated in “excellent” and “good” condition (CRS) with an RIL rating of 13 years or more. The pavement from 95th Street to Balmoral Avenue/O’Hare Interchange was widened and either reconstructed or partially reconstructed in 1992 and 1993. The partial reconstruction and widening included the reconstruction of the outside (third) lane in each direction on the existing six-lane facility and the addition of a new fourth lane in each direction. The remaining two inside lanes in each direction were left in place, rehabilitated and resurfaced. The reconstruction and widening areas included jointed plain concrete pavement throughout. A rehabilitation of this section was completed in 2012, which included full-depth concrete patches, removal of the existing HMA overlay and the placement of a thicker SMA overlay. Reconstruction of this section is programmed to occur in 2018 to 2027, as part of the *Move Illinois* Program. In 2023, approximately 21.3% of the section was rated in “excellent” or “good” condition with approximately, 18.4% of the section has an RIL of greater than 5 years.

North Tri-State Tollway (Balmoral Avenue to Russell Road)

The majority of this pavement was rated in “excellent” and “good” condition (CRS) with an RIL rating of 13 years or more. The pavement from Balmoral Avenue/O’Hare Interchange to the Deerfield/Edens Spur improvement limits and from Half-Day Road to the Russell Road has undergone reconstruction and widening, completed in 2008. In 2023, 87.6% of this section was rated in “excellent” or “good” condition with approximately, 92.3% of the section having an RIL of greater than 5 years.

Edens Spur (I-94)

The 4.8-mile Edens Spur (I-94) was constructed in 1958 as part of the original pavement network and consisted of two lanes in each direction. An HMA overlay was added to this pavement in 1975 and was subsequently resurfaced in 1995. Rehabilitation of this section was completed in 2010 and included removal of the existing HMA overlay and the placement of an SMA overlay. As part of the Deerfield/Edens Spur improvement project, the west end pavement was reconstructed in 1997, and Toll Plaza 24 (Edens Spur) was constructed in

1998. The Deerfield/Edens Spur improvement was a project completed in 2000, which included the removal of the original Toll Plaza 25 (Deerfield), widening and reconstruction of the Tri-State Tollway in the vicinity of Deerfield Road, reconstruction of the west end of the Edens Spur, construction of the new mainline Toll Plaza 24 on the Edens Spur and reconfiguration of the Deerfield Road interchange ramps. Toll Plaza 24 (Edens Spur) was subsequently converted to open road tolling in 2006.

Reconstruction and pavement preservation along this route began in 2018 which completed in 2021, as part of the *Move Illinois* Program. In 2023, the completed portions of work along this section were surveyed and 87.5% of this section was rated “excellent” to “good”. Approximately 88.7% of this section has an RIL of 5 years or more.

4.2.4.2 Jane Addams Memorial Tollway (I-90)

The 76.4-mile Jane Addams Memorial Tollway (I-90) was originally constructed as concrete pavement in 1957 from East Rockton Road to I-190 Westbound Overpass as two lanes of pavement in each direction. In the late 1960s, it was widened to three lanes from Meacham Road to I-190 WB Overpass with concrete pavement.

In the 1970s and 1980s, the pavement was rehabilitated from East Rockton Road to Business US 20 and Duncan Road to I-190 Westbound Overpass with two bituminous overlays and from Business US 20 to Duncan Road with one bituminous overlay. Additionally, it was widened to three lanes from Barrington Road to Meacham Road and to four lanes westbound from Lee Street to Devon Avenue with concrete pavement.

In the 1990s, the pavement was rehabilitated from East Rockton Road to Duncan Road, and Barrington Road to I-190 Westbound Overpass with the replacement of the bituminous overlay. Additionally, it was widened to three lanes from Randall Road to Barrington Road.

In the early 2000s, I-294 was rehabilitated from Swanson Road to US-20, Newburg Road to IL-31, and Barrington Road to I-190 Westbound Overpass with the removal and replacement of the bituminous overlay. Additionally, it was reconstructed from East Rockton Road to Mill Road as asphalt pavement; and from Sleepy Hollow Road to IL Route 31, from Mannheim Road to the I-294 Tri State Tollway westbound, and from I-294 Tri State Tollway to I-190 Westbound Overpass eastbound as concrete pavement.

In the 2010s, I-294 was rehabilitated from Genoa Road to US 20 and from IL-31 to Barrington Road with the removal and replacement of the asphalt surface. It was later reconstructed and widened to three lanes from Mill Road to IL-31 as composite (two lift) concrete pavement and from IL Route 31 to I-294 Tri State Tollway as four lanes of concrete pavement and from I-190 Westbound Overpass to the I-294 Tri State Tollway westbound as concrete pavement.

In 2020, the pavement surrounding Plaza 1 – Beloit was rehabilitated with an asphalt resurfacing.

In 2023, 95.6% of this corridor was rated in “excellent to good” condition with an RIL of 20+ years along 75.7% of the corridor.

For the purposes of this report, the Jane Addams Memorial Tollway (I-90) is separated into the following sections:

Western Corridor (Rockton Road to Mill Road)

The majority of the pavement in this section was reconstructed and widened in 2009, and 87.5% is rated in “excellent” or “good” condition with approximately, 39.7% of the section having an RIL of 20 years or more.

Central Corridor (Mill Road to Elgin Plaza 9)

The majority of the pavement in this section was reconstructed and widened in 2013 to 2014 as part of the *Move Illinois* Program, and 98.9% is rated in “excellent” or “good” condition (CRS) with approximately, 86.1% of the section having an RIL of 20 years or more.

Eastern Corridor (Elgin Plaza 9 to Des Plaines River)

The pavement within this section was reconstructed and widened in 2015 and 2016 as part of the *Move Illinois* Program. In 2023, 100% was rated in “excellent” or “good” condition with 100% of the section with an RIL of 20 years or more.

4.2.4.3 Reagan Memorial Tollway (I-88)

The 27.1-mile Reagan Memorial Tollway (I-88) was originally constructed in 1957 from IL Route 56 to the Eisenhower Expressway as two lanes of concrete pavement in each direction. It was rehabilitated from Mitchell Road to Finley Road in 1970 with a bituminous overlay.

A 69.2-mile extension added two lanes of concrete pavement in each direction from Rock Falls Road to IL Route 56 in 1975. With the extension, the Reagan Memorial Tollway (I-88) totals 96.3-miles from Rock Falls Road to the Eisenhower Expressway.

In the late 1970s, the pavement was rehabilitated and widened to three lanes from Yackley Road to the Eisenhower Expressway with concrete pavement and a bituminous overlay. It was subsequently rehabilitated from IL Route 56 to Mitchell Road with a bituminous overlay.

In the 1980s, the pavement was rehabilitated from Mitchell Road to Yackley Road with a concrete or bituminous overlay. It was subsequently rehabilitated from IL Route 56 to Plaza 61 - Elgin with in-place bituminous rehabilitation and widened to three lanes from IL Route 59 to Yackley Road with concrete pavement.

In the 1990s, it was rehabilitated from IL Route 56 to the Eisenhower Expressway with a bituminous overlay removal and replacement. It was subsequently rehabilitated from Rock Falls Road to IL-31 with its first bituminous overlay.

In the late 1990s, it was reconstructed from the Fox River to IL-59 and as concrete pavement and widened to three lanes from Mitchell Road to IL Route 59. It was partially reconstructed from Somonauk Road to Hinkley Road and from Watson Road to Dauberman Road eastbound with a bituminous overlay.

In the 2000s, the pavement was rehabilitated from Steward Road to IL Route 56 and from York Road to Eisenhower Expressway with the removal and replacement of the bituminous overlay. The pavement was reconstructed from Rock Falls Road to Steward Road and from Shabbona Road to University Road as asphalt pavement. The pavement was reconstructed as concrete pavement and widened to three lanes from Orchard Road to Mitchell Road and to four lanes from IL Route 59 to York Road.

In the 2010s, I-90 was rehabilitated from Rock Falls/ US 30 to Steward Road with an overlay and from Steward Road to IL Route 56 with two separate overlays. Additionally, the pavement

was reconstructed and widened to three lanes from IL Route 56 to Orchard Road as composite (two lift) concrete pavement and from York Road to Eisenhower Expressway as concrete pavement.

In the 2020s, it was rehabilitated from Mitchell Road to IL Route 59 with an asphalt overlay.

The Reagan Tollway is in excellent condition with 59.1% of the pavement having a CRS greater than 7.5. During the 2023 survey period, 90.1% of the I-88 corridor was rated in “excellent to good” condition with an RIL of 13+ years along 20% of the corridor.

I-290 to Illinois Route 56 (East)

The 26.7-mile Reagan Memorial Tollway (I-88) east of Illinois Route 56, originally referred to as the East-West Tollway until 2006, was constructed in 1957 as part of the original pavement network and consisted of two lanes in each direction. The pavement from the Eisenhower Expressway to Naperville Road was widened to three lanes and resurfaced in each direction in 1977. The pavement from Naperville Road to Prairie Path was reconstructed and widened to three lanes in each direction in 1987. The pavement from Prairie Path to Toll Plaza 61 (Aurora) and from Toll Plaza 61 (Aurora) to Orchard Road was reconstructed and widened to three lanes in each direction in 2000 and 2008 respectively.

The pavement from York Road to Naperville Road and from Naperville Road to Illinois Route 59 was reconstructed and widened to four lanes in each direction in 2008-2009 and 2004-2005 respectively. Subsequently, the pavement from the Eisenhower Expressway to York Road was resurfaced in 2008-2009. The pavement from Illinois Route 56 to Orchard Road was reconstructed and widened to three lanes in each direction in 2012 as part of the CRP.

In 2023, about 27.1% of this section was in “excellent” condition with an RIL of 20+ years along 4.7% of the section.

Illinois Route 56 to Illinois Route 251 (Central)

The 69.5-mile Reagan Memorial Tollway (I-88) Extension west of Illinois Route 56 was constructed in 1974 as a western extension to the original Reagan Memorial Tollway (I-88) and consisted of two lanes in each direction. The pavement received an HMA overlay in 1993. This HMA overlay was placed to a nominal 2.25-inch thickness, thinner than the typical 3-inch HMA overlay. The thinner overlay was originally intended to act as a bond breaker for a future concrete overlay. However, due to the poor performance of a similar concrete overlay installation on a section of the original Reagan Memorial Tollway (I-88), the concrete overlay was never placed. Instead, the HMA overlay remained as the riding surface. This thinner overlay did not perform well and required constant repairs by the Maintenance Division.

In January 2001, the HMA overlay between Illinois Route 56 and Illinois Route 251 failed, and the Illinois Tollway initiated immediate emergency repairs. Adverse weather conditions during the course of these emergency repairs limited their effectiveness and life expectancy, thus requiring subsequent full-width, shoulder-to-shoulder resurfacing during the summer of 2001. The pavement from Illinois Route 56 to Illinois Route 251 was rehabilitated, including the application of a thicker SMA overlay in 2012. The central portion of the Reagan Memorial received an additional 2.5-inch WMA overlay in 2018.

The rehabilitation of this pavement completed in 2012 and 2018 has served to increase the

RSL of this pavement. However, these projects were intended to rehabilitate the pavement surface and did not include rehabilitation of the deteriorating original concrete pavement and base. It is expected that this original concrete pavement and base will continue to deteriorate, resulting in depreciation in the current ratings, and may require a more frequent rehabilitation cycle.

In 2023, about 92.1% of this section was in “excellent” condition with an RIL of 9+ years along 12.1% of the section.

Illinois Route 251 to Rock Falls/US Route 30 (West)

The 2004 Annual Inspections and preliminary development of intermittent HMA repair quantities in 2005 revealed severe deterioration of the pavement west of Illinois Route 251 (MP 76.1). It was decided to accelerate the reconstruction of this pavement originally programmed in 2006. The reconstruction included the removal of the original HMA overlay, the rubblization of the original concrete base pavement and the application of a 6-inch HMA overlay. The rubblization consisted of breaking the original concrete pavement into baseball-size and smaller pieces. The intent of this reconstruction is the eventual removal of 2 inches of HMA overlay and the application of an additional 6-inch HMA overlay for a total HMA thickness of 10 inches. Work to complete the “perpetual pavement” commenced in 2016 and was completed in 2017. The pavement at culverts and along bridge decks which was not rubblized was also included in the reconstruction along this section.

The pavement west of Illinois Route 251 to Chicago Avenue was reconstructed with work completed in 2015. This work addressed all previously noted deficiencies within this section. The pavement from Chicago Avenue to the Western Terminus was rehabilitated in 2016. This rehabilitation included the placement of an additional 6-inch thick asphalt layer, reconstruction of pavements which were not previously rubblized and reconstruction of the shoulder pavement.

In 2023, about 64.9% of this section was in “excellent” condition with an RIL of 9+ years along 43.1% of the section

4.2.4.4 Veterans Memorial Tollway (I-355)

The 17.5-mile Veterans Memorial Tollway (I-355) was originally constructed from I-55 Stevenson to Army Trail Road in 1989 as two lanes of concrete pavement in each direction. In the late 1990s, it was widened to four lanes from Boughton Road to 75th Street and to three lanes from 75th Street to 63rd Street and from Ogden Avenue to Army Trail Road with concrete pavement.

In the 2000s, it was extended an additional 12.4 miles south from I-55 Stevenson to I-80 as three lanes of concrete pavement. As part of the extension, it was widened to four lanes from I-55 Stevenson Expressway to Boughton Road with concrete pavement. Additionally, it was rehabilitated widened and to four lanes from 75th Street to Ogden Avenue with full-depth asphalt pavement and an asphalt overlay.

In the 2010s, the pavement was rehabilitated from I-55 Stevenson to 75th Street and from Ogden Avenue to Army Trail Road with an asphalt overlay. A subsequent rehabilitation from I-55 Stevenson to 83rd Street and Plaza 73 to Army Trail Road removed and replaced the asphalt overlay. The pavement was then widened to four lanes southbound near 75th Street with asphalt pavement. In the late 2010’s it was once again rehabilitated from I-55 Stevenson Expressway to Army Trail Road with the removal of the asphalt overlay.

In 2023, 53.6% of the I-355 corridor was rated in “excellent” condition with an RIL of 9+ years along 89.5% of the section.

4.2.4.5 Illinois Route 390 Tollway

The existing 6.1-mile Illinois Route 390 Tollway, originally referred to as the Elgin O’Hare Expressway until 2013, was constructed by IDOT in 1993 and consisted of two lanes in each direction between US Route 20/Lake Street and US Route 53/Rohlwing Road. The pavement from Illinois Route 19/Irving Park Road to Meacham Road was rehabilitated and widened to three lanes in each direction in 2014-2016 as part of the *Move Illinois* Program. Tolling of this section commenced in July of 2016, designating this route under the jurisdiction of the Illinois Tollway. IL 390, consisting of three lanes in each direction from Meacham Road to IL 83/Busse Road, including an interchange with I-290, was completed in 2017. The *Move Illinois* Program includes extension of the route east to an interchange with the future I-490, with work expected to occur between 2018 and 2025.

Annual inspections along the completed IL 390 corridor commenced in 2017. In 2023, 83.1% of the pavement was rated in “excellent” to good” condition (CRS) with an RIL of 9+ years along 57.9% of the section.

4.2.4.6 I-490 Tollway

The *Move Illinois* Program includes the anticipated construction of I-490, which will connect the Jane Addams Memorial Tollway (I-90) to the Tri-State Tollway (I-294) along the western border of O’Hare International Airport with construction to occur between 2016 and 2026.

4.3 Roadway Appurtenances

The Illinois Tollway roadway appurtenances are visually inspected annually by the Illinois Tollway Engineering Department’s Division of Maintenance and Traffic as well as the Consulting Engineer. These inspections consist of the recording of visible deficiencies from the edge-of-shoulder to the right-of-way fence, including the drainage systems and all safety appurtenances. Needed repairs are prioritized based on the level of severity and then quantified. These quantities may be included in the scheduling of tasks for the Tollway Roadway Maintenance Division or, depending on the severity and scope of the deficiency, added to future contracts.

4.3.1 Drainage Systems

Generally, visual inspection of the Illinois Tollway roadway drainage systems is performed annually, however some drainage assets are inspected on a four-year cycle. This inspection consists of visibly identifying any required repair activities of drainage structures, crossing culverts, slopes, ditches, detention basins, bioswales, and storm water outfalls.

The drainage systems throughout the Illinois Tollway are generally in good condition, and most of the embankment slopes are stable. Typical repair activities noted during the inspections included concrete headwall repair activities, drainage structures requiring cleaning or repair, gutter heaving or sinking, rill erosion, washouts, sinkholes and ditch restoration due to erosion.

Closed drainage systems are typical throughout the urban areas where curb and gutter is

used along the roadway to control pavement drainage. These systems typically consist of storm sewers installed under the roadway pavement and shoulders that receive rainfall runoff via storm sewer catch basins. Only limited inspections can be performed on closed drainage systems due to access constraints; therefore, it is recommended that these systems be cleaned and televised to better determine their condition. Televising of closed drainage systems to identify areas of concern is programmed to occur prior to the development of designs for programmed roadway rehabilitation so that issues are addressed as part of the programmed roadway construction. As of 2023, there are nearly 25,979 existing storm sewers, system-wide.

Crossing culverts are pipes that generally cross perpendicularly under the roadway to allow water to continue to flow from one side of the roadway to the other. Culverts are inspected for functionality, physical damage, obstructions and conveyance. The crossing culverts throughout the Illinois Tollway system are generally structurally sound. However, some have exposed reinforcement bars, misaligned wingwalls, honeycombing of the concrete surface, open joints or deterioration of the metal pipe (metal pipe culverts), or require cleaning. Crossing culverts not replaced during recent reconstruction or rehabilitation projects may in some cases be over 50 years old.

Deterioration of older Corrugated Metal Pipes (CMP) that were installed as part of the original construction of the Illinois Tollway continues to be a concern in those roadway sections not recently reconstructed. CMP deterioration typically occurs along the flow line or at the joints of the pipe. This deterioration may lead to perforation of the pipe that results in the erosion of the supporting soil and backfill material during rain events creating voids beneath the roadway. As the volume of the voids increase, the probability of roadway pavement slab settlement or failure increases. In many cases, these pipes may have been extended due to roadway widening or other construction. Although the ends of these pipes may appear in excellent condition, further examination may reveal deterioration of the original pipe and separation at the joints where the original pipe joins the new.

Due to the collapse of several CMPs, in 2007, the Illinois Tollway completed a detailed system-wide inspection of CMPs with a diameter of three feet or greater. The purpose of this inspection was to identify CMP culverts that require lining, repair or replacement. Culverts classified as bridges by the Federal Highway Administration (FHWA) were not included in the inspection and are included with the bridge inspections.

Over time, most of the older CMPs have been replaced with reinforced concrete pipe as part of reconstruction or rehabilitation contracts. Currently, there are 629 CMP storm sewers and 13 CMP culverts known to exist system-wide. Two maintenance contracts completed in 2010 repaired and/or lined existing CMPs with a diameter of three feet or greater that cross beneath the pavement. Although these contracts addressed many concerns with CMPs, smaller diameter and some non-mainline-crossing CMPs still require repair or replacement in future projects. Due to the large quantity of CMPs located throughout the Illinois Tollway system and the more than 50 years of changing roadways, not all CMPs may have been identified for repair or replacement. It is recommended that replacement or lining of CMPs continue in future contracts, as they are identified.

4.3.2 Safety Appurtenances

Roadway safety appurtenance inspections are performed annually, or on an annual rotation cycle as appropriate. Safety appurtenances include positive protection devices (such as concrete barriers, guardrail, impact attenuators, and cable median barrier systems), as well as pavement markings, delineators, lighting, right-of-way fencing, and ground mounted signs. Evaluations include a passive visual inspection of the Illinois Tollway roadway safety appurtenances along with logging of visible deficiencies in the concrete barriers, guardrails/terminals, cable median barriers and impact attenuators.

Concrete barriers, guardrails, cable median barrier systems and impact attenuators throughout the system are generally in “excellent” to “fair” condition. Any repair activities are promptly transmitted to the Division of Maintenance and Traffic for repair. Illinois Tollway policy requires that any guardrail/terminal safety concerns or damage resulting from vehicular accidents be addressed within 24 hours, though procurement limitations for materials prohibits achieving this policy in some cases.

The guardrail, terminals, and impact attenuators included in projects as part of the *Move Illinois* and recently completed *Congestion Relief* capital programs have been upgraded to meet Illinois Tollway standards in place at that time in adherence with the National Cooperative Highway Research Program (NCHRP) *Report 350* or *Manual for Assessing Safety Hardware* (MASH), as appropriate. Guardrail standards used by the Illinois Tollway are regularly updated to reflect current crash test data and new technologies, in conformance with the requirements of NCHRP *Report 350* and *MASH*.

The *Manual for Assessing Safety Hardware* (MASH) is an update to NCHRP *Report 350*, for the purposes of evaluating new safety hardware devices based primarily on changes in the vehicle fleet. Any new or revised highway safety hardware under development as of the October 15, 2009 publication of MASH may continue to be tested using NCHRP *Report 350* criteria. However, FHWA stopped accepting or reviewing requests for new or revised highway safety hardware tested using NCHRP 350 criteria after January 1, 2011. In the summer of 2015, the American Association of State Highway and Transportation Officials (AASHTO) established construction sunset dates for NCHRP Report 350 devices, whereas new roadway safety products must comply with the new MASH requirements.

The Illinois Tollway has directed that all existing guardrail installations which have not been successfully tested under NCHRP *Report 350* requirements, be programmed to be upgraded to MASH-tested devices over the next several years. As such, the Illinois Tollway is scheduled to meet or exceed the dates outlined by AASHTO for the installation of safety appurtenances.

The current capital programs include funds for drainage and safety improvements system-wide which should include the replacement of non-NCHRP Report 350 compliant guardrail installations. Additionally, areas of programmed reconstruction/rehabilitation are anticipated to include the replacement of non-NCHRP Report 350 compliant guardrail installations within the limits of construction.

A detailed audit and inspection of existing guardrail, cable median barrier and impact attenuator installations was performed to provide a more comprehensive condition assessment of this infrastructure. The audit and inspections were performed in the office by reviewing high definition geo-located 360-degree video footage of the system. This method

allows for a thorough and safe inspection of each asset. Each asset is inspected on a four-year cycle, except if it is in poor or critical condition or it is a new recently constructed asset, in these cases, it is put in the following year's inspection off-cycle. Per this audit there are 2,919 of these assets system-wide, with 333 required repairs addressed in 2023. Any repair activities deemed as beyond the capability of Tollway Maintenance have been recommended for repair or replacement in future contracts.

4.3.2.1 Guardrail

AASHTO's Strategic Highway Safety Plan lists objectives and strategies for keeping vehicles on the roadway and for minimizing the consequences when a vehicle does encroach on the roadside. Additionally, the National Cooperative Highway Research Program (NCHRP) also has published a series of guides to assist state and local agencies in their efforts to reduce injuries and fatalities along the nation's roadways. The current Manual for Assessing Safety Hardware (MASH) contains the current recommendations for testing and evaluating the safety performance of highway features and hardware, including longitudinal barriers, terminals, crash cushions, work zone elements, and breakaway structures. Guardrail and terminals along the Illinois Tollway system are considered to be in Excellent to Fair condition with inspections completed on 585 guardrails and 1,166 terminals in 2023.

4.3.2.2 Impact Attenuator

Impact attenuators are protective systems that prevent vehicles from impacting rigid obstacles by a controlled deceleration. Impact attenuators are adaptable to many roadside locations where guardrail cannot practically be used. Impact attenuators along the Illinois Tollway system are currently rated in Excellent to Fair condition with inspections completed on 167 attenuators in 2023.

4.3.2.3 Cable Median Barrier

Cable median barrier systems consist of tensioned cables extending between bridges and emergency turnarounds in grassy median locations to minimize the occurrence of vehicles crossing into oncoming traffic. There are few federal standards for cable median barrier systems; however, all installations are inspected to confirm that they meet the current industry practices. Cable median barrier systems are in excellent condition due most these assets being replaced or newly installed as of 2018. Currently they are installed:

- West of Deerpath Road on the Reagan Memorial Tollway (I-88)
- At the southern terminus of the Veterans Memorial Tollway (I-355)
- Along the Reagan Memorial Tollway (I-88) connector ramps with the Central Tri-State Tollway (I-294)
- Along the Illinois Route 390 Tollway (IL 390)
- Between the ramps at IL 23 on Jane Addams Memorial Tollway (I-90)
- At the East-West connector ramp between the Central Tri-State Tollway (I-294) and the Reagan Memorial Tollway (I-88)

The next detailed cable median barrier inspections are scheduled for 2024.

4.3.2.4 Delineators and Reflectors

Delineators and reflectors are installed throughout the Illinois Tollway system, typically affixed to guardrail or on ground-mounted posts. In general (about 86.2% of the system), these assets were found to be in good to excellent condition. Damage to delineators and reflectors is typically caused by traffic incidents or snowplows. Inspections on these devices are safely conducted through a close review of high-definition camera footage, typically captured at the end of summer, as finding large quantities of missing or damaged reflectors is common during that time. The Illinois Tollway's Division of Maintenance and Traffic performs regularly scheduled maintenance on these items systemwide at least biannually, following the winter plowing season and the summer mowing season.

4.3.3 Pavement Markings and Raised Pavement Markers

Pavement markings generally refer to lane striping and other demarcations designed are affixed direction to the pavement and designed to remain in place during active traffic conditions.

The Illinois Tollway maintains a Pavement Marking Database which contains historical installation data and retroreflectivity values. These values are updated as new information becomes available, typically through field measurement of reflectivity by the Pavement Management Consultant. The retroreflectivity values, in conjunction with visual inspections and historical records indicating the age of the markings, is utilized to determine locations for inclusion in the annual system-wide pavement marking contract and the scheduling of future contracts.

In 2023, 2,553.0-line miles of pavement marking were field inspected, and the identified repair activities were communicated to the Illinois Tollway. Overall, lane markings were generally found to be in Fair to Excellent condition (87.8% of the system), with approximately 150 repair activities planned throughout the system. Typical repair activities included refreshing missing or damaged sections of pavement markings.

The ongoing annual system-wide pavement marking renewal program provides upgrades to pavement marking visibility throughout the Illinois Tollway's system. As part of this annual program, pavement markings are maintained and upgraded as indicated by age or the observation of defects. Pavement marking replacement is typically beyond the capabilities of Tollway Maintenance. It is most often recommended that areas exhibiting observed deficiencies as identified in the visual inspection and areas which exhibit low retro reflectivity be included for improvement in the annual system-wide pavement marking contract.

Raised pavement markers (RPMs) are low-profile reflectors affixed to the pavement that are typically used in conjunction with pavement markings to help delineate lanes at night or in other reduced visibility conditions. Areas of missing reflectors typically are noted at the end of the winter season due to winter plowing. The Illinois Tollway performs regularly scheduled maintenance on these items system-wide on a three-year cycle within each individual Maintenance division. During regularly scheduled work, damaged or missing reflectors and castings are removed and replaced. RPMs throughout the Illinois Tollway system vary in condition from excellent to fair (about 87.3%) depending on when areas have been inspected and most recently repaired.

A study was conducted to review the use of raised pavement markers. As a result of this study, these markers were not installed during reconstruction projects from 2007 to 2009. In 2012, their installation resumed on contracts systemwide. In 2014, contract work began for the installation of raised pavement markers in sections where they were not originally included. However, as of 2019, the Illinois Tollway halted this installation effort for most construction contracts after conducting a study on the continued use of raised pavement markers. This moratorium excludes rural, unlit areas, where raised pavement markers will continue to be justified and installed. Additionally, existing raised pavement markers that will be removed as part of pavement patching contracts will be replaced independent of any roadway lighting; and all active and future contracts will continue to follow these criteria until the moratorium is revisited.

4.3.4 Roadway Lighting System

As of 2023, there were over 14,000 light poles system-wide. Measured by centerline miles, 221.75 (75.4%) miles are fully illuminated. In more rural sections, 8.25 centerline miles (2.8%) are unlit on I-90 and 64 centerline miles (21.8%) are unlit on I-88. The roadway lighting systems throughout the Illinois Tollway system are generally in excellent to fair condition. The majority of the light poles appeared to be plumb with no noticeable movement or tilt. The typical deficiencies noted during the inspections were concrete or helix foundations which have been installed too high (over four inches from finished grade) or installations with improper breakaway devices. These locations are generally replaced to ensure the effectiveness of the breakaway devices. Additionally, instances of missing light pole handholes with exposed pole wiring are reported. Corrective repairs are recommended to the Illinois Tollway Maintenance Division or, depending on the severity and extent of required repairs, forwarded for inclusion in future contracts.

The Illinois Tollway has implemented a plan to retrofit all roadway lighting luminaires from High Pressure Sodium (HPS) to less energy intensive LED luminaires. All future contracts will specify LED luminaires as part of new or replacement installations. As of 2023, LED lighting technology has been implemented along the following Tollway sections:

- Jane Addams Memorial Tollway (I-90) from MP 17.9 to the eastern terminus
- Tri-State Tollway (I-94/I-294/I-80) Bensenville Bridge to northern terminus
- Tri-State Tollway (I-94/I-294/I-80) from southern terminus to 95th Street
- Tri-State Tollway (I-94/I-294/I-80)/Reagan Memorial Tollway (I-88)
- Illinois Route 390 Tollway (IL 390)
- Veterans Memorial Tollway (I-355)

As of 2023, the only remaining areas that require retrofitting include the following parking lots: M-11, M-12, Plaza 36, Plaza 39, and Plaza 99. Other locations include the RT-251 Salt Dome, the M-2 flood lights, Deerfield underpass, the I-355 to I-88 WB underpass, and the Central Tri-State Tollway (I-294) Project. Lastly, depending on the future plans for the original M-5 and M-8 facilities, those parking lots would be in need as well

4.3.5 Right-of-Way Fence

Right-of-Way fence inspections are conducted in the office by reviewing high definition, 360-

degree drone video footage. The right-of-way fence throughout the Illinois Tollway system is generally in excellent to good condition. Deficiencies or required repairs identified during inspections are referred to the Illinois Tollway Maintenance Division or recommended for inclusion in future contracts.

Recent reconstruction projects have included the replacement of four-foot-high field right-of-way fence with the current Illinois Tollway standard six-foot-high chain-link fence. Most right-of-way fence along the Tri-State Tollway (I-94/I-294/I-80) and the Reagan Memorial Tollway (I-88), all the Veterans Memorial Tollway (I-355) and over half of the Jane Addams Memorial Tollway (I-90) have been upgraded to the current Illinois Tollway standard chain-link fence.

4.3.6 Ground-Mounted Traffic Signs

Ground-mounted traffic signs are rated based upon visual inspection of their physical condition. Retroreflectivity measurements are not taken as part of these inspections. In 2023, there were 19,116 ground-mounted traffic signs throughout the Illinois Tollway system. The ground mounted signs are generally in good to excellent condition. Damage to these signs is typically caused by traffic accidents or snowplows. The Illinois Tollway Sign Shop repairs or replaces these signs when damage is reported.

4.3.7 Crash Investigation Sites

Crashes on the Illinois Tollway negatively impact the Illinois Tollway and its customers through the subsequent travel delays impeding traffic flow. To minimize or eliminate these delays, the Illinois Tollway uses crash investigation sites. Crash investigation sites are located on the side of Illinois Tollway routes. After a crash occurs, drivers and emergency personnel can investigate the crash without disrupting the flow of traffic on the mainline. These crash investigation sites are either directly off the mainline, within a plaza area or within the required acceleration length of an interchange's exit or entrance ramp. The Illinois Tollway documented the various locations on the system and determined each crash investigation site's usability in regard to acceleration of 2021.

In 2023, there were 79 crash investigation sites throughout the Illinois Tollway's system. The crash investigation sites are generally in good to excellent condition. Damage to crash investigation sites is recorded in the Annual Field Inspection Report prepared for each Maintenance Section. The Illinois Tollway's Roadway Maintenance Division's capabilities are recommended for inclusion in future contracts.

Of the 79 total crash investigation sites, approximately 75.0% of the sites are evenly distributed between opposing directions on either the Reagan Memorial Tollway (I-88) or the Jane Addams Memorial Tollway (I-90). The remaining 25.0% are divided amongst the Tri-State Tollway (I-294), Illinois Route 390 Tollway (IL 390) and the Veterans Memorial Tollway (I-355). At the time of the investigation, the Central Tri-State Tollway (I-294) had three crash investigation sites, but none were found on the Edens Spur (I-94). Since these crash investigation sites are typically located directly off the Illinois Tollway's mainline, 48% of these sites are required to meet acceleration standards. The remaining 52% of the sites are situated either within a plaza or within the required acceleration length of an interchange's exit or entrance ramp, making the acceleration calculation unnecessary. For all sites located directly off the mainline, the acceleration useability was adequate.

As part of the Move Illinois Program, the Tri-State Tollway (I-294) is being reconstructed and widened. In addition to the new lane-miles, four new crash investigation sites are being constructed and will be detailed in a future report.

Moreover, the GEC recommends the implementation of additional crash investigation sites throughout the Illinois Tollway's system in future projects, which could benefit both the Illinois Tollway and its customers. Additionally, sites located in a section of the Reagan Memorial Tollway (I-88) without roadway lighting could be improved with lighting.

4.4 Structural Elements

The structural elements inspected throughout the Illinois Tollway system consist of bridges, large culverts, retaining walls, noise abatement walls, sight screen walls and overhead sign structures. These assets are critical components to the overall health of the Illinois Tollway's roadway network, which receives visual inspections on a set multi-year cycle.

4.4.1 Bridges and Large Culverts

In accordance with FHWA guidelines, bridges throughout the Illinois Tollway system must receive a routine inspection at least every two years. A routine inspection consists of, at a minimum, a complete visual inspection of all major components of the bridge. Routine Inspections determine the physical and functional condition of the bridge and identify any changes from "Initial" or previously recorded conditions. Underwater Inspections are performed every five years. During Routine Inspections, inspection of submersed portions of the substructure is limited to observations during low-flow periods.

As part of the inspections, condition ratings are assigned to the deck, superstructure and substructure components for each bridge inspected. The bridge deck consists of the wearing surface, joints and parapets. The superstructure consists of beams, diaphragms and stiffeners. The substructure consists of piers, abutments, bearings, foundations, sloped wall, crash walls and piling.

The FHWA classifies culverts as bridges if the span of the culvert is at least 20 feet when measured along the centerline of the roadway. Therefore, all Illinois Tollway culverts that meet this criterion are also inspected at a minimum of every two years as part of the bridge inspections and are assigned a condition rating similar to that of the bridges. A Health Index, as described below, is then determined from this condition rating. The Health Index for culverts is directly related to the condition ratings used for the annual bridge inspections. This rating is an all-encompassing review of the culvert elements and only recorded as a single rating value. In 2009, the Health Index calculation for culverts was changed to follow the same description as bridges.

As of the date of this report, there are 690 structures classified as bridges throughout the Illinois Tollway system. Of these, there are 615 vehicular bridges, 13 non-vehicle bridges, 61 culvert bridges and one land bridge. Bridges and large culverts, classified as bridges in this category are inspected as part of a mandated bridge inspection schedule along with supplemental maintenance, fracture critical, damage and deficiency inspections. In 2023, the Tollway performed a total of 720 bridge inspections, including 352 scheduled routine inspections on bridges under Illinois Tollway jurisdiction.

The bridge inventory is revised on an as-needed basis to account for new construction, demolition and/or ownership transfers to other agencies.

It should be noted that many of the bridge decks which pass over the Illinois Tollway are not under the Illinois Tollway's jurisdiction. However, these bridge decks are included with the inspection as an informational courtesy to the responsible agency.

There are bridges located within the jurisdiction limits of the Illinois Tollway that are entirely under the jurisdiction of another agency. As of the date of this report, these bridges have been omitted from the Illinois Tollway bridge inventory. Since these bridges cross over Illinois Tollway roadways, they are informally inspected along with the structures for which the Illinois Tollway is responsible. Formal inspections are conducted and submitted to the FHWA by the responsible agency. The following 17 bridges are entirely under the jurisdiction of and maintained by another agency:

Illinois Department of Transportation

- Bridge 116 (M-1): Ramps C and D (SB I-57 to SB I-294) over I-294 and I-57
- Bridge 197C (M-1): Tri-State (I-294/I-80) over Calumet Union Drainage Ditch
- Bridge 198 (M-1): EB I-80 Ramp A over Tri-State Tollway (I-294/I-80)
- Bridge 521 (M-5): I-290/IL Route 53 over Jane Addams Memorial Tollway (I-90)
- Bridge 1146 (M-11): I-39 NB over Reagan Memorial Tollway (I-88)
- Bridge 1146A (M-11): I-39 SB over Reagan Memorial Tollway (I-88)
- Bridge 1621 (M-16): I-290 SE (Ramp G1) over Illinois Route 390 Tollway (IL 390) WB to I-290 EB (Ramp G7), Illinois Route 390 (IL 390), I-290
- Bridge 1625 (M-16): NW Ramp G5 over I-290 and Illinois Route 390 Tollway (IL 390)
- Bridge 1628 (M-16): I-290 SE I-290 (Ramp G1) over WS Illinois Route 390 Tollway (IL 390) WB to EB I-290 EB (Ramp G7)

Chicago Transit Authority (CTA)

- Bridge 366A (M-3): CTA O'Hare Rapid Transit EB over Tri-State Tollway (I-294)
- Bridge 366B (M-3): CTA O'Hare Rapid Transit WB over Tri-State Tollway (I-294)
- Bridge 366C (M-3): CTA O'Hare Rapid Transit over NW I-90 Ramps M & P

Illinois Department of Natural Resources

- Bridge 702 (M-7): Rock Cut State Park over Jane Addams Memorial Tollway (I-90)

DuPage County

- Bridge 823C (M-8): Prairie Path (Old CA&E Rail Road) over Reagan Memorial Tollway (I-88)

Pace

- Bridge 515W (M-5): Walkway over Jane Addams Memorial Tollway (I-90)

Will County

- Bridge 14130C (M-14): Trail over Veterans Memorial Tollway (I-355)

Village of Oakbrook

- Bridge 280 (M-2): Bike Path over Reagan Memorial Tollway (I-88)

Although the Federal Highway Administration (FHWA) does not include bridge deck ratings in determining the overall Sufficiency Rating, the deck's condition is vital for planning repair work, considering its impact on both aesthetics and ride quality. Notably, the deck is the most visible element to motorists. In line with this, the Illinois Tollway, with its patron-oriented approach, equips its Maintenance Division primarily for minor bridge deck repairs. For a thorough evaluation of bridge conditions, it's essential to include the condition of the bridge decks, especially for repairs beyond minor deterioration, in the overall bridge evaluation.

To accurately evaluate the state of bridges across the Illinois Tollway system, Consulting Engineers have developed the Overall Condition Index (OCI). This index is a weighted combination of the deck, superstructure, and substructure ratings, derived from field inspections, and offers a better view of a bridge's condition. In the OCI calculation, the deck rating is given a 20% weight to account for its quicker deterioration rate compared to other bridge parts, guiding future maintenance and repair programming.

The Overall Condition Index is a number on a scale from 0 to 100 with 100 being the best. It does not consider the individual ratings of components such as joints, diaphragms or bearings, though these ratings are generally used to develop future repair contracts. The following table provides descriptions of the bridge Overall Condition Index ratings.

Table 7: Overall Condition Index Rating Descriptions

H.I.	Description
≥90	No problems or some minor problems noted. No action required.
89 – 80	Some areas of minor deterioration. Minor repair by Maintenance or Contract would prevent additional deterioration.
79 – 70	Structural elements are sound but exhibit minor section loss or deterioration. Repair Contract likely needed within 5 years.
69 – 60	Advanced section loss. Repair Contract should be initiated within 2 years.
60 - 40	Section loss and deterioration. (Up to 50% section loss on primary member(s)) Local failures possible. Immediate attention needed.
<40	Advanced section loss and deterioration. (Greater than 50% section loss on primary member(s) in critical areas) May require bridge closure until corrective action taken. Immediate attention needed

The following table illustrates the bridge inspection Overall Condition Index summary. Since the bridges are on a two-year inspection cycle, the table illustrates the condition index rating for all bridges inspected in 2022 and 2023.

Table 8: Bridge Inspection Summary

Condition Index	Overall Condition	2022	2023	Total*
≥90	Excellent	270	226	496 (72%)
80-89	Good	51	102	153 (22%)
70-79	Fair	18	17	35 (5%)
60-69	Poor	4	0	4 (1%)
40-60	Serious	0	0	0 (0%)
<40	Critical	0	1	1 (0%)
Total		343	346**	689

*Does not include BN 516 Land Bridge because an OCI rating is not assigned for this structure (this is removed (-1) from excellent.

**Includes the 343 inspections from “2022” count in 2022 Annual Consulting Engineers Report, 15 bridges in the Initial Inspection section, one bridge noted in Special Inspections (ratings decreased for BN 166) and minus the one bridges jurisdictionally transferred in 2022 (BN 823C).

Overall, one of the 2023 inspected bridges that is at least in part under Illinois Tollway jurisdiction has an Overall Condition Rating of Serious, while four other bridges inspected in 2022 have an Overall Condition Rating of Poor.

Bridge 166: SB I-294 over IL 7 (Southwest Hwy.), I-294 Milepost 16.1

The bridge deck has an NBIS Rating of Good, the superstructure has an NBIS rating of Serious due to impact damage of beams noted in 2023 routine inspection, and the substructure has an NBIS Rating of Fair. The bridge is currently planned for Superstructure and Substructure repairs as part of Design Contract RR-21-4564, with construction to begin in 2024.

Bridge 223: SE I-290 Ramp H over I-290, I-294 MP 31.8

The bridge deck has an NBIS rating of Poor, the superstructure has an NBIS rating of Fair and the substructure has an NBIS rating of Fair. The bridge is currently planned for complete removal in 2024 as part of ongoing construction Contract I-21-4386. In addition, replacement Bridge 224 has been completed under Contract I-21-4582. The next scheduled inspection is in 2024.

Bridge 225: NB I-294 over Electric Avenue, I-294 Milepost 32.0

The bridge deck has a NBIS Rating of Poor, the Superstructure has a NBIS rating of Satisfactory, and the Substructure has a NBIS Rating of Fair. The bridge is currently under construction for complete replacement as part of ongoing Contract I-22-4835. The next scheduled inspection is in 2024.

Bridge 279: I-294 Ramp M & N under York Road, I-88 MP 136.68

The bridge deck has an NBIS rating of Poor and the superstructure and substructure have NBIS ratings of Satisfactory. The bridge deck and wearing surface are under the jurisdiction of the Village of Oak Brook. The remainder of the structure is under the Illinois Tollway's jurisdiction. However, the bridge is currently planned for complete bridge replacement under ongoing Design Contract RR-22-4847 in coordination with the responsible local agency. The next scheduled inspection is in 2024.

Bridge 737: I-90 under Union Pacific Railroad, I-90 Milepost 19.5

The bridge deck has an NBIS Rating of Fair, the superstructure has an NBIS rating of Poor, and the substructure has an NBIS Rating of Fair. The track and ballast are excluded from Illinois Tollway jurisdiction, since this is a railroad bridge. The bridge is currently planned for repairs under ongoing Design Contract RR-22-4849 in coordination with the railroad. The next scheduled inspection is in 2024.

Of the 35 bridges with a Health Index of 70-79, the majority are programmed for repair within the next five years. However, a number of these bridges are located within the Central Tri-State (I-294) corridor, which is programmed for reconstruction through 2026. Depending on the nature of the deficiencies noted, some of the bridge structures may be included with these contracts. These structures will continue to be monitored, and if required, will be included for repair in advance of this programmed reconstruction.

Supplemental Inspections are performed as a proactive effort for continuous improvement. These inspections differ from the FHWA and IDOT definition Special Inspections which are intended to monitor a specific structural feature, repair activity or condition that must be monitored more frequently than required by other inspection types. Supplemental Inspections are generally performed on bridges identified during the previous year's scheduled inspections as having a small number of outstanding repair activities that do not affect the structural load-carrying capacity of the bridge. However, with a full cycle of Element Level Inspections completed in 2022-2023 on every bridge in the Illinois Tollway system, the intended goal of the Supplemental Inspections to monitor previous repair activities has been substantially achieved without these follow-up inspections.

The Illinois Tollway has evolved the process to efficiently track, using the Asset Management System, the repair activities of these monitoring Supplemental Inspections during previous cycles and verifying that work is tracked and sufficiently completed.

4.4.2 Structural Walls

Structural walls include retaining walls, noise abatement walls and sight screen walls. In total, the Illinois Tollway has 1065 walls under its jurisdiction.

Visual inspections of the structural walls located throughout the Illinois Tollway system are performed annually. Due to the number of structures to be inspected, the effort is scheduled as a multi-year task. The structural walls throughout the Illinois Tollway system are generally inspected on a four-year cycle. However, newly constructed structures or those last rated in excellent condition may be inspected on a slightly extended cycle due to the expectation of their remaining in excellent condition for several years. Approximately 25% of Illinois Tollway structural walls are inspected each year.

An overall condition rating is assigned for each structural wall inspected. In order to improve objectivity and uniformity between maintenance sections and inspectors, a condition rating system was developed for the structural wall inspections. The overall condition of the structural wall is assigned based on the extent and severity of all individual repair activities observed during the inspection. The condition ratings utilized for the structural wall inspections are included in the following table:

Table 9: Structural Wall Inspection Condition Rating Summary

Rating	Description
Excellent	There are no defects noted.
Good	Good condition exists with only minor defects noted.
Fair	Fair condition exists with minor to moderate section loss, cracking or spalling observed.
Poor	Poor condition exists with signs of advanced deterioration, section loss, wide cracks, water seepage and out of plumb but stable condition. Wall requires close monitoring.
Critical	Critical condition exists with major defects, significant deterioration and section loss, obvious vertical or horizontal movement affecting wall stability exists. Critical condition shall be used for concerns for public safety or functionality of the wall. Wall requires replacement or immediate attention.

Deficiencies noted at structural walls assigned a condition rating of excellent to fair are typically minor and do not require immediate attention. These deficiencies are typically addressed by the Maintenance Division or are included in a future contract. Recommendations provided for structural walls assigned a condition rating of poor to critical require monitoring or immediate attention.

The following table lists the number of structural walls inspected during the past four-year cycle. A majority (81%) of the structural walls inspected in 2023, were rated in excellent to good condition.

Table 10: Structural Wall Inspection Summary

Inspection Year	2020	2021	2022	2023
Total Walls Inspected	256	301	282	339
Excellent	105	150	77	149
Good	66	81	124	121
Fair	51	40	57	57
Poor	33	30	24	12
Critical	1	0	0	0

As part of the current capital programs, there are a number of projects ongoing or recently completed throughout the system which include the reconstruction of existing walls or the construction of new structural walls. Many of these structures are not accounted for in the Structural Wall Inspection Summary for the past four years because they have not been phased into the inspection schedule. It is expected that these structural walls are, and will remain, in excellent condition for several years. These structural walls will be phased into the inspection schedule during the next four-year inspection cycle.

4.4.3 Overhead Sign Structures

Illinois Tollway overhead sign structures include cantilever (one support), span truss structures (two supports with at least two main truss chords), monotubes and gantries (two supports with one main steel member) and bridge mounted (above or attached to the bridge). Sign structures may support static signs, digital message signs, tolling, lighting and Intelligent Transportation System (ITS) equipment. The Illinois Tollway has 887 overhead sign structures under its jurisdiction.

Overhead sign structures along the Illinois Tollway system are generally inspected on a four-year cycle. However, newly constructed structures or those last rated in excellent condition may be inspected on a slightly extended cycle due to the expectation of their remaining in excellent condition for several years. Approximately 25% of Illinois Tollway overhead sign structures are inspected each year.

An overall rating is assigned for each overhead sign structure inspected. In order to improve objectivity and uniformity between maintenance sections and inspectors, a condition rating system was developed for the overhead sign structure inspections. The condition ratings utilized for the overhead sign structure visual inspections are included in the following table.

Table 11: Overhead Sign Structures Inspection Condition Rating Summary

Rating	Description
Excellent	There are no deficiencies noted.
Good	Minor deficiencies noted, such as: minor rust or foundation cracking, loose bolts, missing safety chains, damaged lighting, sign legend/background problems, etc.
Fair	Moderate corrosion or foundation cracking/spalling, several loose bolts or loose pillow blocks/saddles, etc.
Poor	Moderate structural cracking, section loss, heavy foundation cracking/spalling or collision damage. Sign structure requires monitoring.
Critical	Major structural defects or loose components that could fall on roadway. Overhead sign requires immediate attention.

Deficiencies noted at overhead sign structures assigned a condition rating of excellent to fair are typically minor and do not require immediate attention. These deficiencies are typically addressed by the Maintenance Division or are included in a future contract. Therefore, recommendations are only provided for overhead sign structures assigned a condition rating of poor to critical since those deficiencies typically require either monitoring or immediate attention.

The following table lists the number of overhead sign structures inspected from 2020 to 2023. In addition, the table accounts for special inspections conducted in interim years to confirm that the severity of noted defects has not increased. Based on the 2020-2023 inspection cycle, 92.1% of the 887 Illinois Tollway overhead sign structures rate in excellent to good condition.

Table 12: Overhead Sign Structure Inspection Summary

Inspection Year	2020	2021	2022	2023
Total Sign Structures Inspected	203	156	258	270
Excellent	80	72	86	81
Good	116	80	144	158
Fair	7	4	28	30
Poor	0	0	0	1
Critical	0	0	0	0

As part of the current capital programs, there are a number of projects ongoing or recently completed throughout the system which include the reconstruction of existing or the construction of new overhead sign structures. Many of these structures are not accounted for in the Overhead Sign Structure Inspection Summary over the previous four years provided herein because they have not been phased into the inspection schedule. Most notably, an estimated 10% increase of inventory is planned as part of the Central Tri-State (i-294) corridor reconstruction and the ongoing expansion of the Illinois Route 390 Tollway corridor. It is expected that these overhead sign structures are and will remain in excellent condition for several years. These sign structures will be phased into the inspection schedule over the next four-year inspection cycle.

4.5 Facilities

There are several types of facilities throughout the Illinois Tollway system, including operations and administration, maintenance, toll plazas, power and communications buildings, oases and pump stations. Each may also contain multiple facility assets such as buildings, fuel stations etc. The current Illinois Tollway inventory contains 188 facilities. Through 2023, 23.0% of the facilities inspected over the most recent inspection cycle rated a condition of excellent to good, 68 facilities were assigned a condition of fair and six of the inspected facilities rated poor. No facility was given a rating of critical. New facilities were not included in the most recent inspection cycle. These facilities can be categorized as being in excellent. Inspection of these facilities will be incorporated into the next two-year inspection cycle.

Visual inspections of the facilities located throughout the Illinois Tollway system are performed annually by the Illinois Tollway's Consulting Engineer. The inspection consists of the recording of visible deficiencies of all facility elements, including but not limited to buildings, mechanical and electrical, tunnels, canopies and sites with associated appurtenances. Facilities that are inspected include maintenance facilities, toll plazas, telecommunications buildings, oases and miscellaneous facilities. Facilities are generally inspected on a two-year cycle. However, newly constructed facilities or facilities last rated in excellent condition may be inspected on a slightly extended cycle due to the expectation of these facilities remaining in excellent condition for several years. Approximately 50% of Illinois Tollway facilities are inspected each year.

The objective of these inspections is to assess the general condition of Illinois Tollway facilities and associated site elements, identify elements requiring remedial work, make repair or replacement recommendations and evaluate the remaining useful life. The data provided by these inspections is utilized by the Illinois Tollway to program repairs and replacements of various facility components and to aid the Illinois Tollway Building Maintenance Division in planning and estimating maintenance repairs. The evaluations and recommendations are based upon visual observations, discussions with Illinois Tollway Building Maintenance Division personnel and the reviews of available reports. Emphasis is given to the identification of specific issues identified by on-site personnel experienced with the actual operating conditions of the facility. No destructive or non-destructive testing is performed, and no physical samples are collected as part of these inspections. Starting in 2018, the inspection process included the use of Unmanned Aerial Vehicles to assess the conditions of canopies and roofs, making these inspections easier and safer.

An overall condition rating is assigned for each facility inspected. A separate condition rating is also typically assigned to each associated facility element. A rating system was developed to improve objectivity and uniformity between facilities inspected and inspectors. Based upon the assigned condition rating, the future inspection schedule for each facility may either remain on a two-year cycle or be recommended for more near-term inspections. The overall condition ratings utilized for the visual inspections are provided in the following table.

Table 13: Facilities Inspection Ratings Summary

Rating	Description
Excellent	All three conditions must be exhibited: <ul style="list-style-type: none"> • New Facility, element or component or condition like new • Facility, element or component is performing as intended • No repair required
Good	All three conditions must be exhibited: <ul style="list-style-type: none"> • Facility, element or component is performing as intended • Only minor repair (i.e., paint, clean, patching, etc.) required to return the facility, element or component to intended condition • Repair costs are less than 25% of the replacement cost of the facility, element or component
Fair	Any condition exhibited may be cause for rating: <ul style="list-style-type: none"> • Facility, element or component is performing essentially as intended • Facility, element or component is within five years of estimated end of useful life • Substantial repair (i.e., component/system requiring replacement) required to return the facility, element or component to intended condition • Repair costs less than 40% of the replacement cost of the facility, element or component
Poor	Any condition exhibited may be cause for rating: <ul style="list-style-type: none"> • Facility, element or component has reached predicted end of useful life but is functional • Major components requiring extensive repair / replacement work to return to the facility, element or component to intended condition • Repair costs more than 40% of the replacement cost of the facility, element or component
Critical	Any condition exhibited may be cause for rating: <ul style="list-style-type: none"> • Facility, element or component is non-functioning • Safety or environmental concerns are prevalent, If component exhibits safety or environmental concerns, entire system will be graded as critical • Repair costs more than 50% of the replacement cost of the facility, element or component

Due to recent major capital program construction, there have been seven newly constructed or reconstructed Illinois Tollway facilities throughout the system. Facilities rated as fair to poor have seen renovation work performed to enable these facilities to continue to function although costs to maintain and repair ancillary systems including plumbing, heating and cooling, mechanical and electrical will continue to increase. Architectural and site

improvements have been made to maintenance facilities on an “as needed” basis through capital improvement projects. In addition, the I-PASS implementation program has enabled many upgrades, renovations and replacement of toll plazas. To date, all mainline toll plazas have been reconstructed or rehabilitated to accommodate open road tolling.

Illinois Tollway Building Maintenance Division forces provide necessary day-to-day repairs of facilities to the greatest extent possible. More intensive repair and rehabilitation work is performed as part of the capital programs.

4.5.1 Maintenance Facilities and Miscellaneous Facilities

The maintenance facilities typically consist of garages, offices, salt domes, gas pumping facilities, storage buildings, telecommunication towers and other components.

A major Facilities’ capital program to repair or replace a number of maintenance facility buildings began in late 2008. The initial emphasis of this program was the repair of existing systems and the improvement of the working environment for Illinois Tollway employees. These improvements have been and continue to be consistent with the Illinois Tollway’s desire for sustainable facilities. A scope and schedule for a 10-year program has been approved. However, due to funding restrictions, the budget is approved annually, thus requiring annual review of the program schedule and prioritization of needed repairs and facility upgrades.

As part of the ongoing *Move Illinois* Program, a number of maintenance facilities are programmed for relocation, reconstruction or rehabilitation. Thus, the emphasis at these facilities has shifted to keep them functional until the programmed reconstruction or rehabilitation. As a result, Professional Service Bulletin No. 12-5 was issued in October 2012 which included contract RR-12-4079 (Maintenance Facilities) that began in 2013. The purpose of this contract is to provide Phase I and II engineering services for the development of a master plan and design/architectural plans for the maintenance facilities. The scope of work includes the following:

- Development of a short-term maintenance repair plan to keep the existing facilities functional until reconstruction or rehabilitation.
- Development of master plans for reconstructed or relocated maintenance facilities.
- Development of the plats of survey for the Maintenance Facility M-4 (Gurnee) and Elgin O’Hare Western Access maintenance facilities.
- Development of contract documents for the construction of the maintenance buildings including the finalization of two prototype designs for the reconstructed and relocated maintenance facilities.
- Development of a strategy to maintain facilities and maintenance operations during construction.
- Site investigations and potential remediation.

The improvements completed to date and those anticipated as part of Contracts RR-12-4079 and RR-12-4267 have been and will continue to be consistent with the Illinois Tollway’s desire for sustainable facilities. It is anticipated that the improvements that were not completed as part of the original Facilities’ Capital Program will be addressed as part of a future design

contract with budget to be determined.

The prototype master plan developed for the reconstruction of maintenance facilities has been implemented at Maintenance Facility M-1 (Alsip). Work was completed in 2015. Construction at Maintenance Facilities M-6 (Marengo) and M-7 (Rockford) was completed in 2018. The Construction of the M-7 Truck Wash was completed in 2019. The reconstruction of the M-8 Facility began in 2020 and was completed in 2021. The relocation of the M-5 Facility from Arlington Heights to Hoffman Estates was completed and opening in late 2023.

In 2001, it was first recommended to program the replacement of deteriorated salt dome roofs throughout the system into a system-wide contract and to replace the vehicle storage building at Maintenance Facility M-1 by 2006. That work has been completed, and to date, salt dome repair/replacement has been completed at Maintenance Facilities M-1, M-2, M-3, M-4, M-7, M-8, M-11 and M-12 and at the Illinois Route 251 Salt Dome.

The majority of maintenance and miscellaneous facilities throughout the Illinois Tollway system have generally been assigned a condition rating of good over the previous two-year inspection cycle and the remainder are new or were reconstructed within the last 5 years. These facilities typically only require minor repairs and continued routine maintenance.

4.5.2 Toll Plazas

The majority of Toll Plazas throughout the Illinois Tollway system have generally been assigned a condition rating of good over the previous two-year inspection cycle. These facilities typically only require minor repairs and continued routine maintenance. Six Toll Plazas maintain a poor condition rating, and are scheduled for the necessary repairs in the next one to three years:

- Plaza 2 (I-90/East Riverside Blvd), installed in 1988
- Plaza 31 (I-294/O'Hare West), installed in 1962
- Plaza 35 (I-294/Cermak Rd), installed in 1992
- Plaza 38 (I-294/95th St), installed in 1979
- Plaza 79 (I-355/Butterfield Rd), installed in 1992
- M05-OLD (I-90/IL-53), installed in 1958, (to be decommissioned in early 2024)

As part of the Illinois Tollway's Tollway 2020 program in response to COVID-19, the Illinois Tollway implemented cashless tolling throughout the system in March 2020. For 2021, the Illinois Tollway has decided to continue the implementation of cashless tolling at all toll locations across the system. Consequently, the Illinois Tollway has made plaza cashless retrofit improvements at numerous plaza locations. These plaza improvements were completed in 2021. This work includes electrical and communication improvements, signing changes, and pavement marking updates.

4.5.3 Communication Facilities

All communication facilities throughout the Illinois Tollway system have been assigned a condition rating of fair over the previous two-year inspection cycle. These facilities typically only require minor repairs and continued routine maintenance.

4.5.4 Oases

Two oases throughout the Illinois Tollway system have been assigned a condition rating of good, while three have a condition rating of fair over the previous two-year inspection cycle. These facilities typically only require minor repairs and continued routine maintenance. Rehabilitation or reconstruction of the parking areas at the oasis facilities commenced in 2014 and was completed in 2015. The Des Plaines Oasis along I-90 was removed as part of the I-90 widening and to make way for the planned interchange with I-490. The O'Hare Oasis bridge and restaurants over I-294 was taken out of service and demolished in 2018.

The Hinsdale Oasis bridge and restaurants were demolished in 2021. Some activities remain at these locations including gas stations and convenience stores operated by others.

4.6 ITS Devices

In 2016, due to the increased deployment of Intelligent Transportation System (ITS) devices throughout the Illinois Tollway system, the Consulting Engineers performed a field inventory of the ITS devices system-wide. This inventory was done to verify the location, condition and functionality of deployed devices. This information allows the Illinois Tollway to accurately account for the number of ITS devices under its jurisdiction and to enable the Consulting Engineers to develop a more detailed ITS device inspection and preventive maintenance program.

There are several types of ITS devices deployed throughout the system. These devices are closed-circuit television (CCTV) cameras, vehicle detection systems (VDS), dynamic message signs (DMS), roadway weather information systems (RWIS), weigh-in-motion (WIM) stations, advanced warning flashing beacons, and active traffic management systems (ATMS). The ITS infrastructure consists of cabinet enclosures, pole mounting structures, and site foundations that are associated with each device.

As of 2023, the Illinois Tollway has the following ITS devices deployed in its system.

Table 14: ITS Device Summary

Type	CCTV ¹	VDS	Flash Beacon	DMS ²	RWIS	WIM	LCS ³	Total
Quantity	1337	42	8	74	20	4	351	2,263

¹CCTV devices consist of ITS, toll plazas and shared use cameras.

²DMS devices consist of Type 1, and Type 2.

³LCS consist of lane control use sign and 3ftx9ft full-matrix display signs.

Inspections consist of ground-level visual inspection of the device and control components, verification that the device is communicating with TIMS and inventory and operational verification of the device and control components. These inspections occur on an annual basis. ITS assets located within an active construction zone are generally not inspected. All ITS assets that were not inspected in 2023 will be prioritized in the 2024 inspection cycle.

As a means to ensure that all ITS assets are kept in a satisfactory condition and inspectors, designers and maintainers have a consistent and objective standard for determining the status of ITS assets, the Illinois Tollway has developed the following Overall Condition Index (OCI) to measure asset condition.

Table 15: ITS Rating System

Rating	Description
Excellent 100 to 90	New device, element or component Device, element or component is performing as intended No repair required Condition like new
Good 89 to 70	Device, element or component is performing as intended Only minor repair (i.e. paint, clean etc.) required to return the device, element or component to intended condition.
Fair 69 to 50	Device, element or component is performing essentially as intended Substantial repair (i.e. component/system required replacement) required to return the device, element or component to intended condition.
Poor 49 to 30	Device, element or component has reached predicted end of useful life, but is functioning. Major components requiring extensive repair/replacement work to return the device, element or component to intended condition.
Critical 29 to 0	Device, element or component is non-functioning. Safety or environmental concerns are prevalent.

The 2023 annual inspection of ITS assets reported that 94.0% of all the Illinois Tollway’s ITS devices are operating within their intended lifecycle, and their infrastructures are estimated to be in “Good Condition” with an average Overall Condition Index (OCI) of 88.5.

4.7 Electronic Tolling System

The electronic tolling system encompasses technologies related to automatic vehicle detection, automatic vehicle classification and violation enforcement systems that support traffic and revenue monitoring and collections. The electronic tolling system is operated by the Illinois Tollway's Department of Business Systems (DBS) whose primary objective is revenue collection and assurance. Due to the business-critical nature of this system, it is compartmentalized, firewalled, and operated independently from any other Illinois Tollway system, including ITS.

The Illinois Tollway's electronic tolling system consists of technology deployed at its 115 toll plazas across 712 tolled lanes that includes cameras, vehicle detection equipment, and point of sale equipment, as well as robust back-office hardware and software systems, telecommunications and networking facilities, violations processing, and an IPASS customer service center. Back-office operations are located across multiple and redundant facilities, including the Central Administration data center, the Call Center located at the University of Illinois Chicago campus and a Disaster Recovery site located in DeKalb.

Tollway Staff and external personnel are responsible for preventive, routine and corrective maintenance of tolling system technologies. The lifecycle of electronic tolling system equipment varies by sub-system components, while the average age and predicted replacement of critical components and parts are tracked and managed by DBS. Replacement and upgrade of components has followed a planned and budgeted process. DBS utilizes an independent asset management consultant who performs routine inspections to ensure the health and reliability of these technologies. Specific repair activities identified during these inspections will be documented and tracked in the DBS Asset Management System and preventative maintenance activities are deployed as needed to mitigate identified concerns. These systems are maintained in good condition.

Due to the increased deployment of, and reliance on electronic tolling system devices, it is recommended that the Illinois Tollway's independent inspectors continue to perform inspections, report findings to the DBS asset management consultant, and perform maintenance activities as directed to ensure the Illinois Tollway's assets remain in a state of good repair.

5 Estimated Renewal and Replacement Deposits

Section 204(1)(4) of the Trust Indenture details that the Consulting Engineers shall provide estimates of Renewal and Replacement Deposits. The Renewal and Replacement Deposit is the “amount budgeted for deposit to or projected for deposit to the Renewal and Replacement Account for Renewal and Replacement Expenses, other than such budgeted or projected amounts which the Illinois Tollway has determined will be available for Renewal and Replacement Expenses from the System Reserve Fund, the Improvement Fund, or from the proceeds of authorized borrowings or from installment purchases or leases.”

The table below provides estimates of Renewal and Replacement Deposits for each of the fiscal years 2023 through 2032. The below deposits consist of revenues to be used for Renewal and Replacement expenditures.

The Renewal and Replacement Deposits are based upon the following information provided to the Consulting Engineers prior to the issuance of this report:

- Estimated capital expenditures of \$15.0 billion for the execution of *Move Illinois* Program as described in Sections 2 and 3 with approximately \$11.0 billion spent from 2012 through 2022.
- The finance plan provided to the Consulting Engineers by the Illinois Tollway, which currently anticipates that the *Move Illinois* Program will be paid for with approximately \$6.7 billion of bond proceeds and approximately \$8.1 billion of Illinois Tollway revenue.
- No bond issuance in the years 2026-2032.

The Consulting Engineers utilize and rely upon information provided by the Illinois Tollway and PMO for the development of the Renewal and Replacement Deposit estimates. The estimates are developed based upon the independent review of information provided prior to the issuance of this report. The Consulting Engineers provide an annual letter to the Illinois Tollway indicating the recommended deposit amount for the following year, pursuant to the requirements of Section 710.1 of the Trust Indenture. The Consulting Engineers provide concurrence to the amount of the recommended deposit based upon projected balances, budgeted expenditures, projected future expenditures and other pertinent considerations or information at the time of the letter issuance.

Estimated Renewal and Replacement Deposits will fund the *Move Illinois* Program. The Trust Indenture requires projections for five years beyond the projected “in-service” date of the project.

Table 16: Estimated Annual Renewal and Replacement Deposits

Year	Renewal and Replacement
2023	\$276,000,000
2024	\$240,000,000
2025	\$240,000,000
2026	\$240,000,000
2027	\$120,000,000
2028	\$550,000,000
2029	\$550,000,000
2030	\$550,000,000
2031	\$550,000,000
2032	\$550,000,000

6 Operating Expenses

Operating Expenses are the expenses that the Illinois Tollway incurs due to the normal course of business for operation, maintenance and repairs of the Illinois Tollway system. Operating Expenses do not include debt services; the Illinois Tollway's debt service obligations are not discussed in this report. The summary, review and future projections of the Illinois Tollway Operating Expenses provided in this section rely upon budget and actual expenditure data provided by the Illinois Tollway.

6.1 Historic Expenses

The Illinois Tollway's organizational structure consists of 17 primary functions, including: Administration, Business Systems, Communications, Directors/Executive, Diversity and Strategic Development, Engineering, Facilities and Fleet, Finance, Illinois State Police, Information Technology, Inspector General (Investigations), Internal Audit, Legal, Planning, Procurement, Security and Safety (formed in 2021), and Operations. The following table identifies, by primary function, the audited Operating Expenses in 2022, the preliminary, unaudited operating expenses in 2023 Preliminary, Unaudited Actual, and the budgeted operating expenses for 2024. The Final 2024 Budget represents a 8.0% increase compared to the 2023 Budget and a 17.0% increase compared to the current Preliminary, Unaudited 2022 Actual.

The newly created Security and Safety department is responsible for providing both the Tollway employees and facilities with a secure and safe work environment and protecting from threats, including natural, human-made, and safety-related while at the workplace. Additionally, this department provides employees with comprehensive subject-matter training.

Table 17 Operating Expenses by Department: 2022 Actual, 2023 Forecast; Final 2024 Budget Submission;

DEPARTMENT	2022 Actual*	% of Total	2023 Year End Forecast	% of Total	Final 2024 Budget	% of Total
Administration	\$4,196,262	1.1%	\$4,559,811	1.1%	\$5,801,878	1.3%
Business Systems	\$20,960,022	5.6%	\$22,641,409	5.4%	\$28,473,705	6.3%
Diversity and Strategic Dev.	\$6,432,712	1.7%	\$6,176,691	1.5%	\$7,555,654	1.7%
Engineering	\$69,972,741	18.7%	\$79,413,614	19.0%	\$78,022,143	17.3%
Executive Office and Directors	\$2,601,195	0.7%	\$2,680,565	0.6%	\$4,115,485	0.9%
Facilities and Fleet	\$43,309,507	11.6%	\$44,978,204	10.8%	\$52,908,896	11.7%
Finance	\$82,999,986	22.1%	\$91,202,771	21.9%	\$100,845,074	22.4%
Information Technology	\$29,302,065	7.8%	\$39,530,922	9.5%	\$43,336,298	9.6%
Inspector General	\$1,051,266	0.3%	\$1,280,975	0.3%	\$1,349,158	0.3%
Internal Audit	\$2,253,386	0.6%	\$1,843,086	0.4%	\$3,738,953	0.8%
Legal	\$1,359,046	0.4%	\$1,288,293	0.3%	\$2,123,146	0.5%
Operations	\$60,858,077	16.2%	\$72,608,565	17.4%	\$70,730,007	15.7%
Planning	\$3,352,676	0.9%	\$4,026,584	1.0%	\$4,167,863	0.9%
Procurement	\$2,722,186	0.7%	\$3,346,542	0.8%	\$4,095,661	0.9%
Security and Safety***	\$42,098,852	11.2%	\$40,303,521	9.7%	\$42,066,984	9.3%
Stakeholder Engagement**	\$1,390,857	0.4%	\$1,282,784	0.3%	\$1,961,220	0.4%
TOTALS	\$374,860,837	100%	\$417,164,337	100%	\$451,296,125	100%

* Note that 2021 departmental operating expenses shown above have been restated to reflect certain departmental organizational changes that became effective after 2021.

** Note that this department was formerly known as Communications.

***Note that in the 2024 budget, expenses related to State Police are included within Security and Safety.

The existing Illinois Tollway system to be maintained and operated includes 294 centerline miles of limited access highways featuring an open road toll collection system consisting of mainline and ramp plazas. Improvements in progress as part of the Move Illinois Program will add new capacity on existing routes, create new routes within the Illinois Tollway system and

will introduce additional locations of all-electronic tolling, where no cash or coins are collected.

6.2 Illinois Tollway Operating Expenses

Each department has a defined operating budget that is prepared by both the specific department and the Illinois Tollway's Finance Department. Quarterly expenditures are carefully monitored to verify compliance with the budget and to identify revisions that need to be made either in the current calendar year, or for the following year budget preparation.

Department expenses are fairly static and are generally influenced by the budgeted and actual headcounts within the department, as well as some minor annual fluctuations of material, utility or contract costs. The Illinois Tollway strives to manage their overall and department budgets. Salary and wage adjustments, required retirement contributions, and inflationary factors are the main variables on a year-over-year basis. Individual department budgets and overall budget line items may vary from one year to the next due to equipment refresh or operational changes. Seven of the 16 departments comprise 92% of the Tollway's Final 2024 Budget: Finance, Operations, Engineering, Facilities and Fleet, Security and Safety, Information Technology, and Business Systems. Several of these departments are influenced by dynamic factors that may change from year to year, including Operations, Business Systems, Engineering, and Finance.

6.2.1 Operations

The Illinois Tollway's Operations Department represents 15.7% of the Illinois Tollway's Final 2024 Budget. Formerly called Toll Operations, this Department is responsible for providing the necessary resources and services to maintain the Tollway's operations, as well as managing the collection and counting of tolls. Additionally, Operations provides support through the Customer Call Center, which acts as a single point of contact for all customer calls that relate to I-PASS, transponder accounts, Pay-by-Plate, and unpaid toll invoice payments.

The headcount for Toll Collection staff continues to decline as the Illinois Tollway made further investments in cashless toll collection and implemented tolling reforms, reduced violation fees and relief, and pay-by-plate services that streamline how customers without transponders can pay for tolls on-line. This substantial reduction in the past year is due in large part to the Tollway's response to the COVID pandemic which accelerated the Tollway's transition towards cashless toll collection.

Overall, the 2024 Operations budget is decreasing by 14% compared the preliminary unaudited actual expenditures for 2022. These increases are related to additional customer and consumer support services and staffing related to cashless tolling services. Employee costs make up approximately 37.4% of the Operations Department Final 2024 budget, or \$27.4 million.

6.2.2 Business Systems

The Business Systems Department expenses represent 6.3% of the Illinois Tollway's Final 2024 budget and is responsible for operation, maintenance and improvement of electronic tolling roadside technologies and software applications. The department focuses on tolling innovation and business intelligence with the goals of improving customer experience, increasing revenue and enhancing operating efficiencies. The department also monitors the contracts and performance of the structure surrounding the Electronic Tolling System known as open road tolling.

In March 2020 the tollway suspended all cash toll payments systemwide in response to the COVID-19 pandemic, and subsequently introduced several tolling reforms including temporary violation relief for missed tolls, reduced violation fees for outstanding and future missed tolls, and the Tollway's new industry leading Pay-By-Plate services that rolled out in June of 2020, further streamlining the online payment process.

In June 2020, the Illinois Tollway enacted a new invoicing process for unpaid tolls where customers are still granted a 14-day period for to pay any unpaid tolls on-line at no additional cost, however after the 14-day period, and per tolling reforms, rather than receiving a \$20 violation fine for each unpaid toll, owners across all vehicle classes will receive an invoice for the unpaid tolls with an initial fee nearer the toll rates for each class of vehicles. Initial notice fees begin at \$3.00 for standard passenger vehicles, to be followed by an additional \$5.00 fee if nonpayment continues, eventually followed by the aforementioned \$20.00 fine if nonpayment continues. An amnesty offer was subsequently extended until June 30th, 2022. A pilot program authorized by the board in June 2022 discontinued assessment of \$50 fines for three years.

Business Systems expenses are primarily variable with respect to the number of transactions and amount of revenue collected from customers. With the move to all cashless tolling, there should be the expectation that I-PASS usage will continue to increase, especially with non-transponder toll rates (on-line toll payment, pay-by-plate, invoicing) continuing to be double that of the I-PASS rate. Increased I-PASS transactions; traffic and revenue enhancement due to natural growth; increased capacity due to roadway widening; and substantial increase in vehicles due to new growth in system lane miles will all contribute to driving up costs within the Business Systems Department. Business Systems' expenditures are anticipated to experience an average annual increase of 4.9% as projected over the duration of the *Move Illinois* Program.

6.2.3 Engineering

The Engineering Department represents 17.3% of the Tollway's Final 2024 Budget and is responsible for the planning, design, construction, operation and maintenance of the Illinois Tollway system. Additionally, Engineering works closely with the Planning Department in coordinating with community groups, government agencies and planning organizations on transportation and land-use policy. This department oversees annual inspections of the pavement, bridges and drainage systems, as well as the overall day-to-day maintenance of the Illinois Tollway's roadway system.

The Engineering Department oversees three areas of operation:

- Design – Project plans and specifications are prepared for various construction and maintenance activities according to the capital improvement program schedule.
- Construction – Implements the construction phase of projects, monitoring construction quality, schedule and budget.
- Maintenance / Traffic – Maintains the roadway system by keeping roads clean, properly lit and serviceable in all weather conditions; managing incidents; and informing motorists of traffic and travel concerns.

The improvements made as part of the *Move Illinois* Program affect the Engineering Department in two significant ways:

- There is an increased need for additional engineers within design and construction units required to administer the design and construction phases of the projects. The majority of this work has and will be performed by Consulting Engineers under contract with the Illinois Tollway, including the PMO and other firms serving as Design Section Engineers (DSE) and Construction Managers (CM). These costs are included within the *Move Illinois* Program budgets.
- Maintenance and Traffic units staffing needs are anticipated to increase as the system length and number of lane miles grow. Staff needs in most of the Engineering groups are also anticipated to increase due to additional traffic and the system growth.

Table 18: Growth in Illinois Tollway System

Year	Centerline Miles	Total Lane-Miles
2012	284.1	2048.9
2013	284.1	2052.6
2014	284.1	2132.4
2015	284.1	2138.2
2016	290.6	2259.8
2017	294.0	2277.0
2018	294.0	2277.5
2019	294.0	2290.7
2020	294.0	2292.5
2021	294.0	2293.1
2022	294.0	2296.4
2023	294.0	2300.2
2024	294.0	2310.4
2025	294.0	2327.2
2026	294.0	2339.7
2027	301.3	2403.8

For the Final 2024 Budget, the Engineering Department has budgeted for a headcount of 498 employees, with 455 (94%) of the employees within the Roadway Maintenance / Traffic unit. The Maintenance / Traffic unit is subdivided into the following groups (staffing levels projected in the Final 2024 Budget):

- Roadway Maintenance has budgeted for 367 staffed positions working from the 12 maintenance facilities. They are responsible for activities such as roadway sweeping; litter collection; snow and ice control; minor pavement, guardrail, fence and bridge work; drainage system upkeep; roadside landscaping; traffic channelization; and motorist aid.
- Sign Shop has budgeted for 17 staffed positions.
- Roadway Electric has budgeted for 17 staffed positions.
- Traffic Operations has budgeted for 18 staffed positions in the traffic operations center.
- Dispatch has budgeted for 36 staffed positions and is responsible for dispatching services in response to calls for motorist aid.

Maintenance / Traffic uses a database called the Maintenance Management System (MMS) to track costs associated with the Roadway Maintenance group and the Roadway Signage and Lighting activities of the Traffic Operations group. The Illinois Tollway provides the Consulting Engineers with year-end reports derived from the Maintenance Management System. On a percentage basis, the leading major activities in 2024 were roadside litter control (28.8%), snow and ice control (27.2%), and HELP – Emergency Patrol (4.8%).

Staffing levels at maintenance facilities have been closely tied to the snow and ice control program because of the high level of service goals established by the Illinois Tollway. Although snow and ice control are a seasonal activity, staff are hired on a permanent basis rather than as temporary or seasonal help. Snow and ice control staff members are prohibited from using vacation time during winter. Historically, the staffing level needed for snow and ice control has been relatively equal to the needs for maintenance work throughout the year. In addition, other staff, including a portion of the building maintenance employees in the Operations Department, are trained to be available for snow and ice control functions.

6.2.4 Finance

The Finance Department covers a variety of internal and external roles within the Illinois Tollway and represents the largest budget at 22.3% of the overall budget. The majority of the cost items that are included within the department are fairly consistent. Risk Management is a small division within Finance that funds the costs for Worker's Compensation Insurance, Employee Group Insurance, and Property Insurance for the Illinois Tollway. These three insurance items totaled \$52.2 million in year 2023 and \$57.2 million in the Final 2024 Budget, which represents 57.2% of Finance Department expenses and 12.7% of total Illinois Tollway operating expenses. Insurance costs may vary in the future due to changes in premiums and staffing levels, self-insurance requirements and other factors. The Finance Department also includes bank charges for account replenishment, which totaled \$36.5 million in the Final 2024 Budget, representing a 36.2% share of Finance Department expenses.

6.3 Estimated Illinois Tollway Operating Expenses

From current expenditure and budget information provided by the Illinois Tollway, overall, salary and wage costs are projected to escalate to account for annual wage adjustments required by collective bargaining. The staffing level for the Engineering Department is projected to remain fairly static through the duration for the *Move Illinois* Program. Overall, Operational services staffing levels are projected to remain flat. Business Systems costs are expected to increase at a higher rate than most other departments (4.7%) over the study period due to transponder usage, increased toll rates (including the annual CPI-based toll rate increases for commercial vehicles) and increases in traffic. The Business Systems costs include both the transaction processing and the bank charges for account replenishment, video tolling charges and violation payments. The inflation rate utilized for non-labor expenditures is 3.0%.

Finance Department cost increases, as a percentage, are also expected to outpace most other departments (4.7%) due to the high cost of Retirement and pension contributions, as a percentage of salary and wages, and anticipated future contribution rate increases. For State fiscal years 2013 – 2024, the employer contribution rates published by the State Employees’ Retirement System (SERS) are as follows.

Table 19: State Employees’ Retirement System – Employer Contribution Rate

State Fiscal Year	Beginning Date	Ending Date	Total Employer Contribution Rate
2013	7/1/2012	6/30/2013	37.987%
2014	7/1/2013	6/30/2014	40.312%
2015	7/1/2014	6/30/2015	42.339%
2016	7/1/2015	6/30/2016	45.598%
2017	7/1/2016	6/30/2017	44.568%
2018	7/1/2017	6/30/2018	47.342%
2019	7/1/2018	6/30/2019	51.614%
2020	7/1/2019	6/30/2020	54.290%
2021	7/1/2020	6/30/2021	54.831%
2022	7/1/2021	6/30/2022	56.169%
2023	7/1/2022	6/30/2023	52.958%
2024	7/1/2023	6/30/2024	51.92%*

Factoring in the 7.65% FICA contribution, an overall employer contribution rate of 51.92% has been used as the basis for projecting future retirement contribution costs beyond 2024.

The Trust Indenture requires projections for five years beyond the projected “in-service” date of the project. Based on the information above, the Consulting Engineers have projected Operating Expenses, as defined in the Trust Indenture, for each of the fiscal years 2023 through 2032 as provided in the table below.

Table 20: Estimated Operating Expenses

Year	Operating Expenses (Millions)	Annual Increase
2023	\$417.2	
2024	\$451.3	8.2%
2025	\$463.6	2.7%
2026	\$477.9	3.1%
2027	\$492.8	3.1%
2028	\$509.7	3.4%
2029	\$525.4	3.1%
2030	\$541.8	3.1%
2031	\$558.6	3.1%
2032	\$576.2	3.2%

The estimates for Operating Expenses prepared by the Consulting Engineers and included in this report have an average growth per year of approximately 3.7% between 2023 and 2032. There are many factors that will dictate what the actual Operating Expenses experienced by the Illinois Tollway will be, and the Consulting Engineers cannot predict the outcome of these factors. The Consulting Engineers have reviewed the data and forecasts provided by the Illinois Tollway with respect to proposed system expansion and operational changes and find them to be reasonable. Thus, these forecasts and assumptions have been included in the Consulting Engineers analysis. However, the Consulting Engineers cannot predict unforeseen circumstances or unusual price escalations that are not currently identified and known, so the estimates above may vary from actual future expenses.

7 Conclusion

This report complies with Section 204.1.(4) of the Amended and Restated Trust Indenture Effective March 31, 1999. It provides the estimates for Operating Expenses and Renewal & Replacement Deposits for five years beyond the projected in-service date (through 2032). It also provides the estimated cost of construction and the schedule of completion for the projects (as developed by the Illinois Tollway's PMO and reviewed for reasonableness by the Consulting Engineer) included in the Illinois Tollway's *Move Illinois* Program that is being partly funded from bond proceeds. Current professional practices and procedures commensurate with the scope and schedule of the Consulting Engineers work were used in the development of this report. In that regard, in preparing this report, the Consulting Engineers are compelled to rely on information from, and the work of, others. Although that information and work product is examined for reasonableness, no extensive or exhaustive effort is undertaken by the Consulting Engineers to confirm the accuracy of such information and work product.

The Illinois Tollway had remarkable success in delivering the Congestion Relief Program in a timely fashion and under budget. This success is continuing as the Illinois Tollway proceeds with major construction of *Move Illinois* Program projects in 2023, the twelfth year of the *Move Illinois* Program. The cost estimates utilized for the compilation of costs for the program follow standard industry practices and contain appropriate contingency factors based upon level of completeness of the design. All project costs are escalated appropriately to the estimated mid-point of construction. Currently, the overall estimated net cost of the *Move Illinois* Program at \$15.003 billion appears reasonable.

This report is intended for the use of the Illinois Tollway for inclusion in the Preliminary Official Statement and Official Statement for the Illinois Tollway's issuances of Toll Highway Senior Revenue Bonds, 2024 Series A, the sale and issuance of which are currently expected in December 2023 or the first quarter of 2024. This report is subject to the limitations described within the Official Statement, such as those with respect to forward-looking statements, which are incorporated within this report. The Consulting Engineers are not, and have not been, a municipal advisor as defined in Federal law (such as the Dodd-Frank Wall Street Reform and Consumer Protection Act) to the Illinois Tollway and does not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Illinois Tollway with respect to the information and material contained in this report. The Consulting Engineers are not recommending and has not recommended any action to the Illinois Tollway.

Market conditions and unforeseen events are beyond the control of the Consulting Engineers, the PMO and the Illinois Tollway, and may affect the implementation and cost of the *Move Illinois* Program and the future Operating Expenses of the Illinois Tollway as detailed herein. The Consulting Engineers presume that the PMO will continually monitor the *Move Illinois* Program and will adjust the scopes and schedules of projects in order to control the cost of the overall program. On an annual basis, the Consulting Engineers' recommendation for the Renewal and Replacement deposit will reflect consideration of adjustments to the *Move Illinois* Program by the PMO.

Finally, no one should use or rely on this report for any purpose without giving due consideration to the impact that the above-described circumstances and factors might have on the estimates and findings contained herein.

APPENDIX C

TRAFFIC ENGINEERS' REPORT

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December 8, 2023

Ms. Cathy Williams
Chief Financial Officer
The Illinois State Toll Highway Authority
2700 Ogden Avenue
Downers Grove, IL 60515

Subject: Illinois Tollway Comprehensive Study Update

Dear Ms. Williams:

Pursuant to your request, CDM Smith is pleased to provide you with updated traffic and revenue (T&R) estimates for the Illinois State Toll Highway Authority (ISTHA). ISTHA operates a system of toll facilities (Illinois Tollway) in northern Illinois, as described below under "System Description" and "System Overview." The purpose of this report is to support an upcoming issuance of Toll Highway Refunding Bonds, 2024 Series A, with sale expected in the fourth quarter of 2023 or first quarter of 2024. It is intended for inclusion in the Preliminary Official Statement (POS) and final Official Statement (OS) for the bonds and the distribution of such documents for all purposes related to the marketing, sale, and issuance of the bonds.

As the Traffic Engineer for ISTHA, CDM Smith monitors T&R trends, prepares Revenue Certificates, and issues an Annual Toll Revenue Report. CDM Smith also conducts various traffic and planning studies and provides technical support for Illinois Tollway (Tollway) planning and operations. In November 2021, CDM Smith submitted a comprehensive T&R study for the Tollway (*2021 Comprehensive Report*), presenting traffic and expected toll revenue estimates through 2050, as well as supporting materials. Expected toll revenue is the revenue that would be collected if every vehicle paid the exact published toll based on vehicle class, time of day, and payment type. The report incorporates ON TO 2050, the latest plan and socioeconomic forecast for the Chicago region from the Chicago Metropolitan Agency for Planning (CMAP). ON TO 2050 was adopted by the CMAP board and the Metropolitan Planning Organization Policy Committee on October 10, 2018. An update to the plan was approved on October 12, 2022. The following report updates the *2021 Comprehensive Report* and brings data sources, analyses, and projections current as of the date of this document.

Over the past few years, significant external events and internal operational changes have occurred. First, the COVID-19 pandemic substantially impacted transaction and revenue performance on the Tollway system, particularly for passenger vehicles. Although the initial public health restrictions related to the pandemic have been lifted, the lasting impact on economic and social conditions remains unknown. This introduces uncertainty into near-term traffic and revenue forecasts. For example, the introduction of widespread work-from-home policies and the increase in e-commerce retail spending that began during the pandemic continue to impact both passenger car and commercial vehicle performance.

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Additionally, the temporary suspension of cash collections initiated at the onset of the COVID-19 pandemic in March 2020 has been made permanent. This followed the launch of the *TOLLING 2020* initiative on June 25, 2020, which established a new invoicing process to increase the collection of unpaid tolls before nonpayment reaches the violation process. The *TOLLING 2020* initiative also established a new Pay By Plate toll payment option, which began in late July 2020.

CDM Smith forecasts expected revenues, not collected revenues. The suspension of cash collections, as well as new toll payment options established under the *TOLLING 2020* initiative, are not anticipated to impact expected revenue estimates, but may impact collected revenues. CDM Smith's forecast of expected revenue does not account for evaded tolls or recovery efforts, and so the *TOLLING 2020* initiative does not impact our forecast. Please refer to the main body of the Official Statement, including the sub-sections "Toll Collections", "Pro Forma Debt Service Coverage", and "Certain Risk Factors", for information on toll evasion and evasion recovery.

The following report comprises:

- An extensive review of Tollway performance trends.
- A review of recent national, regional, and local economic performance.
- A review of, and updates to reflect, revised economic and demographic forecasts.
- A summary of the ISTHA's current capital plan.
- The resulting traffic and expected toll revenue estimates.

System Description

The Illinois Tollway (Tollway) is located in northeast Illinois, primarily within the Chicago metropolitan area and the surrounding collar counties. The Tollway was created by the Illinois General Assembly in 1953 to provide for the construction, operation, regulation, and maintenance of a system of toll highways within the state of Illinois. Opened in 1958, the first Tollway routes were financed through the sale of revenue bonds. Maintenance and operating costs, capital costs, and bond debt payments are funded through the collection of tolls paid by roadway users. The Tollway system is self-supporting and does not receive federal or state funding. The system has expanded dramatically over the years to keep pace with increasing traffic demand and regional expansion. The system currently includes 294 centerline miles of limited-access highways. Four of the five routes are part of the Interstate Highway System, while the fifth, the Illinois Route 390 Tollway (IL 390), is an Illinois state route built to interstate standards.

Following an 18-month review and public discussion of the Tollway's needs for its existing system and opportunities to improve regional mobility, the Board adopted a 15-year, \$12 billion capital program called *Move Illinois: The Illinois Tollway Driving the Future (Move Illinois)* in August 2011. In April 2017, the Board authorized modifications to the *Move Illinois* program increasing funding by \$2.1 billion in support of an expanded scope for the central portion of the Tri-State Tollway

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(Central Tri-State). The revised scope includes new capacity, improved interchange configuration, and other improvements to the Central Tri-State. In December 2023 the Board is expected to approve an additional modification to the Move Illinois program, including to increase funding for I-490, which will increase funding by \$0.9 billion to a total of \$15.2 billion.

The *Move Illinois* program is anticipated to be substantially complete in 2027. Cornerstone projects include the following:

- Rebuilding and widening the Jane Addams Memorial Tollway between I-39 and the Kennedy Expressway.
 - In December 2016, the reconstructed and widened Jane Addams Memorial Tollway was completed.
- Reconstructing and widening the Central Tri-State.
 - The first segment of the project, between Balmoral Avenue and Wolf Road, was completed in 2020. The southern segment of the project, between I-55 and 95th Street (including the Mile Long Bridge), is expected to be fully open to traffic by the end of 2023.
- Constructing the Elgin O'Hare Western Access (EOWA) Project, which includes widening, tolling, and extending the former Elgin-O'Hare Expressway (IL 390) and constructing the new I-490 Tollway.
 - The first phase of the EOWA project, IL 390 (formerly the Elgin-O'Hare Expressway), began tolling operations in July 2016. The second phase, an eastward extension of IL 390, opened on November 1, 2017. The timing for completion of the remainder of the EOWA project is subject to change; for purposes of this report, the additional phases are primarily assumed to open between January 2027 and January 2028.
- Constructing the I-294/I-57 interchange.
 - The first phase of the I-294/I-57 interchange opened to traffic in October 2014. The second and final phase opened to traffic ahead of schedule in September 2022.

Move Illinois is funded through a combination of current toll revenue and bonds backed by future toll revenues. In anticipation of *Move Illinois*, passenger car (PC) toll rates were increased effective January 1, 2012. In addition, a three-phased commercial vehicle (CV) toll rate increase was implemented between 2015 and 2017. Starting January 1, 2018, CV rates began increasing annually, linked to the rate of inflation.

System Overview

The Tollway system currently consists of five toll facilities: the Jane Addams Memorial, the Tri-State, the Reagan Memorial, the Veterans Memorial, and IL 390, as shown in **Figure 1**. Below is

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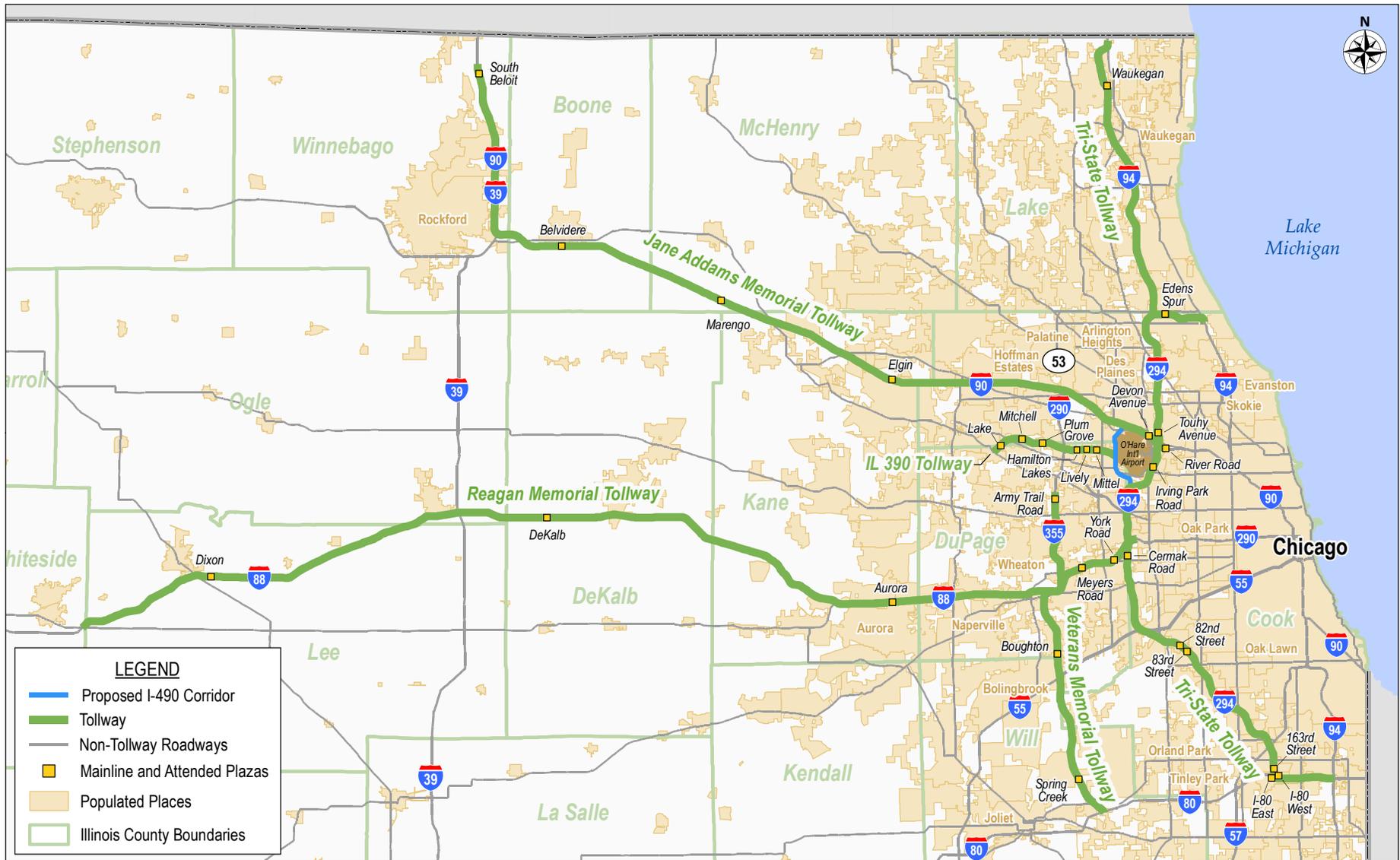
a general description of the physical attributes and location of each Tollway route and an overview of the demographic and socioeconomic makeup of the areas they serve.

The Jane Addams Memorial Tollway, designated I-90 for its entire length, is part of the 3,101-mile-long I-90 route that links the country's east and west coasts. This Tollway facility runs in a generally east-west alignment from just east of Chicago O'Hare International Airport (O'Hare) through Rockford, Illinois, and then north towards the Wisconsin border. The route passes through portions of Cook, Kane, McHenry, Boone, and Winnebago counties. Its western terminus is located at Rockton Road, 2.7 miles south of the Illinois-Wisconsin border. The eastern terminus is located just east of O'Hare, beyond which I-90 continues as the Kennedy Expressway, providing a direct connection to the northwest side of Chicago and the Chicago central business district. A major project—to add one lane in both directions and reconstruct the Jane Addams Memorial Tollway between I-39 and I-294—was completed between 2014 and 2016. The western section—between I-39 and the Elgin Mainline Plaza—now provides a 6-lane cross section, and the eastern section—between the Elgin Mainline Plaza and I-294—now provides an 8-lane cross section.

The Tri-State Tollway, originally intended to provide a circumferential bypass route around the City of Chicago, has evolved into a major commuter travel route serving the suburbs and other communities in northeastern Illinois, providing access between the northern and southern suburbs of Chicago and to O'Hare. In addition to serving as a commuter route, the Tri-State also carries the highest volumes of CV traffic on the system. The southern 53-mile section of the Tri-State Tollway is designated as I-294, while the northern 24-mile section is designated as I-94. The southernmost 5 miles are designated as part of both I-80 and I-294. In the southern I-294/I-80 section, where the route runs east-west, the Tri-State Tollway is part of a major cross-country commercial truck route running from New York to San Francisco. The route currently provides an 8-lane cross section along its entire length. The central portion of this route between 95th Street and Balmoral Avenue is currently being reconstructed and widened. Construction work began on this section in July 2018 and is planned for substantial completion in 2027.

The Reagan Memorial Tollway, designated as I-88 for its entire length, extends from the Tri-State Tollway near the Cook-DuPage county line in the east (15 miles west of downtown Chicago) to the eastern edge of Whiteside County in north central Illinois in the west (near Rock Falls). East of the Tri-State Tollway, the route continues as I-290—the Eisenhower Expressway—providing access to the Chicago central business district. I-88 has an 8-lane cross section for the eastern 17 miles, from the eastern terminus to IL 59. From IL 59 west to IL 56, I-88 has a 6-lane cross section, and the 70-mile section west of IL 56 has a 4-lane cross section. From the western terminus, I-88 continues west as a free route (west of US Route 30) for an additional 44 miles, terminating at I-80, east of the Davenport-Moline-Rock Island metropolitan area.

Illinois Tollway Comprehensive Traffic and Revenue Study Update



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The Veterans Memorial Tollway, designated as I-355, extends from its northern terminus at Army Trail Road in DuPage County to its southern terminus at I-80 in Will County. Developed suburban land characterizes the I-355 corridor, serving communities such as Addison, Bolingbrook, Downers Grove, Glendale Heights, Lombard, and Woodridge. Undeveloped land flanking the original section of the Veterans Memorial Tollway, from Army Trail Road to I-55, is diminishing. The Veterans Memorial Tollway was expanded south from I-55 to I-80 in Will County in 2007. The roadway is primarily a 6-lane configuration throughout, with an 8-lane segment between the Reagan Memorial Tollway and Boughton Road and a second 8-lane segment between IL 38/Roosevelt Road and IL 56/Butterfield Road.

The Illinois Route 390 Tollway is located in the suburban area northwest of Chicago and extends from Lake Street (US 20) at the west end to Busse Road (IL 83) at the east end. Tolling on the western section—between Lake Street (US 20) and Rohlwing Road—began on July 5, 2016. This limited access expressway originally opened in 1993 as the Elgin-O’Hare Expressway. It was widened and became a part of the Tollway system in 2016. The eastern extension—between Rohlwing Road and IL 83—was completed and opened to traffic on November 1, 2017.

A sixth Tollway route, the I-490 Tollway, is under construction and planned for completion at the end of 2027. This new north-south route will run along the western border of O’Hare International Airport, extending from the Jane Addams Tollway at the north end to the Central Tri-State Tollway at the south end. It will also connect with the eastern terminus of the IL 390 Tollway.

Toll Collection and Rate History

ISTHA collects tolls at 28 mainline plazas and 61 ramp plazas. Payment options currently include electronic toll collection (ETC) via I-PASS or E-ZPass, Pay By Plate, invoice, or online payment within a 14-day grace period. As a precaution to prevent the spread of COVID-19 to Tollway customers and employees, the Tollway suspended cash collections systemwide on March 13, 2020. While initially a temporary practice, the Tollway later announced that the suspension of cash collections would be permanent.

ETC started on the Tollway in 1993 with a small pilot program on part of the Veterans Memorial Tollway. In 1994, ETC expanded to other plazas, and in 1995, I-PASS Only lanes were introduced. In 1998, the Tollway began installing I-PASS Express lanes that enabled drivers to pay tolls while traveling at higher speeds through the plazas. Open road tolling (ORT), which allows I-PASS payment at highway speeds, was introduced on all mainline plazas between 2005 and 2006. The first cashless plaza opened on the Reagan Memorial Tollway at the Eola Road interchange on I-88 in 2009. The first cashless mainline plazas opened in 2016 on the new IL 390 Tollway. At the start of 2020, the Tollway had a total of 13 cashless ramp plazas and six cashless mainline plazas.

Toll Rate Changes

Historical toll rates at typical plazas are illustrated in **Table 1**. While actual rates vary by plaza, most of the rates charged at mainline plazas on the three original routes (Tri-State, Jane Addams Memorial, Reagan Memorial) are similar. There have been four toll rate changes that applied to all passenger cars (PCs): an average increase of 17 percent in 1963, a decrease of 14 percent in 1970, a 37 percent increase in 1983, and an 87.5 percent increase in 2012. Additionally, there was a PC increase in 2005 that applied to only cash-paying vehicles. The most recent PC rate increase occurred on January 1, 2012 and raised rates by 87.5 percent. This rate change increased the typical mainline toll from \$0.40 to \$0.75 for I-PASS customers and from \$0.80 to \$1.50 for cash customers.

CVs had three rate increases prior to 2015: 50 percent in 1963, 68 percent in 1983, and an average of 216 percent for non-discounted, daytime rates in 2005. Between 2015 and 2017, a three-phase, 60 percent increase was applied to CV rates. Beginning in 2018, all CV rates are adjusted annually, linked to the rate of inflation. Even with the recent rate increases, the Tollway is still among the lower-priced toll roads in the country on a per-mile basis. **Table 2** lists toll rates for all toll roads in the U.S.

The 2005 toll rate schedule also simplified the former 10 toll-rate classes to four rate tiers, including one tier for PCs and three tiers for CVs. The PC rate tier is the same as the previous Class 1 and includes all 2-axle vehicles with four or fewer tires. A small-CV rate tier, consisting of 2-axle vehicles with six tires, replaces Class 2. The medium-CV rate tier comprises the former Classes 3, 4, 7, and 8 and consists of 3- and 4-axle vehicles, including 2-axle vehicles towing one- and 2-axle trailers. A large-CV rate tier replaces former Classes 5, 6, 9, and 10 and consists of vehicles with five or more axles, including 2-axle vehicles towing 3-axle trailers.

Between 2015 and 2017, CV toll rates increased by 60.0 percent, with the typical mainline toll increasing from \$4.00 in 2014 to \$6.40 in 2017 for large CVs (Rate Tier 4) and from \$1.50 to \$2.40, in respective years, for small CVs (Rate Tier 2). As of January 1, 2018, CV rates began to increase annually based on the rate of inflation (Consumer Price Index for all Urban Consumers, aka CPI-U). In 2018, 2019, 2020, 2021, and 2022, CV rates increased based on inflation rates of 1.84, 2.25, 2.07, 1.56, and 2.30 percent, respectively. In September 2022, the Tollway revised the calculation methodology for the annual inflation-based increases to CV toll rates to one based on change in the Consumer Price Index over a 36-month period ending June 30th of the prior year, rather than the previous 12-month period. The revised calculation methodology has moderated the impact on CV toll rates of the elevated inflation that began in the second quarter of 2021. Under the revised calculation methodology, CV toll rates increased by 3.65 percent on January 1, 2023 and are scheduled to increase 5.22 percent on January 1, 2024. Such increases would have been 7.17% and 6.26%, respectively, under the previous calculation methodology.



Table 1: Current and Historical Toll Rates on Illinois Tollway Typical Mainline Plazas⁽¹⁾

Vehicle Class		Previous Rates												Current Rates		Future Rates	
Tier	Description	1959-1963	1964-1970	1971-1983	1983-2004	2005-2011		2012-2014		2015-2021 ⁽⁴⁾		2022 ⁽⁴⁾		2023 ⁽⁴⁾		2024 ⁽⁴⁾	
						Discount	Non-Discount	Discount	Non-Discount	Discount	Non-Discount	Discount	Non-Discount	Discount	Non-Discount	Discount	Non-Discount
1 ⁽²⁾	Automobile, motorcycle, single unit truck or tractor, two axles, four or less tires	\$0.30	\$0.35	\$0.30	\$0.40	\$0.40	\$0.80	\$0.75	\$1.50	\$0.75	\$1.50	\$0.75	\$1.50	\$0.75	\$1.50	\$0.75	\$1.50
2 ⁽³⁾	Single unit truck or tractor, buses, two axles, six tires	\$0.40	\$0.45	\$0.30	\$0.50	\$1.00	\$1.50	\$1.00	\$1.50	\$1.40 - \$1.75	\$2.10 - \$2.60	\$1.75	\$2.65	\$1.85	\$2.75	\$2.90	\$1.95
3 ⁽³⁾	Trucks with three or four axles, buses, and Class 1 vehicle with a one or two axle trailer	\$0.50	\$0.50-\$0.60	\$0.45-\$0.60	\$0.60-\$1.00	\$1.75	\$2.25	\$1.75	\$2.25	\$2.45 - \$3.00	\$3.15 - \$3.90	\$3.10	\$4.00	\$3.20	\$4.10	\$3.35	\$4.35
4 ⁽³⁾	Trucks with five or six axles, miscellaneous PC special, or unusual vehicles not classified above	\$0.50	\$0.75-\$0.90	\$0.75-\$1.00	\$1.25-\$1.75	\$3.00	\$4.00	\$3.00	\$4.00	\$4.20 - \$5.20	\$5.60 - \$6.90	\$5.30	\$7.05	\$5.50	\$7.35	\$5.80	\$7.70

- (1) The toll rates listed above are toll rates for 11 of the 28 mainline plazas on the Tollway System. Toll rates at the other 17 mainline plazas differ by various amounts. A complete listing of toll rates at each Tollway System plaza may be found on the ISTHA's website. No other information from ISTHA's website is incorporated by reference.
- (2) Rate Tier 1 vehicles making payment via I-PASS and many out-of-state transponders are tolled at the discounted rate. The non-discounted rate applies to all other non-I-PASS forms of payment.
- (3) CVs (Rate Tiers 2-4) are tolled at a discounted rate during the overnight period of 10 p.m. – 6 a.m. whether paying by I-PASS or other methods (the "Overnight Discount Rate"). Prior to January 1, 2009, CVs paying by I-PASS were tolled at the discounted rate for certain off-peak time periods (the "I-PASS Off-Peak Discount Rate"). This I-PASS Off-Peak Discount Rate expired on December 31, 2008. The Overnight Discount Rate continues.
- (4) A CV toll rate increase occurred in three phases between 2015 and 2017 and resulted in a total increase of 60.0 percent over 2014 rates. Annual, inflation-based increases began January 1, 2018.

Table 2: Toll Rates for U.S. Toll Roads⁽¹⁾

Toll Agency (State)	\$ per mile	
	Passenger Car	5-Axle Truck
Adams Avenue Parkway, Inc (UT)	\$1.250	\$3.125
Globalvia (VA) ⁽²⁾	\$0.591	\$1.017
Transportation Corridor Agencies (CA)	\$0.530	\$2.118
City of Chesapeake (VA)	\$0.522	\$0.674
Northwest Parkway, LLC (CO)	\$0.505	\$2.021
Metropolitan Washington Airports Authority (VA)	\$0.448	\$1.157
Toll Road Investors Partnership II (VA) ⁽³⁾	\$0.414	\$1.250
Montgomery County Toll Road Authority (TX)	\$0.389	\$1.553
Central Texas Regional Mobility Authority (TX)	\$0.356	\$1.425
Orchard Pond Greenway, LLC (FL)	\$0.304	\$1.215
E-470 Public Highway Authority (CO)	\$0.299	\$1.138
San Diego Association of Governments (CA)	\$0.275	\$0.550
Fort Bend County Toll Road Authority (TX)	\$0.254	\$1.015
Tampa-Hillsborough County Expressway Authority (FL)	\$0.252	\$1.008
Connector 2000 Association (SC) ⁽⁴⁾	\$0.238	\$0.825
North East Texas Regional Mobility Authority (TX)	\$0.227	\$0.908
Texas Department of Transportation (TX)	\$0.219	\$0.828
Richmond Metropolitan Transportation Authority (VA)	\$0.206	\$0.294
North Texas Tollway Authority (TX)	\$0.204	\$0.817
Cameron County Regional Mobility Authority (TX)	\$0.204	\$0.816
SH 130 Concession Company, LLC (TX)	\$0.199	\$0.792
Harris County Toll Road Authority (TX)	\$0.186	\$0.868
North Carolina Turnpike Authority (NC)	\$0.185	\$0.741
Delaware Department of Transportation (DE)	\$0.183	\$0.399
Osceola County (FL)	\$0.176	\$0.703
Central Florida Expressway Authority (FL)	\$0.172	\$0.419
New Jersey Turnpike Authority (NJ) - New Jersey Turnpike	\$0.170	\$0.556
Miami-Dade Expressway Authority (FL)	\$0.161	\$0.321
Pennsylvania Turnpike Commission (PA)	\$0.147	\$0.737
Mid-Bay Bridge Authority (FL)	\$0.136	\$0.727
South Jersey Transportation Authority (NJ)	\$0.134	\$0.503
Maryland Transportation Authority (MD)	\$0.102	\$0.698
West Virginia Parkways, Economic Development, and Tourism Authority (WV)	\$0.093	\$0.387
Florida's Turnpike Enterprise (FL)	\$0.088	\$0.310
Indiana Toll Road Concession Company (IN)	\$0.086	\$0.464
Virginia Department of Transportation (VA)	\$0.075	\$0.150
Illinois State Toll Highway Authority (IL)	\$0.067	\$0.598
Oklahoma Turnpike Authority (OK)	\$0.063	\$0.213
Ohio Turnpike and Infrastructure Commission (OH)	\$0.061	\$0.190
Maine Turnpike Authority (ME)	\$0.060	\$0.242
New York State Thruway Authority (NY)	\$0.050	\$0.286
Florida Department of Transportation (FL)	\$0.049	\$0.198
Kansas Turnpike Authority (KS)	\$0.048	\$0.135
Massachusetts Department of Transportation (MA)	\$0.044	\$0.167
New Hampshire Department of Transportation (NH)	\$0.043	\$0.187
National Average	\$0.115	\$0.474

⁽¹⁾ Toll rates are for electronic payments at peak hour rates, if applicable. Toll rates are for full-length trips, which reflect only for the part of the facility where 5-axle trucks are allowed. Toll rates are current as of January 2023.

⁽²⁾ The Pocahontas Parkway is managed by Globalvia.

⁽³⁾ The Dulles Greenway is managed by Toll Road Investors Partnership II.

⁽⁴⁾ The Southern Connector is managed by Connector 2000 Association.

CVs have no toll-rate differential between non-I-PASS and I-PASS payment options on the majority of the system, but do pay a higher toll rate for non-I-PASS transactions on the IL 390 Tollway. Across all facilities, CVs receive a discount for overnight travel on all facilities and. The overnight discount began in 2005 and ranges from 18.5 to 34.8 percent, depending on rate tier and plaza.

I-PASS Usage

The percentage of transactions paid with I-PASS has increased over time. The increase has been gradual in most years, with the most notable exception being a sharp increase in late 2004, leading up to the toll-rate increase of January 1, 2005. I-PASS usage increased from 49.8 percent in 2004 to 74.7 percent in 2005.

ISTHA joined the E-ZPass Inter-Agency Group in 2005. Membership in this group allows for sharing of an in-vehicle transponder for toll payment on all member facilities. In this report, the term “I-PASS” when used in the context of toll payments usually means payment via the I-PASS transponder or any other transponder within the E-ZPass Inter-Agency Group.

Between 2005 and 2015, I-PASS usage grew an average of 1.2 percentage points per year to 86.6 percent. The conversion of all mainline plazas to an ORT configuration in 2006 and the introduction of cashless tolling (the first cashless plaza opened in 2009) contributed to this growth rate. The largest year-over-year increase (2.4 percentage points) occurred in 2012, following the January 2012 PC toll rate increase. Between 2012 and 2015, I-PASS growth slowed to an average of 0.1 percentage point per year.

Between 2015 and 2019, growth in I-PASS usage picked up with the opening of several new cashless ramp plazas, the two-phase opening of the all-cashless IL 390 Tollway in July 2016 and November 2017, and the implementation of the new V-Toll policy in February 2018.¹ During this period, I-PASS usage grew an average of 1.0 percentage point per year, rising to 90.7 percent in 2019. I-PASS penetration has declined marginally since the onset of the COVID-19 pandemic, accounting for 88.8 percent of transactions in 2021 and 87.2 percent in 2022. This decline likely corresponds to a decrease in daily commuter travel, which is largely made up of I-PASS users.

Table 3 presents ETC usage rates by toll agency in 2022. As shown, the Illinois Tollway continues to rank among the top toll agencies in ETC participation. Four agencies ranked higher in 2022, the Metropolitan Transportation Authority in New York, Port Authority of New York and New Jersey, New Jersey Turnpike Authority, and Oklahoma Turnpike Authority.

¹ A V-Toll occurs when no transponder is read, but the license plate is found upon image review to correspond to an I-PASS account. This may happen for various reasons, including the improper mounting of, or absence of, an I-PASS transponder. Under current policy, I-PASS customers that are V-Tolled more than five times in a calendar month on any individual license plate registered to a customer’s I-PASS or electronic tolling account will be charged the non-I-PASS toll rate for the sixth and every subsequent V-Toll incurred that month.

Table 3: 2022 Electronic Transponder Usage Rates for U.S. Toll Agencies

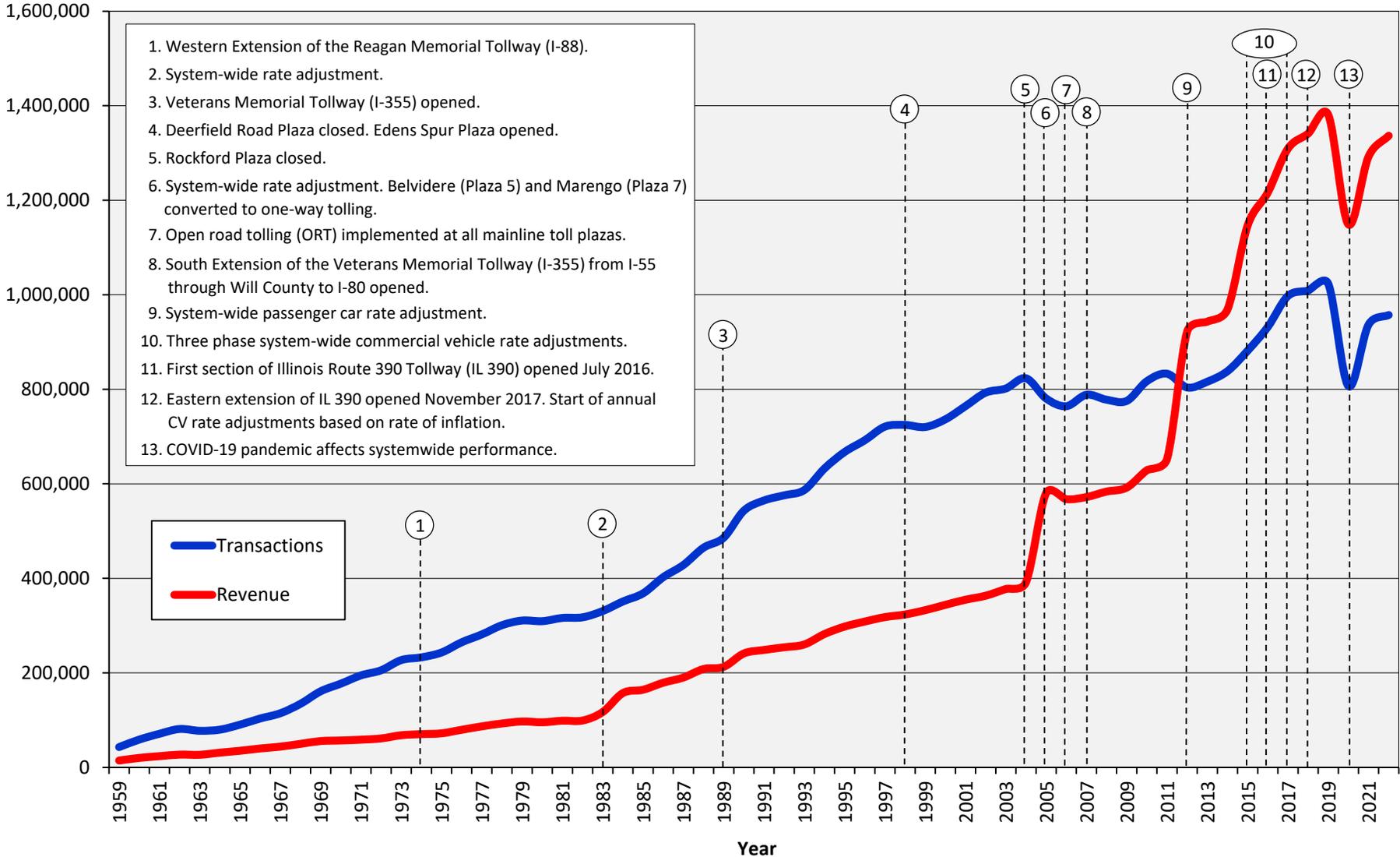
Rank	Usage Rates	Toll Agency Name	Name of ETC System
1	95.0%	Metropolitan Transportation Authority (NY)	E-ZPass
2	91.5%	New Jersey Turnpike Authority	E-ZPass
3	89.3%	Port Authority of New York and New Jersey	E-ZPass
4	87.4%	Oklahoma Turnpike Authority	PIKEPASS
5	87.2%	Illinois Tollway	I-PASS
6	86.0%	Maryland Transportation Authority	E-ZPass
7	83.8%	New York State Thruway Authority	E-ZPass
8	83.7%	Massachusetts Department of Transportation	E-ZPass
9	79.8%	North Texas Tollway Authority	TollTag
10	77.2%	Pennsylvania Turnpike Commission	E-ZPass
11	75.0%	Florida Turnpike	SunPass
12	74.6%	Indiana Toll Road Concession Company	E-ZPass
13	70.2%	Ohio Turnpike Commission	E-ZPass
14	65.9%	Harris County Toll Road Authority (Houston)	E-ZPass

Source for ETC usage: respective toll facilities webpages and ISTHA-IAG Settlement Breakdown Reports.

Historical Traffic and Revenue Trends

Figure 2, Table 4, and Table 5 provide the annual transactions and toll revenue on the Tollway from the first full year of operation in 1959 through 2022. In this report, historical toll revenue is presented on a different basis than projected toll revenue. The projected toll revenue is expected revenue, which is the revenue that would be collected if every vehicle paid the exact published toll based on vehicle class, time of day, and payment type. The historical toll revenue, the source of which is ISTHA’s Annual Comprehensive Financial Report (ACFR), is the toll revenue after accounting for overpayments, underpayments, exemptions, and toll avoidance. Historical toll revenue does not include tolls and fines collected through the violation enforcement system; these are reported separately in ISTHA’s financial statements as Toll Evasion Recovery.

Over the course of the Tollway’s history, transactions have increased steadily, with only a few year-to-year declines. The rate of transaction growth, however, has slowed as the Tollway’s service area has matured. The average annual increase in transactions in the first two decades (1959-1980) was 9.9 percent. Between 1980 and 2010, transaction growth became successively lower in each decade. Since 2010, transaction growth has increased as new capacity has been added to the Tollway, including the widening of the Jane Addams Memorial Tollway and the addition of the new IL 390 Tollway. Two exceptions to the recent growth trend are 2012 and 2020, when transactions fell by 3.5 percent and 21.2 percent, respectively, compared to the previous year.



**ILLINOIS TOLLWAY SYSTEMWIDE, 1959-2022
 ANNUAL TRANSACTIONS AND TOLL REVENUE (in thousands)**



Table 4: Illinois Tollway Systemwide Annual Transactions (in thousands)

Year	Passenger Cars	PC AAPC ⁽¹⁾	Commercial Vehicles	CV AAPC ⁽¹⁾	Total	Total AAPC ⁽¹⁾
1959	37,884	-	5,050	-	42,934	-
1964	72,721	13.9%	7,005	6.8%	79,726	13.2%
1969	146,476	15.0%	14,488	15.6%	160,964	15.1%
1970	160,916	9.9%	16,187	11.7%	177,103	10.0%
1975	216,180	6.1%	26,914	10.7%	243,094	6.5%
1980	269,106	4.5%	40,183	8.3%	309,289	4.9%
1982	278,508	1.7%	38,993	-1.5%	317,501	1.3%
1983 ⁽²⁾	290,687	4.4%	40,116	2.9%	330,803	4.2%
1985	324,673	5.7%	43,543	4.2%	368,216	5.5%
1989 ⁽²⁾	428,745	7.2%	57,193	7.1%	485,938	7.2%
1990	485,085	13.1%	57,962	1.3%	543,047	11.8%
1995	597,026	4.2%	70,179	3.9%	667,205	4.2%
2000	664,002	2.1%	72,308	0.6%	736,310	2.0%
2004	714,120	1.8%	109,025	10.8%	823,145	2.8%
2005 ⁽²⁾	695,378	-2.6%	85,068	-22.0%	780,446	-5.2%
2006 ⁽³⁾	678,535	-2.4%	85,590	0.6%	764,125	-2.1%
2007 ⁽⁴⁾	696,055	2.6%	92,237	7.8%	788,292	3.2%
2008	688,516	-1.1%	89,366	-3.1%	777,882	-1.3%
2009	694,837	0.9%	80,516	-9.9%	775,353	-0.3%
2010	730,797	5.2%	86,286	7.2%	817,083	5.4%
2011	743,195	1.7%	89,633	3.9%	832,828	1.9%
2012 ⁽²⁾	711,680	-4.2%	92,100	2.8%	803,780	-3.5%
2013	720,513	1.2%	95,529	3.7%	816,042	1.5%
2014	737,238	2.3%	101,041	5.8%	838,279	2.7%
2015 ⁽²⁾	777,719	5.5%	103,896	2.8%	881,615	5.2%
2016 ⁽²⁾⁽⁵⁾	823,643	5.9%	108,248	4.2%	931,891	5.7%
2017 ⁽²⁾⁽⁵⁾	883,468	7.3%	113,866	5.2%	997,334	7.0%
2018 ⁽⁶⁾	889,184	0.6%	119,768	5.2%	1,008,952	1.2%
2019	900,809	1.3%	122,413	2.2%	1,023,222	1.4%
2020	686,065	-23.8%	120,584	-1.5%	806,650	-21.2%
2021	806,799	17.6%	129,797	7.6%	936,595	16.1%
2022	827,659	2.6%	129,476	-0.2%	957,135	2.2%
Growth Rates (AAPC⁽¹⁾)						
1959 – 1980		9.8%		10.4%		9.9%
1980 – 1990		6.1%		3.7%		5.8%
1990 – 2000		3.2%		2.2%		3.1%
2000 – 2010		1.0%		1.8%		1.0%
2010 – 2022		1.0%		3.4%		1.3%

⁽¹⁾ Average Annual Percent Change.

⁽²⁾ Systemwide passenger car or commercial vehicle rate adjustment.

⁽³⁾ Open Road Tolling (ORT) implemented at all mainline toll plazas.

⁽⁴⁾ Veterans Memorial Tollway (I-355) extension opened.

⁽⁵⁾ Portions of IL 390 opened in July 2016 and November 2017.

⁽⁶⁾ Start of annual inflation-based CV rate increases.



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Table 5: Illinois Tollway Systemwide Annual Revenue (in thousands)⁽¹⁾

Year	Passenger Cars	PC AAPC ⁽²⁾	Commercial Vehicles	CV AAPC ⁽²⁾	Total	Total AAPC ⁽²⁾
1959	\$11,943	-	\$2,593	-	\$14,536	-
1964	26,284	17.1%	4,888	13.5%	31,172	16.5%
1969	46,872	12.3%	8,803	12.5%	55,675	12.3%
1970	47,565	1.5%	9,343	6.1%	56,908	2.2%
1975	58,784	4.3%	13,277	7.3%	72,061	4.8%
1980	73,248	4.5%	22,204	10.8%	95,452	5.8%
1982	76,004	1.9%	23,148	2.1%	99,152	1.9%
1983 ⁽³⁾	88,074	15.9%	29,154	25.9%	117,228	18.2%
1985	120,397	16.9%	43,901	22.7%	164,298	18.4%
1989 ⁽³⁾	155,394	6.6%	57,387	6.9%	212,781	6.7%
1990	183,237	17.9%	57,842	0.8%	241,079	13.3%
1995	227,519	4.4%	70,389	4.0%	297,908	4.3%
2000	268,277	3.4%	75,668	1.5%	343,945	2.9%
2004	287,218	1.7%	104,368	8.4%	391,586	3.3%
2005 ⁽³⁾	341,352	18.8%	239,090	129.1%	580,442	48.2%
2006 ⁽⁴⁾	324,556	-4.9%	242,943	1.6%	567,499	-2.2%
2007 ⁽⁵⁾	321,008	-1.1%	251,085	3.4%	572,093	0.8%
2008	335,653	4.6%	247,994	-1.2%	583,647	2.0%
2009	334,520	-0.3%	257,543	3.9%	592,063	1.4%
2010	348,946	4.3%	279,808	8.6%	628,754	6.2%
2011	354,186	1.5%	298,488	6.7%	652,674	3.8%
2012 ⁽³⁾	615,957	73.9%	306,433	2.7%	922,390	41.3%
2013	622,349	1.0%	320,803	4.7%	943,152	2.3%
2014	630,556	1.3%	338,416	5.5%	968,972	2.7%
2015 ⁽³⁾	662,720	5.1%	483,909	43.0%	1,146,629	18.3%
2016 ⁽³⁾⁽⁶⁾	686,846	3.6%	529,452	9.4%	1,216,298	6.1%
2017 ⁽³⁾⁽⁶⁾	724,905	5.5%	584,285	10.4%	1,309,190	7.6%
2018 ⁽⁷⁾	719,165	-0.8%	621,886	6.4%	1,341,051	2.4%
2019	726,063	1.0%	654,688	5.3%	1,380,751	3.0%
2020	522,789	-28.0%	626,231	-4.3%	1,149,020	-16.8%
2021	616,712	18.0%	675,658	7.9%	1,292,370	12.5%
2022	642,279	4.1%	694,242	2.8%	1,336,521	3.4%
Growth Rates (AAPC ⁽²⁾)						
1959 - 1980		9.0%		10.8%		9.4%
1980 - 1990		9.6%		10.0%		9.7%
1990 - 2000		3.9%		2.7%		3.6%
2000 - 2010		2.7%		14.0%		6.2%
2010 - 2022		5.2%		7.9%		6.5%

⁽¹⁾ Collected revenue.

⁽²⁾ Average Annual Percent Change.

⁽³⁾ Systemwide passenger car or commercial rate adjustment.

⁽⁴⁾ Open Road Tolling (ORT) implemented at all mainline toll plazas.

⁽⁵⁾ Veterans Memorial Tollway (I-355) extension opened.

⁽⁶⁾ Portions of IL 390 opened in July 2016 and November 2017.

⁽⁷⁾ Start of annual inflation-based CV rate increases.

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The decline in transactions in 2012 is primarily attributable to the 2012 PC toll rate increase. The decline in 2020 is due to the impacts of the COVID-19 pandemic. PC traffic was most significantly impacted by the pandemic, falling 23.8 percent, while CV transactions performed comparatively well, falling only 1.5 percent year-over-year. Traffic continued to be impacted by the pandemic in 2021, with transactions remaining below 2019 levels throughout the year. In 2021, traffic levels improved significantly compared to 2020, with PC transactions increasing by 17.6 percent and CV transactions increasing by 7.6 percent. Tollway transactions continued to improve in 2022, though at a slower pace. Total transactions ended the year 2.2 percent higher than 2021. CV transactions remained essentially flat at 0.2 percent below 2021. CV transactions in 2022, however, still exceeded 2019 volumes by 5.8 percent. Growth in PC transactions was 2.6 percent over 2021.

Annual toll revenues have generally displayed a growth pattern similar to transactions. However, periodic jumps in revenue have occurred as a result of toll rate increases. Between 1959 and 1980, revenue increased an average of 9.4 percent per year. In the following decade, between 1980 and 1990, average annual revenue growth increased to 9.7 percent per year. Lower growth, an average of 3.6 percent per year, occurred between 1990 and 2000 – during which time there were no toll increases. Since 2000, revenue has grown at a faster rate due to multiple toll rate increases: PC (if paying by cash) and CV toll increases in 2005, a PC toll rate increase in 2012, a three-phase CV toll rate increase between 2015 and 2017, and the start of inflation-based CV toll rate increases in 2018. In 2019, toll revenue increased 3.0 percent to a record high of \$1.38 billion. In 2020, revenues fell approximately 16.8 percent, to \$1.15 billion, due to the impacts of the COVID-19 pandemic. In 2021 and 2022, revenues increased to \$1.29 and \$1.34 billion, respectively. Despite recent growth, 2022 revenues remained 3.2 percent below 2019 levels.

Recent Performance Trends, 2017-2022

Systemwide

Between 2017 and 2019, transactions grew at an average annual rate of 1.3 percent. Some of this growth can be attributed to the opening of the IL 390 eastern extension and several new interchanges on the Jane Addams in 2017. Over the same period, revenues increased at an average annual rate of 2.7 percent. The increase in revenues during this time exceeded that of transactions due to higher growth in CVs, which pay a higher toll rate, and the start of annual inflation-based CV toll rate increases in 2018.

Despite the toll rate increases, CV transactions grew at an average annual rate of 3.7 percent between 2017 and 2019. This growth attests to the relatively low elasticity of demand demonstrated by Tollway patrons. In comparison, PC transactions grew at an average annual rate of 1.0 percent during that same period.

Starting in mid-March 2020, traffic volumes on the Tollway and throughout the U.S. decreased significantly as a result of the COVID-19 pandemic. Although the strictest pandemic-related restrictions were largely lifted in Illinois by mid-to-late 2020, and the statewide mask mandate was lifted on February 28, 2022, the impacts of the pandemic on traffic continued throughout 2021 and

2022. The continued impacts on traffic are likely due in part to the ongoing prevalence of work-from-home policies adopted by many employers. Additionally, changes in travel habits and the periodic reemergence of COVID-19 variants during this timeframe likely suppressed travel as well. These policies remain in effect to varying degrees and the extent and timing of workers' return to commuting and a traditional office environment remain a source of uncertainty.

Figure 3 compares 2021, 2022, and 2023 weekly transaction performance with 2019 volumes. PC transaction recovery began to stabilize in the second half of 2021, and has improved slightly in recent months. Between June 2021 and N 2023, PC transactions have generally ranged between 6.0 and 9.0 percent short of 2019 levels, with some variations due to weather or an increase in illnesses. In comparison, from April through November 2023, PC transactions have ranged between approximately 3.0 percent and 5.0 percent below 2019 levels.

CV performance remained strong through most of the pandemic, partially bolstered by increases in e-commerce and economic recovery. After ranging between 5.0 and 8.0 percent above 2019 levels throughout most of 2021 and the first half of 2022, CV performance began to slow in mid-2022. By December 2022, CV transaction performance slowed to 3.1 percent above December 2019. In 2023, CV performance has varied. Performance in the first six months of the year was similar to 2021 and 2022, before falling in the latter half of the year to between 2.0 percent to 4.0 percent above 2019 levels.

By Route

Table 6 provides a summary of the five most recent years of transactions by facility. A more detailed breakdown of transactions by facility by month between 2017 and 2022 is presented in **Table 7 through Table 12**.

Table 6: Illinois Tollway Transaction Growth by Route, 2017 vs. 2022 (in thousands)

Illinois Tollway Route	Passenger Cars			Commercial Vehicles			Total
	2017	2022	% change	2017	2022	% change	% change
Jane Addams Memorial	176,760	187,303	6.0%	22,478	26,693	18.8%	7.4%
Tri-State	357,393	305,539	-14.5%	59,597	62,909	5.6%	-11.6%
Reagan Memorial	140,760	125,029	-11.2%	13,309	14,680	10.3%	-9.3%
Veterans Memorial	157,766	143,508	-9.0%	14,402	17,062	18.5%	-6.7%
Illinois Route 390	50,790	66,279	30.5%	4,080	8,132	99.3%	35.6%
Systemwide	883,468	827,658	-6.3%	113,866	129,476	13.7%	-4.0%

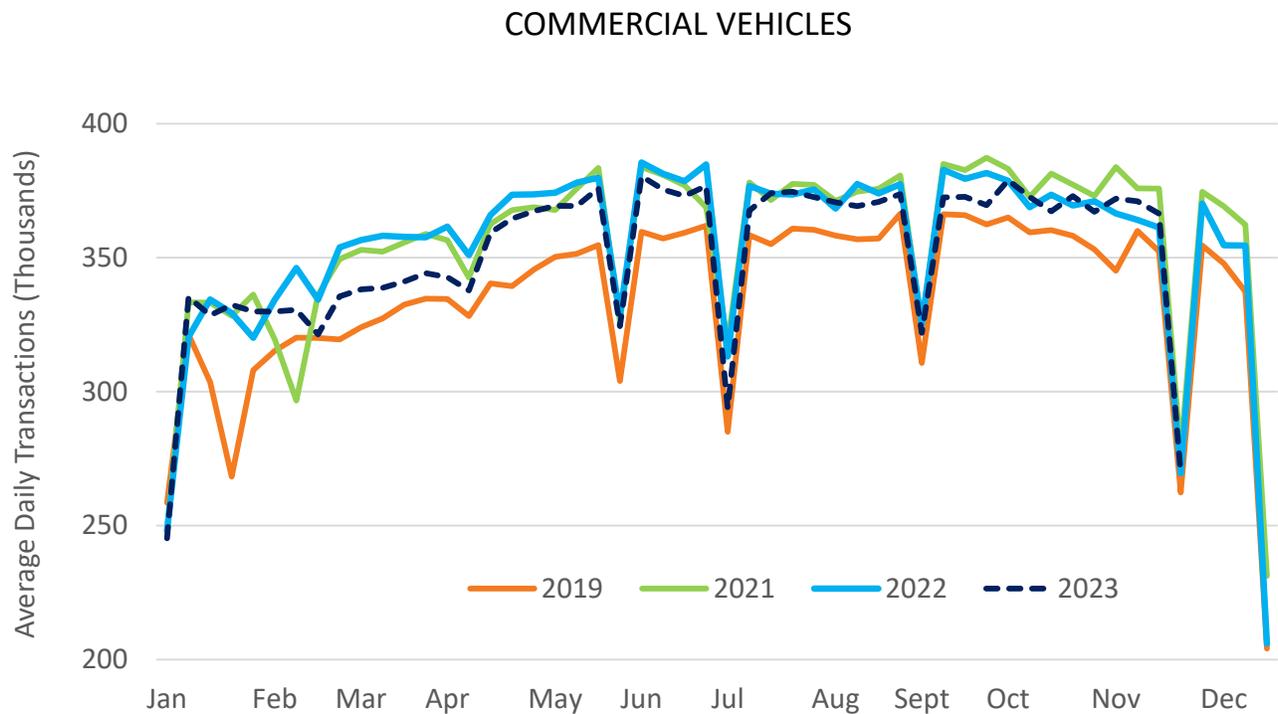
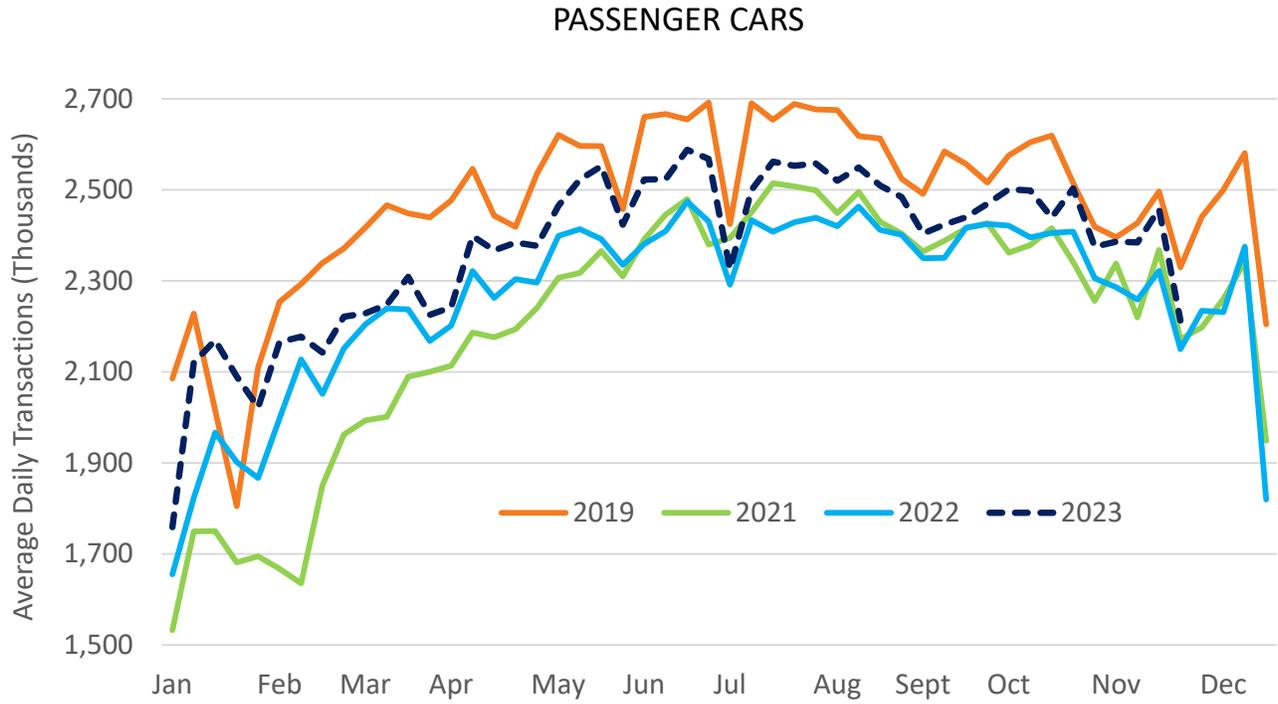


Table 7: Total Illinois Tollway System Monthly Transactions (thousands) ⁽¹⁾

Passenger Cars	2017	% change	2018	% change	2019	% change	2020	% change	2021	% change	2022
January	65,713	4.1%	68,418	-7.4%	63,333	8.4%	68,656	-24.9%	51,566	11.5%	57,470
February	63,031	-1.2%	62,244	2.7%	63,946	5.1%	67,181	-26.3%	49,486	15.3%	57,041
March	72,052	5.0%	75,651	-1.1%	74,839	-28.2%	53,736	17.6%	63,188	8.6%	68,651
April	71,666	3.4%	74,092	0.2%	74,227	-56.2%	32,489	101.6%	65,495	4.7%	68,581
May	77,116	3.3%	79,637	-0.1%	79,561	-44.8%	43,936	62.1%	71,209	2.8%	73,231
June	77,662	1.5%	78,808	0.4%	79,156	-28.6%	56,501	28.6%	72,642	0.3%	72,879
July	78,345	1.0%	79,155	2.8%	81,390	-20.9%	64,371	19.5%	76,932	-3.5%	74,272
August	79,831	-0.4%	79,538	3.4%	82,275	-21.4%	64,634	17.1%	75,670	-0.9%	75,018
September	75,165	-2.9%	72,959	3.3%	75,401	-17.8%	61,959	16.3%	72,046	-0.1%	71,962
October	76,449	0.0%	76,438	4.1%	79,543	-20.2%	63,470	14.9%	72,938	1.0%	73,681
November	73,658	-4.4%	70,452	3.0%	72,582	-26.6%	53,279	28.1%	68,262	-0.6%	67,823
December	72,780	-1.4%	71,793	3.9%	74,555	-25.1%	55,854	20.6%	67,366	-0.5%	67,049
Total	883,468	0.6%	889,184	1.3%	900,808	-23.8%	686,065	17.6%	806,799	2.6%	827,658
Commercial Vehicles	2017	% change	2018	% change	2019	% change	2020	% change	2021	% change	2022
January	8,481	8.5%	9,202	-0.8%	9,127	5.9%	9,661	-0.7%	9,594	0.5%	9,644
February	8,059	6.1%	8,552	5.2%	8,995	-0.2%	8,975	0.8%	9,047	3.7%	9,381
March	9,435	5.8%	9,980	-1.6%	9,820	-1.5%	9,672	16.0%	11,220	1.4%	11,374
April	8,959	9.4%	9,797	4.2%	10,207	-15.7%	8,603	26.9%	10,918	-0.7%	10,840
May	10,004	7.7%	10,771	-0.1%	10,763	-15.2%	9,123	19.7%	10,917	2.8%	11,224
June	10,155	3.8%	10,537	-1.5%	10,382	-0.3%	10,355	11.1%	11,500	1.7%	11,690
July	9,457	9.9%	10,397	3.9%	10,801	0.2%	10,820	3.9%	11,241	-3.6%	10,836
August	10,575	3.4%	10,939	1.6%	11,110	-2.7%	10,808	6.8%	11,542	2.6%	11,843
September	9,686	1.1%	9,791	6.3%	10,413	4.3%	10,857	4.4%	11,337	-1.0%	11,219
October	10,168	7.9%	10,968	4.2%	11,424	0.4%	11,475	-1.2%	11,335	-1.6%	11,153
November	9,819	-0.3%	9,792	0.9%	9,883	2.2%	10,105	6.8%	10,788	-2.9%	10,472
December	9,068	-0.3%	9,043	4.9%	9,489	6.8%	10,132	2.2%	10,357	-5.4%	9,798
Total	113,866	5.2%	119,768	2.2%	122,413	-1.5%	120,584	7.6%	129,797	-0.2%	129,476
All Vehicles Total	997,334	1.2%	1,008,952	1.4%	1,023,220	-21.2%	806,650	16.1%	936,595	2.2%	957,134

⁽¹⁾ Numbers may not add due to rounding.



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Table 8: Jane Addams Memorial Tollway Monthly Transactions (thousands) ⁽¹⁾

Passenger Cars	2017	% change	2018	% change	2019	% change	2020	% change	2021	% change	2022
January	12,476	12.7%	14,055	-2.9%	13,644	9.3%	14,915	-21.2%	11,757	9.9%	12,918
February	12,107	5.4%	12,758	7.1%	13,661	7.7%	14,713	-23.7%	11,228	14.8%	12,885
March	13,917	11.1%	15,462	4.2%	16,107	-26.2%	11,879	19.6%	14,208	7.6%	15,292
April	14,043	8.5%	15,230	5.1%	16,007	-53.4%	7,461	100.2%	14,938	2.8%	15,360
May	15,017	10.2%	16,557	3.4%	17,128	-39.7%	10,333	57.7%	16,294	1.3%	16,498
June	15,480	8.3%	16,761	3.1%	17,274	-23.7%	13,177	26.7%	16,689	-1.1%	16,505
July	16,137	7.0%	17,267	3.3%	17,839	-15.0%	15,169	17.4%	17,810	-3.3%	17,230
August	16,366	6.2%	17,387	3.9%	18,063	-16.3%	15,124	14.8%	17,367	-1.2%	17,153
September	15,560	2.3%	15,924	3.6%	16,492	-13.2%	14,309	14.0%	16,306	0.0%	16,311
October	15,844	4.2%	16,506	4.4%	17,237	-15.7%	14,525	13.8%	16,528	1.3%	16,738
November	14,923	1.3%	15,122	4.4%	15,789	-22.9%	12,175	26.1%	15,351	-0.4%	15,295
December	14,890	4.5%	15,556	4.9%	16,321	-22.3%	12,680	20.0%	15,221	-0.7%	15,118
Total	176,760	6.7%	188,584	3.7%	195,560	-20.0%	156,459	17.4%	183,697	2.0%	187,303
Commercial Vehicles	2017	% change	2018	% change	2019	% change	2020	% change	2021	% change	2022
January	1,598	12.1%	1,791	1.5%	1,817	6.5%	1,936	0.3%	1,941	1.6%	1,972
February	1,541	8.6%	1,674	6.7%	1,785	1.7%	1,816	0.9%	1,833	4.5%	1,915
March	1,819	7.1%	1,948	1.8%	1,983	-0.2%	1,980	15.4%	2,284	1.5%	2,317
April	1,758	11.8%	1,965	5.5%	2,074	-13.6%	1,791	25.7%	2,251	-1.4%	2,220
May	1,956	12.9%	2,208	-0.7%	2,193	-11.9%	1,931	17.6%	2,271	2.5%	2,327
June	2,016	8.4%	2,185	-1.9%	2,143	1.1%	2,166	11.6%	2,418	1.4%	2,452
July	1,934	13.1%	2,187	0.5%	2,198	4.2%	2,291	2.2%	2,341	-2.0%	2,295
August	2,162	5.8%	2,287	-1.3%	2,258	0.5%	2,270	5.9%	2,405	2.9%	2,475
September	1,979	2.3%	2,026	5.9%	2,145	5.4%	2,260	3.3%	2,334	-0.6%	2,320
October	2,057	9.3%	2,247	3.1%	2,316	0.7%	2,333	-0.1%	2,330	-0.5%	2,318
November	1,914	4.0%	1,991	0.1%	1,994	3.2%	2,058	7.3%	2,208	-4.0%	2,119
December	1,744	3.5%	1,806	4.5%	1,886	7.4%	2,026	3.6%	2,099	-6.5%	1,962
Total	22,478	8.2%	24,314	2.0%	24,793	0.3%	24,857	7.5%	26,715	-0.1%	26,693
All Vehicles Total	199,238	6.9%	212,899	3.5%	220,352	-17.7%	181,317	16.0%	210,412	1.7%	213,996

⁽¹⁾ Numbers may not add due to rounding.



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Table 9: Tri-State Tollway Monthly Transactions (thousands) ⁽¹⁾

Passenger Cars	2017	% change	2018	% change	2019	% change	2020	% change	2021	% change	2022
January	26,830	-1.4%	26,446	-7.4%	24,478	6.1%	25,970	-25.9%	19,239	10.4%	21,244
February	25,661	-6.4%	24,012	2.6%	24,643	3.2%	25,421	-28.2%	18,256	14.3%	20,867
March	29,519	0.4%	29,640	-1.0%	29,350	-30.9%	20,269	17.1%	23,736	7.8%	25,597
April	29,358	-0.9%	29,103	-1.1%	28,792	-58.8%	11,864	106.3%	24,470	3.8%	25,398
May	31,581	-0.3%	31,499	-1.8%	30,946	-46.8%	16,466	62.2%	26,704	1.6%	27,132
June	31,741	-0.7%	31,522	-2.1%	30,848	-31.1%	21,268	26.9%	26,996	-0.1%	26,956
July	32,149	-1.1%	31,809	0.2%	31,868	-24.0%	24,214	20.5%	29,183	-4.5%	27,872
August	32,345	-1.6%	31,812	0.4%	31,943	-24.4%	24,149	17.4%	28,353	-2.5%	27,631
September	30,236	-3.9%	29,066	-0.1%	29,026	-20.4%	23,093	16.1%	26,820	-1.6%	26,385
October	30,743	-2.2%	30,072	1.2%	30,428	-22.5%	23,572	14.2%	26,929	0.1%	26,952
November	28,955	-3.8%	27,855	-0.4%	27,745	-28.3%	19,892	26.2%	25,100	-0.4%	24,991
December	28,276	-0.9%	28,019	1.4%	28,418	-26.8%	20,812	19.2%	24,815	-1.2%	24,515
Total	357,393	-1.8%	350,854	-0.7%	348,484	-26.3%	256,991	17.0%	300,602	1.6%	305,539
Commercial Vehicles	2017	% change	2018	% change	2019	% change	2020	% change	2021	% change	2022
January	4,594	3.7%	4,765	1.1%	4,817	3.4%	4,979	-0.2%	4,969	-2.6%	4,837
February	4,352	1.7%	4,427	6.7%	4,723	-2.1%	4,625	0.9%	4,665	0.6%	4,692
March	5,070	2.2%	5,179	-0.4%	5,159	-3.6%	4,973	16.1%	5,774	-0.8%	5,725
April	4,758	6.2%	5,053	3.8%	5,244	-17.7%	4,315	26.4%	5,453	-1.9%	5,350
May	5,260	4.9%	5,516	-1.1%	5,455	-16.5%	4,557	18.5%	5,399	0.5%	5,428
June	5,261	2.5%	5,394	-3.0%	5,230	-1.5%	5,150	7.8%	5,554	0.5%	5,579
July	4,868	9.2%	5,316	1.5%	5,395	-1.4%	5,321	2.4%	5,446	-5.3%	5,156
August	5,433	3.9%	5,644	-1.8%	5,542	-2.9%	5,384	3.9%	5,596	0.5%	5,626
September	4,999	1.5%	5,077	2.8%	5,221	4.3%	5,447	1.3%	5,516	-3.4%	5,326
October	5,290	7.2%	5,673	0.3%	5,691	1.4%	5,773	-4.0%	5,541	-4.1%	5,316
November	5,022	1.7%	5,108	-2.3%	4,989	2.5%	5,115	3.1%	5,273	-3.9%	5,065
December	4,690	2.5%	4,805	1.0%	4,855	7.3%	5,211	-0.8%	5,169	-7.0%	4,809
Total	59,597	4.0%	61,957	0.6%	62,319	-2.4%	60,851	5.8%	64,354	-2.2%	62,909
All Vehicles Total	416,990	-1.0%	412,811	-0.5%	410,803	-22.6%	317,842	14.8%	364,956	1.0%	368,449

⁽¹⁾ Numbers may not add due to rounding.



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Table 10: Reagan Memorial Tollway Monthly Transactions (thousands)⁽¹⁾

Passenger Cars	2017	% change	2018	% change	2019	% change	2020	% change	2021	% change	2022
January	10,700	-0.7%	10,629	-10.8%	9,476	9.1%	10,341	-27.9%	7,461	15.0%	8,580
February	10,316	-6.4%	9,659	0.0%	9,661	5.2%	10,162	-29.1%	7,203	19.3%	8,590
March	11,689	0.5%	11,742	-4.3%	11,235	-29.4%	7,935	17.5%	9,326	10.9%	10,345
April	11,531	-2.7%	11,218	-1.8%	11,021	-59.4%	4,477	114.6%	9,606	7.7%	10,348
May	12,467	-5.5%	11,777	0.0%	11,777	-49.0%	6,012	75.4%	10,544	5.4%	11,108
June	12,242	-6.7%	11,421	1.1%	11,550	-32.1%	7,838	36.6%	10,710	1.5%	10,874
July	12,207	-6.9%	11,367	3.6%	11,773	-23.0%	9,066	23.8%	11,229	-1.9%	11,012
August	12,582	-8.7%	11,481	4.6%	12,015	-22.8%	9,276	20.7%	11,193	0.8%	11,285
September	11,924	-10.2%	10,708	4.2%	11,157	-19.6%	8,969	20.4%	10,801	1.6%	10,978
October	12,124	-7.4%	11,227	5.1%	11,797	-21.7%	9,240	20.0%	11,092	1.3%	11,238
November	11,513	-9.0%	10,479	3.7%	10,866	-28.8%	7,737	35.1%	10,455	-0.9%	10,358
December	11,466	-4.9%	10,900	3.7%	11,298	-27.3%	8,213	25.1%	10,277	0.4%	10,314
Total	140,760	-5.8%	132,607	0.8%	133,627	-25.7%	99,264	20.8%	119,895	4.3%	125,029
Commercial Vehicles	2017	% change	2018	% change	2019	% change	2020	% change	2021	% change	2022
January	998	2.5%	1,023	-10.5%	916	12.3%	1,029	-0.2%	1,027	4.3%	1,071
February	939	1.0%	948	-2.8%	921	4.1%	959	1.1%	969	8.0%	1,047
March	1,106	-0.5%	1,101	-9.1%	1,001	3.8%	1,039	15.5%	1,200	4.4%	1,252
April	1,044	-3.2%	1,010	4.8%	1,058	-11.1%	941	27.4%	1,199	1.0%	1,211
May	1,176	-7.4%	1,090	2.4%	1,116	-11.1%	992	21.8%	1,208	5.0%	1,269
June	1,207	-12.3%	1,058	2.5%	1,085	4.0%	1,128	13.6%	1,282	3.2%	1,323
July	1,121	-7.2%	1,040	9.5%	1,139	3.8%	1,182	5.9%	1,251	-1.2%	1,236
August	1,255	-13.0%	1,092	9.5%	1,196	-2.1%	1,171	10.5%	1,294	5.5%	1,366
September	1,144	-15.5%	967	15.9%	1,120	4.6%	1,172	9.2%	1,279	2.0%	1,305
October	1,191	-8.2%	1,093	13.0%	1,235	1.7%	1,255	2.3%	1,284	0.4%	1,288
November	1,110	-12.4%	972	9.3%	1,062	3.8%	1,103	9.5%	1,208	-0.7%	1,199
December	1,019	-12.1%	896	13.5%	1,016	7.5%	1,093	5.1%	1,148	-3.2%	1,111
Total	13,309	-7.7%	12,290	4.7%	12,864	1.6%	13,064	9.8%	14,349	2.3%	14,680
All Vehicles Total	154,068	-6.0%	144,897	1.1%	146,491	-23.3%	112,328	19.5%	134,244	4.1%	139,708

⁽¹⁾ Numbers may not add due to rounding.



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Table 11: Veterans Memorial Tollway Monthly Transactions (thousands) ⁽¹⁾

Passenger Cars	2017	% change	2018	% change	2019	% change	2020	% change	2021	% change	2022
January	12,009	-0.5%	11,953	-12.7%	10,435	12.4%	11,724	-24.3%	8,870	12.8%	10,005
February	11,501	-5.3%	10,887	-1.7%	10,705	6.3%	11,380	-24.2%	8,625	15.5%	9,961
March	13,054	-0.4%	13,003	-5.9%	12,238	-25.9%	9,066	19.6%	10,839	9.5%	11,872
April	12,918	-0.5%	12,853	-3.4%	12,414	-55.0%	5,580	102.5%	11,300	6.2%	12,002
May	13,896	-2.1%	13,605	-2.4%	13,283	-44.2%	7,406	64.8%	12,208	4.1%	12,702
June	14,014	-7.2%	13,005	1.3%	13,176	-27.0%	9,624	30.8%	12,587	1.1%	12,728
July	13,746	-7.9%	12,657	5.9%	13,410	-19.1%	10,849	19.5%	12,970	-3.5%	12,514
August	14,173	-11.3%	12,566	8.7%	13,657	-19.4%	11,007	17.8%	12,965	0.1%	12,972
September	13,358	-13.8%	11,521	9.8%	12,649	-15.8%	10,651	17.6%	12,528	-0.2%	12,508
October	13,559	-8.6%	12,395	9.3%	13,549	-18.9%	10,984	16.2%	12,766	0.7%	12,857
November	12,815	-11.8%	11,305	8.6%	12,281	-25.4%	9,160	30.6%	11,964	-2.2%	11,698
December	12,724	-8.4%	11,659	8.0%	12,596	-23.4%	9,650	21.3%	11,710	-0.2%	11,688
Total	157,766	-6.6%	147,410	2.0%	150,393	-22.1%	117,083	19.0%	139,332	3.0%	143,508
Commercial Vehicles	2017	% change	2018	% change	2019	% change	2020	% change	2021	% change	2022
January	1,045	6.2%	1,109	-6.6%	1,036	9.9%	1,138	-1.8%	1,118	5.9%	1,185
February	991	3.0%	1,021	1.6%	1,037	1.2%	1,049	0.8%	1,057	9.6%	1,158
March	1,157	2.8%	1,189	-6.4%	1,113	0.4%	1,117	17.6%	1,314	7.3%	1,410
April	1,120	7.0%	1,198	2.1%	1,223	-15.7%	1,031	31.9%	1,360	2.8%	1,397
May	1,286	3.3%	1,328	0.9%	1,340	-18.3%	1,095	26.2%	1,382	8.4%	1,499
June	1,332	-4.2%	1,276	1.2%	1,292	-1.6%	1,272	19.3%	1,518	5.2%	1,596
July	1,222	1.2%	1,236	10.7%	1,369	-2.2%	1,340	10.4%	1,479	-1.1%	1,462
August	1,367	-7.6%	1,263	10.5%	1,395	-5.7%	1,315	15.2%	1,515	5.9%	1,604
September	1,240	-8.9%	1,129	12.6%	1,272	3.1%	1,311	13.4%	1,486	2.6%	1,525
October	1,302	-1.4%	1,284	10.7%	1,420	-2.2%	1,389	5.6%	1,467	2.8%	1,508
November	1,228	-7.5%	1,136	7.9%	1,226	-0.1%	1,225	16.8%	1,432	-1.2%	1,415
December	1,113	-9.0%	1,013	14.2%	1,157	4.3%	1,206	9.5%	1,321	-1.4%	1,303
Total	14,402	-1.5%	14,183	4.9%	14,881	-2.6%	14,490	13.5%	16,449	3.7%	17,062
All Vehicles Total	172,168	-6.1%	161,593	2.3%	165,274	-20.4%	131,573	18.4%	155,781	3.1%	160,570

⁽¹⁾ Numbers may not add due to rounding.



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Table 12: Illinois Route 390 Tollway Monthly Transactions (thousands) ⁽¹⁾

Passenger Cars	2017	% change	2018	% change	2019	% change	2020	% change	2021	% change	2022
January	3,698	44.3%	5,335	-0.7%	5,300	7.7%	5,706	-25.7%	4,239	11.4%	4,723
February	3,446	43.0%	4,927	7.1%	5,277	4.3%	5,505	-24.2%	4,174	13.5%	4,739
March	3,874	49.8%	5,803	1.8%	5,909	-22.4%	4,587	10.7%	5,079	9.2%	5,545
April	3,817	49.0%	5,688	5.3%	5,992	-48.1%	3,107	66.7%	5,180	5.7%	5,473
May	4,155	49.2%	6,200	3.7%	6,428	-42.1%	3,718	46.8%	5,459	6.1%	5,791
June	4,185	45.7%	6,099	3.4%	6,308	-27.2%	4,593	23.2%	5,659	2.8%	5,815
July	4,106	47.5%	6,055	7.4%	6,500	-22.0%	5,071	13.2%	5,741	-1.7%	5,644
August	4,366	44.1%	6,292	4.8%	6,597	-23.0%	5,079	14.0%	5,792	3.2%	5,978
September	4,087	40.5%	5,741	5.8%	6,076	-18.8%	4,936	13.3%	5,591	3.4%	5,781
October	4,179	49.3%	6,238	4.7%	6,532	-21.2%	5,148	9.2%	5,624	4.9%	5,897
November	5,453	4.4%	5,691	3.7%	5,901	-26.9%	4,315	25.0%	5,392	1.6%	5,480
December	5,424	4.3%	5,659	4.7%	5,924	-24.1%	4,499	18.7%	5,343	1.3%	5,415
Total	50,790	37.3%	69,727	4.3%	72,745	-22.7%	56,267	12.4%	63,272	4.8%	66,279
Commercial Vehicles	2017	% change	2018	% change	2019	% change	2020	% change	2021	% change	2022
January	246	108.5%	513	5.5%	541	7.0%	579	-6.8%	540	7.3%	579
February	236	104.1%	482	9.6%	528	-0.5%	526	-0.5%	523	8.7%	569
March	285	97.6%	562	0.3%	564	-0.2%	563	15.1%	648	3.4%	670
April	280	104.0%	571	6.6%	609	-13.8%	525	25.1%	656	1.0%	663
May	326	93.2%	630	4.6%	659	-16.9%	548	19.9%	657	6.7%	701
June	339	83.7%	623	1.6%	633	0.9%	639	14.2%	729	1.6%	741
July	311	98.2%	617	13.5%	700	-1.9%	687	5.3%	724	-5.0%	688
August	358	82.3%	653	10.0%	718	-7.2%	667	9.8%	732	5.4%	772
September	323	83.4%	593	10.6%	656	1.7%	667	8.2%	721	3.0%	743
October	329	104.0%	672	13.2%	761	-4.8%	725	-1.6%	713	1.3%	723
November	545	7.4%	585	4.7%	613	-1.5%	604	10.6%	668	0.9%	673
December	502	4.4%	524	9.7%	575	3.7%	596	4.0%	620	-1.2%	612
Total	4,080	72.1%	7,024	7.6%	7,557	-3.1%	7,323	8.3%	7,930	2.5%	8,132
All Vehicles Total	54,870	39.9%	76,752	4.6%	80,301	-20.8%	63,590	12.0%	71,202	4.5%	74,411

⁽¹⁾ Numbers may not add due to rounding.

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The Jane Addams Memorial Tollway has experienced the highest recent growth of the four established Tollway routes. Widening and reconstruction was completed in December 2016 and was followed by significant transaction growth, including an increase of 16.2 percent in 2017, 6.9 percent in 2018, and 3.5 percent in 2019. As with all routes, transactions on the Jane Addams decreased in 2020 as a result of the COVID-19 pandemic, with total transactions declining by 17.7 percent over 2019. Since 2020, the Jane Addams has had the strongest transaction recovery among the established routes, with 2022 transactions falling 2.9 percent below 2019 volumes. Consistent with the rest of the system, performance has been strongest in CV traffic, with CVs surpassing 2019 volumes by 7.7 percent in 2022. PC performance remains below 2019 volumes, but has recovered to within 4.2 percent in 2022.

Transactions on the Tri-State Tollway have been impacted by significant construction activity since 2018, including reconstruction and widening work on the Central Tri-State and reconstruction work on the Edens Spur. Work on the Edens Spur was substantially completed at the end of 2020. Work on the central Tri-State is scheduled for substantial completion in 2027. Between 2017 and 2019, transactions on this route decreased by 1.5 percent. Transactions then declined in 2020 by 22.6 percent due to the COVID-19 pandemic. By 2022, transactions had somewhat recovered to 11.6 percent below peak 2017 levels, with passenger cars down 14.5 percent and commercial vehicles up 5.6 percent. In 2022, transactions were 10.3 percent below 2019 levels, which had been affected by construction.

Over the last 10 years, growth on the Reagan Memorial Tollway has slowed as population growth in the surrounding suburbs stabilized. In addition, between 2017 and 2019, construction work on this route and the connecting Tri-State Tollway, combined with the completed widening of the parallel Jane Addams Memorial Tollway, contributed to decreases in traffic. In 2020, total transactions declined by 23.3 percent over the previous year. By 2022, transactions had somewhat recovered to 9.3 percent below peak 2017 levels, with passenger cars down 11.2 percent and commercial vehicles up 10.3 percent. In 2022, transactions were 4.6 percent below 2019 levels, which had been impacted by construction.

Transactions on the Veterans Memorial Tollway peaked in 2017, followed by lower traffic volumes in 2018 and 2019 due to significant construction work. In 2020, total transactions declined by 20.4 percent over the previous year. In 2022, transactions recovered to 6.7 percent below peak 2017 levels. CV performance was particularly strong on this route in 2022 at 18.5 percent above 2017 volumes, compared with a 9.0 percent decrease for PCs. Some of this CV growth can be attributed to diversion from construction on the central Tri-State. In 2022, transactions were 2.8 percent below 2019 levels, which had been impacted by construction.

IL 390 is the Tollway's newest facility. The western section began tolling between Lake Street (US 20) and Rohlwing Road on July 5, 2016. The eastern extension of this route between Rohlwing Road and Busse Highway (IL 83) opened on November 1, 2017, contributing to significant growth in 2018 and 2019. Total transactions fell by 20.8 percent in 2020 in response to the COVID-19

pandemic. By 2022, transactions had recovered to 7.3 percent below 2019 volumes. CV transactions were up 7.6 percent compared to 2019 volumes, while PC transactions remained 8.9 percent below. Compared to 2017, performance in 2022 is up 35.6 percent, due in part to the opening of the eastern extension of IL 390 in late 2017.

Annual revenues are presented by route for 2017 through 2022 in **Table 13**. As illustrated, trends on the different facilities have varied.

Table 13: Illinois Tollway Revenue by Route, 2017-2022 (in thousands)⁽¹⁾⁽²⁾

Illinois Tollway Route	2017 ⁽³⁾⁽⁴⁾	% Δ	2018 ⁽⁴⁾	% Δ	2019	% Δ	2020	% Δ	2021	% Δ	2022
Jane Addams Memorial	\$258,433	8.6%	\$280,736	3.3%	\$290,057	-13.9%	\$249,692	12.2%	\$280,150	17.6%	\$329,333
Tri-State	\$596,569	2.3%	\$610,289	1.4%	\$618,877	-17.0%	\$513,815	10.4%	\$567,248	17.0%	\$663,452
Reagan Memorial	\$199,192	-6.9%	\$185,530	5.4%	\$195,522	-17.1%	\$162,043	15.4%	\$187,072	20.8%	\$225,915
Veterans Memorial	\$228,873	-0.3%	\$228,236	4.3%	\$238,006	-19.3%	\$191,990	16.6%	\$223,911	22.4%	\$274,046
Illinois Route 390	\$24,699	41.2%	\$34,873	5.2%	\$36,701	-18.5%	\$29,904	7.9%	\$32,268	21.1%	\$39,086
System-wide	\$1,307,765	2.4%	\$1,339,664	2.9%	\$1,379,163	-16.8%	\$1,147,446	12.5%	\$1,290,650	18.7%	\$1,531,831

⁽¹⁾ Collected revenue. Does not include oversized/overweight vehicle revenues.

⁽²⁾ CV toll rates increased by 1.84, 2.25, 2.07, 1.56, and 2.30 percent in 2018, 2019, 2020, 2021, and 2022, respectively.

⁽³⁾ Widening and reconstruction on the Jane Addams was completed in December 2016.

⁽⁴⁾ Tolling on the eastern extension of IL 390 began on November 1, 2017.

Regional Socioeconomic Characteristics

Regional socioeconomic characteristics are a principal driver of travel demand and have a significant impact on the ongoing usage of a toll facility. Population and employment are the two most important variables used in socioeconomic forecasts for transportation planning. From these socioeconomic variables, transportation planners forecast trip origins and destinations, trip distribution (linking origins and destinations), modal choice (auto, train, bus, walk), and trip assignment (specific route). Total auto trips assigned to Illinois Tollway (Tollway) routes provide the basis for revenue estimation. As such, a review of these underlying demographic assumptions is

critical. This section provides a summary of historic population and employment data, recent and short-term economic performance, and future socioeconomic forecasts for the Tollway service area.

The Tollway service area consists of 15 Illinois counties. The Tollway passes directly through 11 counties, while the other four are adjacent and contribute significant system traffic. The 15 counties are Boone, Cook, DeKalb, DuPage, Grundy, Kane, Kankakee, Kendall, Lake, LaSalle, Lee, McHenry, Ogle, Will, and Winnebago counties. The 11 counties that the Tollway directly passes through are placed into four groups for the purposes of this report: core counties, collar counties, the Rockford Metropolitan Statistical Area (MSA), and rural counties.

Historical Socioeconomic Trends

Cook, DuPage, and Lake comprise the core counties, from which most toll revenues and transactions are generated. All three counties are relatively mature, with population growth leveling off in the preceding decades. Combined core counties' population increased 6.6 percent in the last four decades, between 1980 and 2019, from 6.35 to 6.77 million. Due to their large bases, these counties account for 29.5 percent of absolute population growth among the 15 counties over the four decades. Employment growth (per Bureau of Economic Analysis (BEA) definition) occurred at a faster and sustained pace in the core, increasing 41.3 percent—from 3.41 to 4.81 million—between 1980 and 2019, representing more than two-thirds of all job growth in the 15 counties in that timeframe.

Collar counties include Will, Kane, McHenry, and DeKalb. Growth in the collar counties was slower during the suburbanization of 1950-1990 when Cook, DuPage, and Lake were growing most rapidly. However, after 1990, growth in the collar accelerated as available developable land diminished in the core. Collectively, the collar counties' population almost doubled between 1980 and 2019, from 0.83 to 1.64 million, accounting for 58.0 percent of absolute population growth in the 15 counties. Employment grew faster, at 148.3 percent between 1980 and 2019, from 327,249 to 812,548 jobs.

The Rockford MSA comprises Winnebago and Boone counties. The City of Rockford, in Winnebago County, was the second largest city in Illinois throughout the 20th century, but was overtaken by Aurora in the 2000 census. Winnebago County's population stagnated between 1970 and 1990 around 250,000, reflecting a downturn in the nation's manufacturing base. However, the population grew by 11.7 percent between 1990 and 2019 to 282,465.

Lee and Ogle counties are at the western end of the Reagan Memorial Tollway. Both are rural and expected to remain rural. Lee County's population decreased 10.1 percent since 1970 to 34,061. Ogle County's population increased from 42,867 to 50,660, or 18.2 percent.

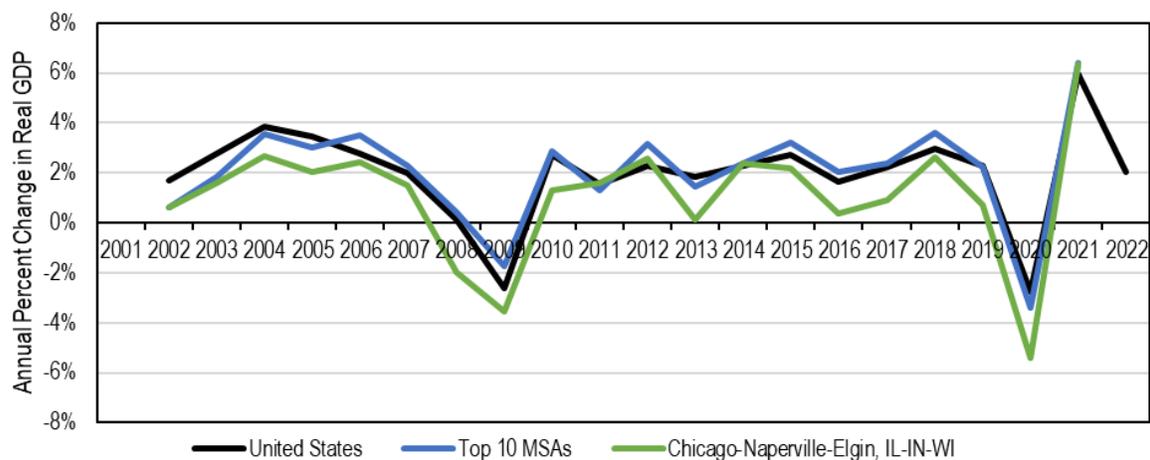
Recent Economic Activity and Short-Term Economic Projections

After the Great Recession ended in July 2009, there was generally positive real GDP and employment growth in the United States through early 2020. This trend changed abruptly

beginning in March 2020 with the emergence of the COVID-19 pandemic. During this time, widespread social distancing measures had substantial impacts on economic activity. Data reflected in the subsequent two figures depict mostly pre-COVID-19 growth patterns, the subsequent shock stemming from COVID-19, and economic recovery beginning in 2021.

Figure 4 illustrates historical changes in real GDP (regionally as Gross Regional Product, or GRP) for the Chicago MSA², as compared to the nation and the top 10 MSAs in the United States (including Chicago). All three categories experienced a downturn during the Great Recession, followed by a decade-plus rebound. Excepting a few quarters’ decline in 2011 and one in 2014, the expansion between 2009 and 2020 was one of the longest economic expansion on record. In 2020, GDP declined 2.8 percent due to the COVID-19 pandemic. As the top 10 MSAs constitute about one-third of total national GDP, the top MSAs likewise exhibited a decline of 3.4 percent in 2020. Chicago, the third largest MSA by GRP, declined by 5.4 percent. In 2021, national GDP increased 5.0 percent, rebounding beyond pre-pandemic GDP in real terms. In 2022, GDP increased 2.1 percent, close to the average growth rate for the period between the Great Recession and the COVID-19 pandemic. GDP grew at annualized rates of 1.7 percent, 2.4 percent, and 3.0 percent in the first, second, and third quarters of 2023, respectively.

Figure 4: Historical Real GDP Growth



Source: Bureau of Economic Analysis.

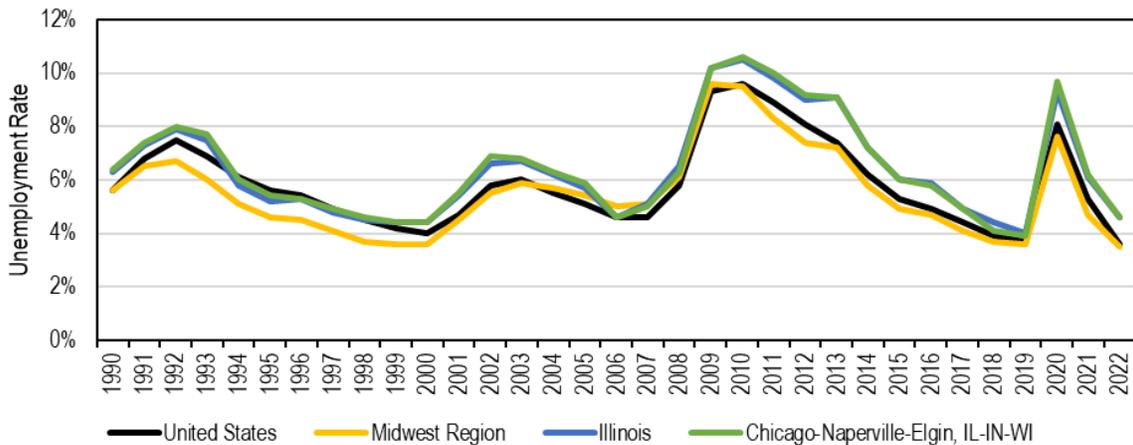
Figure 5 depicts historical trends in unemployment rates for the Chicago MSA, Illinois, Midwest, and nation, showing close parallels across time for the various geographies. The Chicago MSA’s unemployment rate increased significantly during the Great Recession, from 5.0 percent in 2007 to a peak of 10.6 percent in 2010. After peaking, the Chicago MSA’s unemployment rate steadily declined and dropped to 3.9 percent in 2019. However, the Chicago-area unemployment rate

² Also called the “Chicago-Naperville-Elgin, IL-IN-WI” region.

continued to remain slightly higher than the Midwest and national rates at 3.6 percent and 3.7 percent, respectively.

In 2020, the national unemployment rate increased to 8.1 percent due to the COVID-19 pandemic. Unemployment rates in the Tollway service area were above the national level, with rates of 9.2 percent in Illinois and 9.5 percent in the Chicago metropolitan area. In 2021, unemployment rates declined to 5.3 percent, 4.7 percent, 6.1 percent, and 6.2 percent for the nation, Midwest, Illinois, and Chicago metropolitan area, respectively. In 2022, unemployment rates declined further to 3.6 percent, 3.5 percent, 4.6 percent, and 4.6 percent, respectively. The national unemployment rate had been steady at approximately 3.6 percent from March 2022 through July 2023, but began to increase slightly in the latter half of 2023, reaching 3.9 percent in October. Illinois and the Chicago region continue to exhibit unemployment rates slightly higher than the Midwest and the United States, with annual rates over 4.5 percent.

Figure 5: Historical Unemployment Rates



Source: Bureau of Labor Statistics.

Inflation is typically measured using the BLS' Consumer Price Index (CPI) or the Federal Reserve's/ BEA's Personal Consumption Expenditures (PCE) index. The Federal Reserve is responsible for monetary policy and has set an official policy target of 2.0 percent for long-term PCE annual inflation. Recently, inflation has been substantially higher than that target, due to strong economic growth following pandemic-related lockdowns, a labor market generally considered at full structural employment, and unique pandemic-related factors.

Due to the convergence of these factors, recent inflation has exceeded the long-term 2.0 percent target. In 2021, the CPI index increased 4.7 percent, reflecting very low inflation in the early months, but near or above 7.0 percent in the last months as calculated on a year-over-year basis. In the first half of 2022, CPI continued to increase, peaking at a year-over-year rate of 9.1 percent in

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June. Inflation has since decelerated to a year-over-year rate of 3.2 percent in October 2023, down from 6.3 percent in January 2023.

Most forecasting sources publish macroeconomic data with rolling quarterly updates, although some are published annually or semi-annually. **Table 14** depicts forecasts for national real GDP growth for 2023 and 2024. In 2023, GDP is forecasted to grow at an average of 1.6 percent, ranging between 0.9 percent and 2.1 percent. No forecaster predicts an annual decline in 2023. In 2024, GDP is expected to increase an average of 0.8 percent, which is lower than historical trends.

Table 14: National Forecasts for Real GDP Growth

Source	Release Date	2023	2024
Bank of Montreal (BMO) Capital Markets Economics	August 4, 2023	2.1%	1.0%
Federal Reserve Bank of Philadelphia: Survey of Professional Forecasters*	August 11, 2023	2.1%	1.3%
Conference Board	August 2, 2023	1.9%	0.5%
Energy Information Administration (EIA): Short-Term Energy Outlook	August 9, 2023	1.9%	1.2%
International Monetary Fund (IMF): World Economic Outlook	April 13, 2023	1.8%	1.0%
Woods & Poole Economics, Inc.	June 13, 2023	1.7%	1.7%
Wells Fargo Securities Economics Group	July 13, 2023	1.7%	0.1%
ScotiaBank Global Economics	July 20, 2023	1.6%	0.5%
Organization for Economic Cooperation and Development (OECD)	June 7, 2023	1.6%	1.0%
Congressional Budget Office (CBO)	June 28, 2023	1.5%	1.0%
PNC Financial Services Group	June 27, 2023	1.5%	-
TD Economics	June 15, 2023	1.5%	0.8%
National Association of Realtors	July 25, 2023	1.4%	1.7%
University of Michigan: Research Seminar in Quantitative Economics (RSQE)	May 19, 2023	1.3%	0.5%
World Bank	June 13, 2023	1.1%	0.8%
Federal Reserve Bank: Federal Open Market Committee (FOMC)	June 14, 2023	1.0%	1.1%
Royal Bank of Canada (RBC) Economics	June 8, 2023	0.9%	0.3%
Average		1.6%	0.8%

*Average from a survey of professional forecasters.

Table 15 shows national unemployment rate forecasts. In 2023, the unemployment rate is forecast on average to be 3.7 percent, and then rise slightly to an average of 4.4 percent in 2024. Although the forecasts increase, a mid-4.0 percent unemployment rate is still relatively low by historical averages. A narrow consensus in national unemployment forecasts indicates that most macroeconomists believe that the currently strong, effectively full structural employment will likely continue.

Table 15: National Unemployment Rate Forecasts

Source	Release Date	2023	2024
Wells Fargo Securities Economics Group	July 13, 2023	3.6%	4.4%
Conference Board	August 2, 2023	3.6%	4.0%
Bank of Montreal (BMO) Capital Markets Economics	August 4, 2023	3.6%	4.4%
University of Michigan: Research Seminar in Quantitative Economics (RSQE)	May 19, 2023	3.6%	4.1%
Energy Information Administration (EIA): Short-Term Energy Outlook	August 9, 2023	3.6%	4.0%
TD Economics	June 15, 2023	3.6%	4.3%
Federal Reserve Bank of Philadelphia: Survey of Professional Forecasters*	August 11, 2023	3.6%	4.0%
Organization for Economic Cooperation and Development (OECD)	June 7, 2023	3.7%	4.4%
ScotiaBank Global Economics	July 20, 2023	3.7%	4.3%
National Association of Realtors	July 25, 2023	3.7%	4.1%
Congressional Budget Office (CBO)	June 28, 2023	3.7%	4.5%
PNC Financial Services Group	June 27, 2023	3.8%	4.8%
Office of Management and Budget (OMB)	June 1, 2023	3.8%	4.4%
International Monetary Fund (IMF): World Economic Outlook	April 13, 2023	3.8%	4.9%
Royal Bank of Canada (RBC) Economics	June 8, 2023	3.9%	4.8%
Federal Reserve Bank: Federal Open Market Committee (FOMC)	June 14, 2023	4.1%	4.5%
Average		3.7%	4.4%

*Average from a survey of professional forecasters.

Table 16 shows national inflation rate forecasts. All sources expect inflation to come down considerably in 2023, but remain higher than the 2.0 percent Federal Reserve inflation target, with an average forecast of 4.0 percent. Inflation forecasts range between 3.2 percent and 4.7 percent for 2023. In 2024, the forecasts range from 1.7 percent to 3.4 percent, with an average forecast of 2.6 percent, closer to the official target.

Table 16: National Inflation Rate Forecasts

Source	Release Date	2023	2024
Federal Reserve Bank: Federal Open Market Committee (FOMC)	June 14, 2023	3.2%	2.5%
Federal Reserve Bank of Philadelphia: Survey of Professional Forecasters*	August 11, 2023	3.4%	2.5%
Conference Board	August 2, 2023	3.7%	2.3%
Energy Information Administration (EIA): Short-Term Energy Outlook	August 9, 2023	3.8%	2.6%
Organization for Economic Cooperation and Development (OECD)	June 7, 2023	3.9%	2.6%
Royal Bank of Canada (RBC) Economics	June 8, 2023	3.9%	2.2%
Wells Fargo Securities Economics Group	July 13, 2023	4.0%	2.5%
Woods & Poole Economics, Inc.	June 13, 2023	4.1%	3.4%
University of Michigan: Research Seminar in Quantitative Economics (RSQE)	May 19, 2023	4.1%	2.7%
Bank of Montreal (BMO) Capital Markets Economics	August 4, 2023	4.1%	2.7%
Congressional Budget Office (CBO)	June 28, 2023	4.2%	2.9%
Office of Management and Budget (OMB)	June 1, 2023	4.2%	2.8%
ScotiaBank Global Economics	July 20, 2023	4.2%	2.8%
TD Economics	June 15, 2023	4.3%	2.7%
PNC Financial Services Group	June 27, 2023	4.3%	1.7%
International Monetary Fund (IMF): World Economic Outlook	April 13, 2023	4.5%	2.3%
National Association of Realtors	July 25, 2023	4.7%	2.9%
Average		4.0%	2.6%

*Average from a survey of professional forecasters
FOMC, OECD, Conference Board are PCE inflation forecasts.

Long-Term Population and Employment Forecasts

CDM Smith retained the services of Dr. Kermit Wies to develop an independent review of the Chicago Metropolitan Agency for Planning (CMAP) ON TO 2050 population and employment forecasts and to recommend adjustments. Regional population and employment data are inputs into the travel demand model, which is used in developing traffic and toll revenue forecasts.

Following the independent review, Dr. Wies provided CDM Smith with an alternative socioeconomic forecast to ON TO 2050. His independent forecast is a policy-neutral scenario based primarily on observed development trends and land use patterns. Population and employment data were developed and submitted by traffic analysis subzones within the 21 counties represented in the travel demand model, in decade increments through the year 2050.

This section provides an overview of Dr. Wies’s methodology, a summary of his independent socioeconomic forecast, and a comparison of that forecast to other industry benchmarks.

Forecasting Method

In contrast to CMAP’s long-term socioeconomic forecasts, which are influenced by ON TO 2050 policy recommendations that support infill development and reinvestment in existing communities,

Dr. Wies's forecast is based primarily on a "carrying capacity" analysis. This approach identifies the amount of developable land available to be built out over the planning horizon, and it derives forecasts of potential population and employment in those areas based on existing land use patterns. The carrying capacity approach was used only for the seven-county CMAP region of Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will Counties in northeastern Illinois, due to the availability of detailed land use data.

For the remaining counties in the larger modeling region, Dr. Wies modified ON TO 2050 forecasts for those counties based on an average of forecasts from other sources, including local metropolitan planning organizations (MPOs) of record (including Northwestern Indiana Regional Planning Commission, Southeastern Wisconsin Regional Planning Commission, Region 1 Planning Council [formerly the Rockford Metropolitan Agency for Planning], and the Kankakee Area Transportation Study) and proprietary socioeconomic forecasts from independent sources such as Woods & Poole (W&P) and Moody's Analytics.

Population and Employment Forecasts

Dr. Wies's socioeconomic forecasts are depicted in **Table 17** and **Table 18**, first tabulated by county-level population and employment for each decade through 2050.

Dr. Wies's population forecasts for the 21-county modeling region increase from a 10.3 million baseline in 2015 to 11.7 million in 2050, corresponding to an average 0.4 percent annual growth rate. The seven-county core CMAP region is projected to increase in population at a slightly slower rate than the surrounding 14-county area in Illinois, Indiana, and Wisconsin, with 0.3 percent and 0.6 percent average annual growth rates, respectively. Cook County, including the city of Chicago and neighboring suburbs, is forecast to grow relatively slowest of the 21 counties in the modeling area, despite the largest absolute growth, due to its largest existing population base.

Dr. Wies's employment forecast for the 21-county region increases from a 4.8 million base in 2015 to 5.7 million in 2050, which corresponds to an average annual growth of 0.5 percent. This rate is slightly higher than the population growth over the same time period. In contrast to population growth, employment in the seven-county core CMAP region is projected to increase slightly faster than the surrounding 14-county area, with 0.5 and 0.4 percent average annual growth rates, respectively.

Table 17. Recommended Population Forecast

POPULATION						
County	2015	2020	2030	2040	2050	CAGR 2020–2050
CMAP						
Cook	5,148,908	5,189,941	5,273,467	5,359,026	5,446,731	0.2%
Chicago	2,683,182	2,710,572	2,766,012	2,822,350	2,879,608	0.2%
Suburban Cook	2,465,726	2,479,369	2,507,455	2,536,676	2,567,123	0.1%
DuPage	921,429	924,403	930,561	937,016	943,793	0.1%
Kane	524,753	538,749	568,598	601,233	637,099	0.6%
Kendall	123,038	137,499	168,515	202,720	240,690	1.9%
Lake	686,299	694,625	711,955	730,258	749,632	0.3%
McHenry	305,787	320,549	351,897	385,957	423,119	0.9%
Will	678,228	706,945	767,774	833,689	905,491	0.8%
CMAP Total	8,388,442	8,512,710	8,772,766	9,049,899	9,346,557	0.3%
EXTERNAL CMAP						
Illinois						
Boone	53,277	57,315	65,390	73,466	81,541	1.2%
DeKalb	97,986	105,229	119,714	134,199	148,685	1.2%
Grundy	50,251	54,914	64,239	73,564	82,890	1.4%
Kankakee	105,739	110,419	119,779	129,139	138,499	0.8%
LaSalle	107,028	108,789	112,310	115,831	119,352	0.3%
Lee ^a	3,658	3,708	3,809	3,909	4,010	0.3%
Ogle ^a	18,724	19,117	19,903	20,689	21,475	0.4%
Winnebago	282,381	291,276	309,066	326,856	344,646	0.6%
Indiana						
Lake	481,504	486,433	496,290	506,147	516,004	0.2%
LaPorte	104,450	104,603	104,909	105,214	105,520	0.0%
Porter	164,342	171,590	186,087	200,584	215,080	0.8%
Wisconsin						
Kenosha	164,059	173,291	191,754	210,218	228,681	0.9%
Racine	190,229	194,670	203,551	212,433	221,314	0.4%
Walworth	100,217	104,515	113,110	121,705	130,300	0.7%
External CMAP Total	1,923,845	1,985,867	2,109,910	2,233,953	2,357,997	0.6%
Regional Total	10,312,287	10,498,577	10,882,676	11,283,853	11,704,553	0.4%

Source: Independent socioeconomic forecast provided by Dr. Wies.

^aForecast reflects the portion of the county in the travel demand modeling area only.

Table 18. Recommended Employment Forecast

EMPLOYMENT						
County	2015	2020	2030	2040	2050	CAGR 2020–2050
CMAP						
Cook	2,591,153	2,631,606	2,722,665	2,830,037	2,957,915	0.4%
Chicago	1,377,466	1,410,580	1,484,564	1,570,773	1,671,962	0.6%
Suburban Cook	1,213,687	1,221,026	1,238,101	1,259,265	1,285,953	0.2%
DuPage ^a	615,430	620,470	631,495	644,001	658,326	0.2%
Kane	210,578	216,163	236,776	262,263	294,694	1.0%
Kendall	27,473	31,331	39,851	49,778	61,657	2.3%
Lake	338,104	344,823	360,235	379,023	402,399	0.5%
McHenry	98,158	101,678	115,263	131,323	150,789	1.3%
Will	204,604	216,203	243,166	276,733	319,509	1.3%
CMAP Total	4,085,500	4,162,275	4,349,451	4,573,157	4,845,289	0.5%
EXTERNAL CMAP						
Illinois						
Boone	17,215	18,095	19,855	21,615	23,375	0.9%
DeKalb	37,259	38,045	39,618	41,191	42,763	0.4%
Grundy	18,632	19,160	20,215	21,270	22,325	0.5%
Kankakee	42,985	43,952	45,887	47,822	49,757	0.4%
LaSalle	43,412	43,622	44,042	44,463	44,883	0.1%
Lee ^b	254	254	254	253	253	0.0%
Ogle ^b	6,888	6,886	6,883	6,879	6,876	0.0%
Winnebago	127,391	131,993	141,198	150,402	159,607	0.6%
Indiana						
Lake	185,816	184,515	181,912	179,310	176,707	-0.1%
LaPorte	40,463	41,306	42,992	44,679	46,365	0.4%
Porter	58,731	60,439	63,854	67,269	70,684	0.5%
Wisconsin						
Kenosha	59,214	62,781	69,915	77,049	84,183	1.0%
Racine	73,731	76,670	82,548	88,426	94,304	0.7%
Walworth	40,062	41,979	45,814	49,649	53,484	0.8%
External CMAP Total	752,053	769,698	804,988	840,278	875,567	0.4%
Regional Total	4,837,553	4,931,973	5,154,438	5,413,435	5,720,856	0.5%

Source: Independent socioeconomic forecast provided by Dr. Wies.

^a Three Traffic Analysis Zones (TAZ) covering the southwest portion of Chicago O’Hare International Airport are part of the city of Chicago but located in DuPage County. Employment for these subzones is listed under DuPage County and not the city of Chicago in this table.

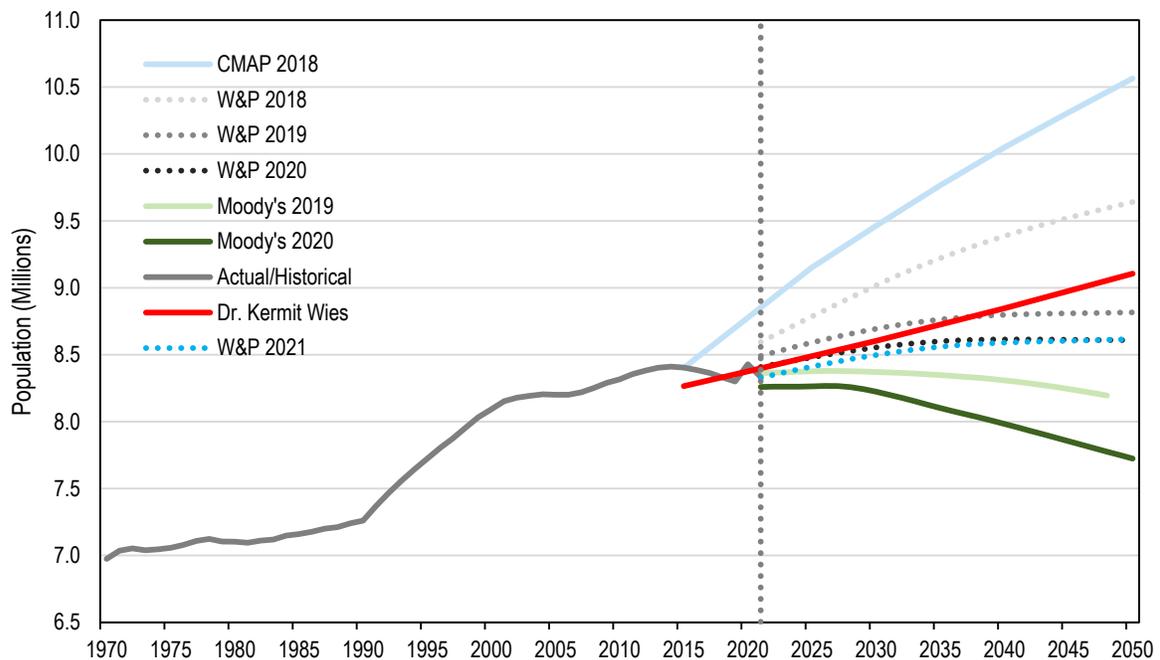
^b Forecast reflects the portion of the county in the travel demand modeling area only.

Comparison of Population and Employment Forecasts to Other Sources

This section compares Dr. Wies’s socioeconomics with benchmark forecasts, which were finalized in early 2020, from a sample of public and private sector sources. Because of the availability of historical data, socioeconomic forecasts in this section are compared for a six-county core region, corresponding to the former Northeastern Illinois Planning Commission (NIPC) definition of Cook, DuPage, Kane, Lake, McHenry, and Will Counties. This type of comparison illustrates differing patterns and magnitudes of regional population and employment across forecasts.

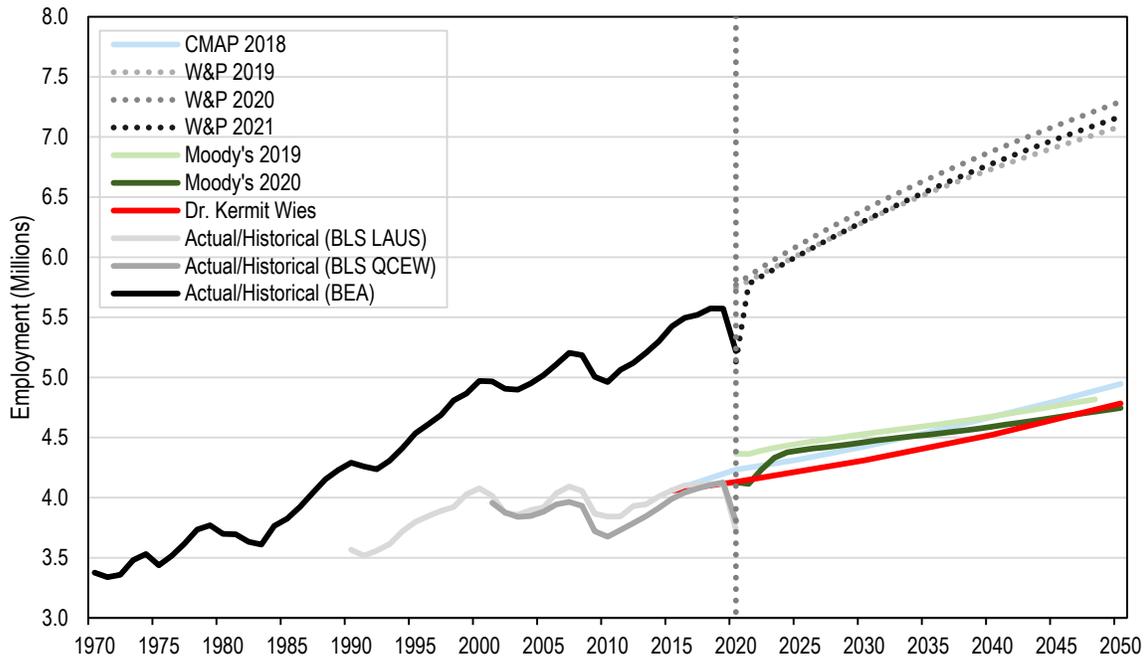
As shown in **Figure 6**, the six-county Chicago metropolitan area slowly increased in population during the two decades from 1970 to 1990, accelerated in the 1990s, and slowed in the 2000s, plateauing to around 8.3 million in the 2010s. CMAP forecasts those six counties to increase in population to more than 10.5 million by 2050, at a pace unseen since the relatively high-growth 1990s. In contrast, Dr. Wies and independent private-sector forecasts from W&P and Moody’s Analytics all project a population growth rate below CMAP’s forecasts. Both W&P and Moody’s Analytics downwardly revised population forecasts in each subsequent annual release of their respective forecasts over the last few years, with Moody’s Analytics 2020 forecast projecting an actual decline in population through 2050. W&P projects a plateauing of population, especially after 2030. Dr. Wies’s forecasts are similar to the 2020 W&P forecast for the next decade; the 2021 W&P forecast is lower than the 2020 forecast for about the next 15 years but returns to similar levels in the later years.

Figure 6. Population Forecast Comparison



Employment forecasts typically follow either the U.S. Bureau of Labor Statistics' (BLS) or U.S. Bureau of Economic Analysis' (BEA) definition of employment. The BEA definition is more encompassing, which results in higher employment forecasts.³ The use of the two different definitions is apparent in **Figure 7**.

Figure 7. Employment Forecast Comparison



Unlike population in the six-county metropolitan area, employment is forecast to increase steadily throughout the 2050 forecasting horizon, according to each published source. W&P adheres to the BEA definition and forecasts a growth pattern in parallel with the growth observed between the last recession in 2007–2009 and the COVID-19 pandemic, increasing to about 7.2 million by 2050 in its most recent forecast. Other sources adhere to the narrower BLS definition and generally forecast slightly decelerated growth rates through 2050 relative to W&P. Moody's Analytics, obtained in mid-2020, in the early COVID-19 timeframe, forecasts an employment dip and rebound in the next five years, followed by steady growth to about 4.7 million in 2050. Dr. Wies's employment forecast results in a similar 2050 level of employment, at 4.8 million, from a slightly lower base in 2020.

³ BLS data are derived from a business establishments survey and are generally less encompassing than BEA, as the data do not include agricultural workers, military, proprietors, household workers, and miscellaneous employment. BEA data represent a more encompassing measure of full-time and part-time workers.

CMAP's employment forecast generally parallels Dr. Wies's but is generally 100,000 to 150,000 higher in each year.

Traffic and Revenue Forecast Assumptions

CDM Smith has updated the annual T&R forecasts for the Illinois Tollway (Tollway) system for the years 2023 to 2050 based on the following assumptions related to construction impacts, facility expansion, and toll collection. The assumptions are presented in four sections:

1. Basic Assumptions
2. Planned Transportation Improvements
3. Future Toll Rates
4. Future I-PASS Participation Rates

Basic Assumptions

Traffic and toll revenue estimates for the Tollway system are based on the following assumptions:

1. Tolls will continue to be collected under the rate structure currently in effect.
2. All new ramp facilities are assumed to use all-ETC technology. This will allow payment via I-PASS, Pay By Plate, or online payment within a grace period.
3. *Move Illinois* will be implemented as scheduled. Major elements of the improvement program are shown with the assumed construction schedule in the Planned Transportation Improvements section of this report.
4. Non-Tollway regional transportation network improvements will be implemented in accordance with the schedule shown in the Planned Transportation Improvements section of this report. No significant capacity will be added to the competing highway or transit systems beyond those improvements already programmed.
5. While recently impacted due to supply constraints and armed conflict in eastern Europe, CDM Smith assumes that, in the long term, motor fuel or other alternative fuels will remain in adequate supply and future increases in fuel prices will not substantially exceed the overall rate of inflation. Average fuel efficiency will not dramatically increase during this period.
6. No local, regional, or national emergency will arise that will restrict the use of motor vehicles.
7. Economic growth and development will occur generally, as presented previously in this report, and as implemented in the Tollway travel demand models.

8. No major recession or significant economic restructuring will occur, substantially reducing traffic in the region, other than the potential economic impacts described in this report related to the COVID-19 pandemic.

Any significant departure from the above basic assumptions could materially affect the estimates for traffic and gross toll revenue on the Tollway system presented in this report.

Planned Transportation Improvements

Over the next five years, under the *Move Illinois* program, two significant improvement projects are planned: the construction of the I-490 Tollway and the completion of the Central Tri-State reconstruction and widening. The construction schedule and anticipated impacts of these two projects on the existing system will be discussed later in the “IL 390 and I-490 Projects” section and the “Central Tri-State Master Plan” section.

Future construction and expansion projects planned for the existing system of the Tollway and assumed to impact transactions and revenues are shown in **Table 19**. Major expansion projects include the I-490 Tollway, the widening, and reconstruction of the Central Tri-State, a new I-294 northbound entrance ramp at Archer Avenue, new south-facing I-294 ramps at Cork Avenue, and a new I-294 southbound exit ramp at County Line Road/US 20/IL 64. In addition to expansion projects, several planned construction projects are assumed to impact transactions and revenue. Significant construction impacts are also expected to occur between 2023 and 2027 due to the I-294 reconstruction and widening.

Considering off-system projects, CDM Smith reviewed the long-range transportation plans for the Illinois Department of Transportation (IDOT) and Wisconsin Department of Transportation (WisDOT) to identify which projects will have a likely impact on the Tollway transactions and revenue. These projects are listed in **Table 20**. CDM Smith also reviewed the upcoming construction schedules for the Cook County Department of Transportation and Highways and the DuPage County Division of Transportation, as well as those for municipalities surrounding the IL 390 and I-490 projects. None of the planned county or municipal projects are expected to have a measurable effect on Tollway traffic demand or revenue.

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Table 19: Assumed Schedule for Illinois Tollway Expansion and Construction Projects

Table 20: Significant Non-Illinois Tollway Capacity Improvement Projects

State	Opening Year	Route	Project
Illinois	2024	US 45	Add lanes between IL 132 and Washington Street
	2025	Deerfield Road	Add lanes between Milwaukee Avenue and Saunders Road
	2026	I-90 Kennedy Expressway	Rehabilitation of roadway and bridges between the Edens Expressway and Ohio Street interchanges
	2026	IL 21	Add lanes between Sanders Road and Euclid Avenue/Lake Avenue
	2026	Barrington Road	Add lanes between IL 62 and Central Road
	2027	I-190	Add auxiliary lanes between Bessie Coleman Drive and Kennedy Expressway
	2028	Willow Road	Add lanes between Des Plaines River and Waterview Drive
	2028	IL 56	Add lanes between IL 53 and I-355
	2028	Wolf Road	Add lanes 143 rd Street to 167 th Street
2030	I-55	Convert the inside shoulders to managed lanes between I-355 and I-90/94	

Central Tri-State Master Plan

The 22.3-mile Central Tri-State between 95th Street and Balmoral Avenue is scheduled for reconstruction and capacity enhancements. All eight existing lanes will be reconstructed with capacity enhancements throughout the corridor. Project benefits will include:

- Improving ride quality and traffic flow by replacing more than 50-year-old pavement.
- Better accommodation of current and future traffic demand with the addition of a flex lane.
- Improving operations at the I-290 interchange.
- Adding lanes in congested sections.
- Reducing mainline congestion at I-55 with improvements.
- Reducing annual maintenance costs.
- Upgrading to current standards and operational requirements.

Reconstruction and widening of the Tri-State is scheduled to occur in several phases between 2018 and 2027. The construction schedule assumptions are presented by location of work in **Table 19**. These assumptions are made in recognition that the current Master Plan focuses primarily on the design and mobility elements of the Central Tri-State. High-level, generalized project approach, phasing, and maintenance of traffic (MOT) are all addressed to some degree. Our understanding, however, is that individual project components are conceptual in nature and subject to change.

Until more detailed phasing and MOT plans are available, CDM Smith will assume that the most restrictive MOT scenario will be applied to the full term of construction.

IL 390 and I-490 Projects

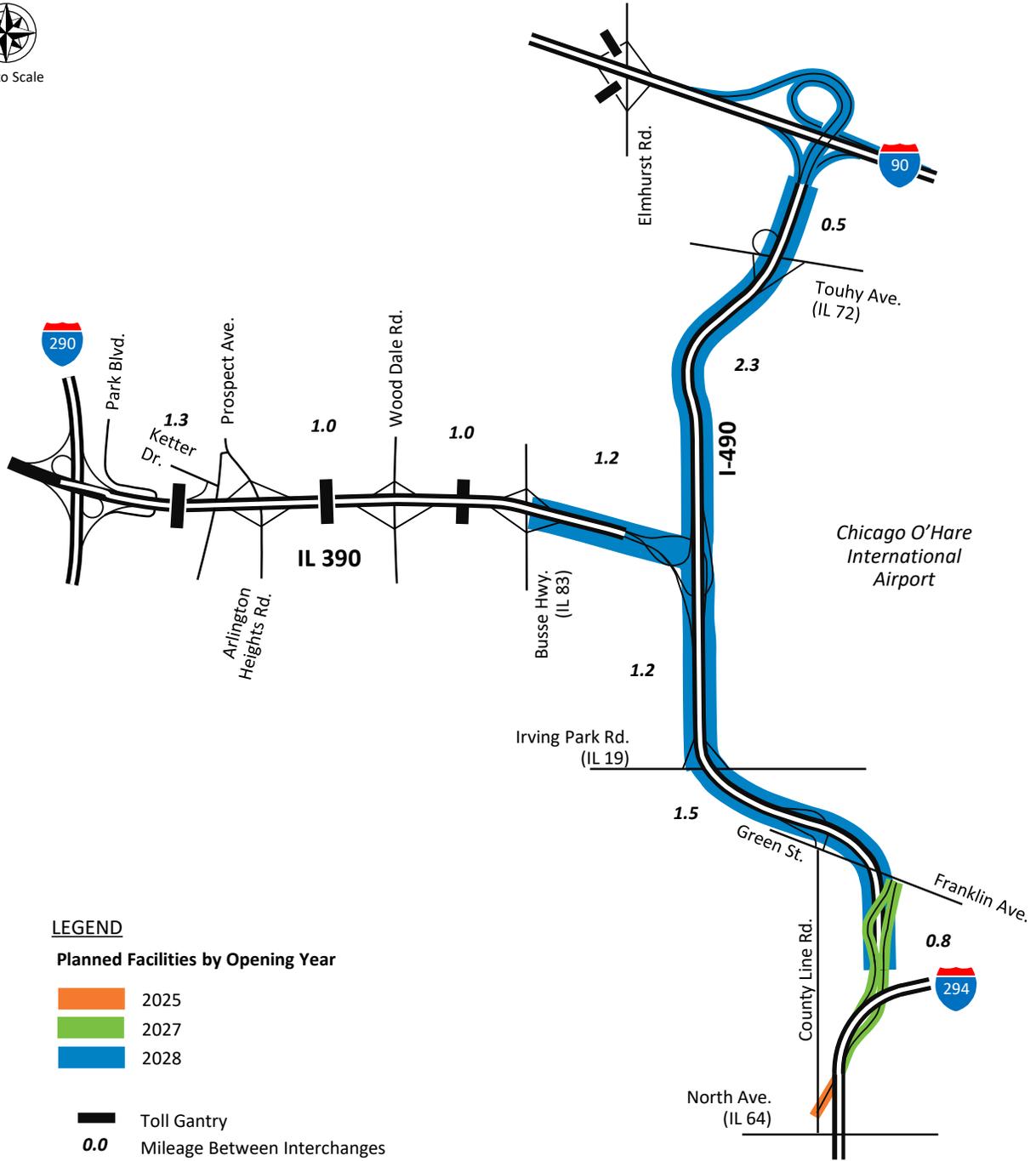
The IL 390 Tollway is nearly completed. The final portion of the IL 390 Tollway and the construction of I-490 Tollway is assumed to be completed in 2028, as shown in **Table 19**. The construction schedule is also presented in **Figure 8**, with a diagram of the planned facility. The design for significant portions of I-490 remains subject to change and subject to issues related to third-party requirements including those of the Federal Aviation Administration, City of Chicago Department of Aviation, Canadian Pacific Railway, and Union Pacific Railroad.

PC I-PASS rates on IL 390 and the assumed future I-490 rates are set at levels resulting in a through-trip rate of approximately \$0.20 per mile. Non-I-PASS PC rates are double the I-PASS PC rate, consistent with existing Tollway policy.

CV I-PASS rates on IL 390 were initially set at levels which resulted in through-trip per-mile rates similar to those on the I-355 South Extension. The non-I-PASS Pay Online rate for CV transactions is set to be 50 percent higher than the corresponding I-PASS rate. The intent of the higher toll rate for non-I-PASS transactions is to offset the added expense of non-I-PASS toll collection and to encourage transponder adoption. CDM Smith estimates that 90 percent of CVs pay with I-PASS on IL 390. This same rate is assumed for all future-year forecasts on IL 390 and I-490. Future-year CV forecasts for IL 390 and I-490 also assume the CV annual inflation-based increases that began in 2018 based on the assumptions presented in the next section.

Future Toll Rates

Only CV toll rates are scheduled to change during the forecast period. PC toll rates have not changed since 2012 and are scheduled to remain at that same rate through the forecast period. In 2018, the toll rates for CVs—Rate Tiers 2, 3, and 4—began annual increases at the rate of inflation. Actual CV rates increased by 1.84, 2.25, 2.07, 1.56, and 2.30 percent in 2018, 2019, 2020, 2021, and 2022, respectively. In September 2022, the Tollway revised its calculation methodology for the annual inflation-based increases to CV toll rates, to one based on the Consumer Price Index over a 36-month period ending June 30th of the prior year, rather than the previous 12-month period. The revised calculation methodology has moderated the impact on CV toll rates of the elevated inflation that began in the second quarter of 2021. Under the revised calculation methodology, CV toll rates increased by 3.65 percent on January 1, 2023, and are scheduled to increase 5.22 percent on January 1, 2024. Such increases would have been 7.17% and 6.26%, respectively, under the previous calculation methodology.



LEGEND

Planned Facilities by Opening Year

- 2025
- 2027
- 2028

- Toll Gantry
- 0.0** Mileage Between Interchanges

Note: This map is for illustration purposes only and does not show all frontage roads that will parallel the IL 390/I-490 corridor.

ASSUMED OPENING YEARS FOR COMPLETION OF IL 390 AND ADDITION OF PLANNED I-490 FACILITY



For the purposes of this study, CDM Smith assumes a year-end average rate of inflation of 4.0 percent in 2023, followed by a rate of 2.5 percent in 2024, and then a resumption of the 2.0 percent historical average thereafter. This assumption falls slightly below the average inflation forecast presented in **Table 16**, reflecting the inherent unpredictability of inflation and the wide range of forecasts. In 2024, CV toll rates are scheduled to increase 5.224 percent, consistent with the Tollway’s methodology for calculating annual rate adjustments. Projected future CV toll rates, based on historical and projected inflation, are presented in **Table 21**. CV toll rate increases take effect annually on January 1. All future CV toll rates are assumed to be rounded to the nearest multiple of \$0.05.

Table 21: Commercial Vehicle (CV) Rate Increase Assumptions

Rate Increase Year	CV Toll Rate Increase
2024	5.224%
2025	5.407%
2026	3.767%
2027	2.361%
2028	2.083%
2029-2050	2.000%

Future I-PASS Participation Rates

For this study, CDM Smith has assumed that the PC I-PASS participation rates on the Tollway will change, as shown in **Table 22**. Between 2023 and 2025, the proportion of PC transactions expected to be paid at the I-PASS rate is anticipated to remain consistent with performance in 2022. In 2028, I-PASS usage is expected to increase to 88.0 percent with the full opening of the I-490. I-PASS usage is then expected to increase slightly to 88.1 percent in 2031 and remain there through 2050.

Table 22: Passenger Car (PC) I-PASS Rate Assumptions

Year	Systemwide I-PASS Participation
2023-2027	87.8%
2028-2030	88.0%
2031-2050	88.1%

Because CVs have no toll-rate differential between non-I-PASS and I-PASS payment methods on the Jane Addams, Tri-State, Reagan Memorial, and Veterans Memorial routes, the I-PASS participation rate has no bearing on CV revenues for these routes. Therefore, no assumptions have been made about future CV I-PASS payment rates for these routes. However, CVs do have a toll-rate differential between the non-I-PASS and I-PASS payment methods on IL 390. CDM Smith assumed that the CV I-PASS rate on IL 390 and I-490 will remain at the estimated 2018 rate of 93.5 percent for all future-year forecasts.

Systemwide Traffic and Revenue Forecast

CDM Smith updated the annual T&R forecasts for the existing Tollway system for the years 2023 to 2050. These forecasts are derived using CDM Smith’s toll travel demand analysis methodology based on the long-term population, and employment forecasts described previously. The estimates are presented as “expected revenue,” or revenue that would be collected if each vehicle passing through a toll plaza paid exactly the published toll rate based on the vehicle’s classification, time of day, and toll payment method. It does not include revenue impacts resulting from overpayment, underpayment, toll equipment malfunctions, or toll evasion, nor has any analysis of these toll revenue variance factors been included in this report. For this reason, factors related to the suspension of cash collections do not impact the CDM Smith forecast. For net revenue projections, please refer to Table 7 of the Official Statement, presented under the Pro Forma Debt Service Coverage section.

Table 23 through Table 29 show projected annual toll transactions and revenue for the entire system and for each Tollway route between 2023 and 2050. Each table provides transactions and revenue by PCs and CVs separately, as well as the total transactions and revenue. Transactions and revenue are shown as annual totals, in thousands.

Between 2023 and 2050, systemwide transactions are expected to increase from 0.99 billion to 1.30 billion. This represents a growth of 31.1 percent over the 27-year period, or an average annual growth rate of 1.0 percent. Expected toll revenue is estimated to increase from \$1.57 billion in 2023 to \$2.96 billion in 2050, which represents an average annual growth rate of 2.4 percent.

Figure 9 illustrates forecasted transactions and revenue from 2023 to 2050. Between 2023 and 2028, average annual revenue growth is estimated at 4.0 percent. Growth in these years is boosted by the opening of I-490 between 2027 and 2028 and the completion of the I-294 reconstruction and widening project in phases between 2023 and 2027.

The share of revenue collected from CVs has increased over time due to annual inflation-based toll rate adjustments and now exceeds PC revenues. Recent toll rate increases—the 2005 CV-rate increase, 2012 PC-rate increase, and 2015 to 2017 CV-rate increases—demonstrate that Tollway users have a relatively low sensitivity to toll-rate increases. The year-over-year declines in transactions following these toll rate increases, if any, were minor and short-lived. One potential risk to the CV revenue forecast is if annual rate adjustments fall significantly below the assumed annual rate increases presented in **Table 21**.

Table 23: 2023-2050 Total Illinois Tollway System Transactions and Revenue
(in thousands, revenue shown in nominal \$)

Year	Transactions			Revenue		
	Passenger Car	Commercial Vehicle ⁽¹⁾	Total Transactions	Passenger Car	Commercial Vehicle ⁽¹⁾	Total Revenue
2023 ⁽²⁾	861,553	127,302	988,855	765,225	808,740	1,573,965
2024	886,585	127,709	1,014,295	782,561	848,893	1,631,454
2025 ⁽³⁾	892,840	130,269	1,023,109	783,459	918,573	1,702,032
2026 ⁽⁴⁾	907,607	136,331	1,043,938	794,254	993,059	1,787,314
2027 ⁽⁵⁾	922,570	139,824	1,062,395	804,654	1,037,704	1,842,358
2028 ⁽⁶⁾	976,990	147,833	1,124,824	829,997	1,087,277	1,917,274
2029	981,959	149,593	1,131,552	832,824	1,121,037	1,953,862
2030	993,107	152,034	1,145,141	840,158	1,156,517	1,996,675
2031	1,001,064	153,298	1,154,362	846,554	1,190,211	2,036,765
2032	1,011,879	154,994	1,166,873	855,323	1,227,613	2,082,937
2033	1,017,183	155,899	1,173,082	859,499	1,259,544	2,119,043
2034	1,025,358	157,192	1,182,550	866,054	1,293,631	2,159,685
2035	1,033,641	158,532	1,192,172	872,686	1,331,051	2,203,736
2036	1,044,888	160,360	1,205,248	881,772	1,371,790	2,253,562
2037	1,050,538	161,218	1,211,756	886,182	1,408,364	2,294,546
2038	1,059,155	162,614	1,221,769	893,049	1,448,679	2,341,728
2039	1,067,888	163,982	1,231,870	899,997	1,488,054	2,388,051
2040	1,079,687	165,868	1,245,555	909,480	1,535,021	2,444,501
2041	1,080,743	166,703	1,247,446	910,243	1,573,571	2,483,814
2042	1,084,771	168,007	1,252,779	913,476	1,618,955	2,532,431
2043	1,088,823	169,334	1,258,157	916,726	1,662,683	2,579,409
2044	1,095,891	171,159	1,267,050	922,482	1,714,695	2,637,177
2045	1,096,994	172,026	1,269,020	923,278	1,758,300	2,681,578
2046	1,101,115	173,377	1,274,491	926,580	1,807,999	2,734,579
2047	1,105,259	174,775	1,280,034	929,899	1,857,946	2,787,845
2048	1,112,466	176,669	1,289,135	935,761	1,914,740	2,850,501
2049	1,113,618	177,580	1,291,198	936,592	1,962,542	2,899,134
2050	1,117,833	179,005	1,296,839	939,965	2,016,977	2,956,942

NOTE: All forecast revenues are "expected revenues." Expected revenue is the sum of all toll revenues that would be realized if 100 percent of transactions were recorded at the proper rate and resulted in full payment.

⁽¹⁾ CV rates are linked to inflation and are increased on an annual basis. CV rates increased 3.65 percent in 2023 and is expected to increase by 5.22 percent in 2024. CDM Smith assumes inflation will average 4.0 percent in 2023, 2.5 percent in 2024, and 2.0 percent per annum for all years after 2024.

⁽²⁾ In 2023, the reconstruction and widening of I-294 between 95th Street and I-55 is assumed to be completed.

⁽³⁾ In 2025, widening work on the Central Tri-State between St. Charles Road and Wolf Road is assumed to be completed. Also, the new southbound exit ramp from I-294 to County Line Road/North Avenue is assumed to be open and tolling. The new south-facing ramps at Cork Avenue are assumed to be open as well.

⁽⁴⁾ In 2026, reconstruction and widening work on the Central Tri-State between I-55 and the Cermak Mainline Plaza is assumed to be completed, including a new northbound entrance ramp from Archer Avenue.

⁽⁵⁾ In 2027, the final piece of reconstruction and widening work on the Central Tri-State between the Cermak Mainline Plaza and St. Charles Road is assumed to be completed. Also, the south-facing I-490 ramps between Franklin Avenue and I-294 are assumed to be open and tolling.

⁽⁶⁾ In 2028, both the I-490 north extension between IL 390 and I-90 and the section of I-490 between IL 390 and Franklin Avenue are assumed to be open and tolling.

Table 24: 2023-2050 Jane Addams Memorial Tollway (I-90) Transactions and Revenue
(in thousands, revenue shown in nominal \$)

Year	Transactions			Revenue		
	Passenger Car	Commercial Vehicle ⁽¹⁾	Total Transactions	Passenger Car	Commercial Vehicle ⁽¹⁾	Total Revenue
2023	193,276	25,789	219,065	158,512	175,306	333,819
2024	198,556	25,781	224,337	161,998	184,100	346,099
2025 ⁽²⁾	197,544	26,140	223,684	160,366	197,714	358,080
2026 ⁽³⁾	200,559	26,724	227,283	162,741	209,647	372,388
2027 ⁽⁴⁾	201,553	27,132	228,685	163,454	217,943	381,398
2028 ⁽⁵⁾	204,050	27,568	231,618	165,279	224,433	389,712
2029	204,478	27,752	232,231	165,672	230,960	396,632
2030	205,635	28,111	233,746	166,581	238,225	404,806
2031	207,300	28,352	235,652	167,990	245,195	413,185
2032	209,554	28,674	238,227	169,822	252,985	422,808
2033	210,604	28,845	239,449	170,722	259,732	430,454
2034	212,255	29,092	241,347	172,097	267,102	439,200
2035	213,935	29,347	243,282	173,491	275,018	448,509
2036	216,235	29,687	245,922	175,375	283,620	458,995
2037	217,383	29,857	247,240	176,332	291,144	467,477
2038	219,151	30,118	249,270	177,781	299,839	477,620
2039	220,950	30,381	251,332	179,248	308,131	487,379
2040	223,390	30,732	254,122	181,223	318,074	499,298
2041	223,816	30,914	254,730	181,616	326,371	507,987
2042	224,858	31,184	256,042	182,502	336,005	518,507
2043	225,907	31,455	257,362	183,392	345,448	528,840
2044	227,584	31,818	259,402	184,786	356,532	541,318
2045	228,025	32,007	260,032	185,189	365,841	551,030
2046	229,094	32,289	261,383	186,095	376,642	562,737
2047	230,170	32,576	262,746	187,007	387,443	574,450
2048	231,887	32,956	264,843	188,433	399,685	588,118
2049	232,343	33,158	265,501	188,848	410,155	599,003
2050	233,440	33,453	266,893	189,783	422,089	611,872

NOTE: All forecast revenues are "expected revenues." Expected revenue is the sum of all toll revenues that would be realized if 100 percent of transactions were recorded at the proper rate and resulted in full payment.

⁽¹⁾ CV rates are linked to inflation and are increased on an annual basis. CV rates increased 3.65 percent in 2023 and is expected to increase by 5.22 percent in 2024. CDM Smith assumes inflation will average 4.0 percent in 2023, 2.5 percent in 2024, and 2.0 percent per annum for all years after 2024.

⁽²⁾ In 2025, widening work on the Central Tri-State between St. Charles Road and Wolf Road is assumed to be completed.

⁽³⁾ In 2026, reconstruction and widening work on the Central Tri-State between I-55 and the Cermak Mainline Plaza is assumed to be completed.

⁽⁴⁾ In 2027, the final piece of reconstruction and widening work on the Central Tri-State between the Cermak Mainline Plaza and St. Charles Road is assumed to be completed. Also, the south-facing I-490 ramps between Franklin Avenue and I-294 are assumed to be open and tolling.

⁽⁵⁾ In 2028, both the I-490 north extension between IL 390 and I-90 and the section of I-490 between IL 390 and Franklin Avenue are assumed to be open and tolling.

Table 25: 2023-2050 Tri-State Tollway (I-94/I-294) Transactions and Revenue
(in thousands, revenue shown in nominal \$)

Year	Transactions			Revenue		
	Passenger Car	Commercial Vehicle ⁽¹⁾	Total Transactions	Passenger Car	Commercial Vehicle ⁽¹⁾	Total Revenue
2023 ⁽²⁾	322,600	62,225	384,824	295,466	392,165	687,631
2024	337,225	62,804	400,029	307,380	414,110	721,490
2025 ⁽³⁾	337,906	64,684	402,589	306,237	452,376	758,612
2026 ⁽⁴⁾	348,566	70,316	418,882	314,798	507,527	822,325
2027 ⁽⁵⁾	353,795	72,214	426,009	318,867	533,013	851,880
2028 ⁽⁶⁾	355,000	73,462	428,462	319,880	552,371	872,252
2029	354,982	74,127	429,109	319,905	570,026	889,931
2030	357,370	75,055	432,425	322,032	587,772	909,803
2031	359,496	75,519	435,016	324,118	604,103	928,221
2032	362,630	76,190	438,820	327,013	622,422	949,435
2033	363,799	76,475	440,274	328,206	637,638	965,844
2034	365,976	76,947	442,923	330,297	653,622	983,919
2035	368,170	77,447	445,617	332,406	671,531	1,003,938
2036	371,397	78,167	449,563	335,437	691,059	1,026,496
2037	372,611	78,414	451,025	336,677	708,673	1,045,350
2038	374,858	78,917	453,775	338,839	727,862	1,066,701
2039	377,123	79,419	456,542	341,019	746,339	1,087,358
2040	380,445	80,147	460,592	344,147	768,747	1,112,894
2041	380,330	80,388	460,717	344,105	786,769	1,130,875
2042	381,257	80,855	462,113	345,001	808,209	1,153,210
2043	382,189	81,327	463,516	345,901	828,512	1,174,413
2044	384,174	82,029	466,202	347,744	852,879	1,200,622
2045	384,063	82,263	466,326	347,714	873,318	1,221,032
2046	385,005	82,739	467,744	348,628	896,374	1,245,002
2047	385,951	83,228	469,179	349,545	919,561	1,269,106
2048	387,961	83,955	471,915	351,416	945,657	1,297,073
2049	387,854	84,205	472,059	351,393	967,588	1,318,981
2050	388,811	84,703	473,514	352,206	992,502	1,344,709

NOTE: All forecast revenues are "expected revenues." Expected revenue is the sum of all toll revenues that would be realized if 100 percent of transactions were recorded at the proper rate and resulted in full payment.

⁽¹⁾ CV rates are linked to inflation and are increased on an annual basis. CV rates increased 3.65 percent in 2023 and is expected to increase by 5.22 percent in 2024. CDM Smith assumes inflation will average 4.0 percent in 2023, 2.5 percent in 2024, and 2.0 percent per annum for all years after 2024.

⁽²⁾ In 2023, the reconstruction and widening of I-294 between 95th Street and I-55 is assumed to be completed.

⁽³⁾ In 2025, widening work on the Central Tri-State between St. Charles Road and Wolf Road is assumed to be completed. Also, the new southbound exit ramp from I-294 to County Line Road/North Avenue is assumed to be open and tolling. The new south-facing ramps at Cork Avenue are assumed to be open as well.

⁽⁴⁾ In 2026, reconstruction and widening work on the Central Tri-State between I-55 and the Cermak Mainline Plaza is assumed to be completed, including a new northbound entrance ramp from Archer Avenue.

⁽⁵⁾ In 2027, the final piece of reconstruction and widening work on the Central Tri-State between the Cermak Mainline Plaza and St. Charles Road is assumed to be completed. Also, the south-facing I-490 ramps between Franklin Avenue and I-294 are assumed to be open and tolling.

⁽⁶⁾ In 2028, both the I-490 north extension between IL 390 and I-90 and the section of I-490 between IL 390 and Franklin Avenue are assumed to be open and tolling.

Table 26: 2023-2050 Reagan Memorial Tollway (I-88) Transactions and Revenue
(in thousands, revenue shown in nominal \$)

Year	Transactions			Revenue		
	Passenger Car	Commercial Vehicle ⁽¹⁾	Total Transactions	Passenger Car	Commercial Vehicle ⁽¹⁾	Total Revenue
2023 ⁽²⁾	129,472	14,503	143,976	116,637	115,449	232,086
2024	132,762	14,613	147,375	119,219	122,133	241,351
2025 ⁽³⁾	134,264	14,721	148,985	119,784	129,831	249,615
2026 ⁽⁴⁾	136,471	15,151	151,622	121,678	137,921	259,599
2027 ⁽⁵⁾	136,744	15,484	152,228	121,898	143,847	265,745
2028 ⁽⁶⁾	137,472	15,756	153,227	122,577	149,143	271,720
2029	137,372	15,931	153,303	122,528	153,904	276,432
2030	137,932	16,159	154,091	123,022	158,887	281,909
2031	138,691	16,315	155,006	123,665	163,737	287,402
2032	139,837	16,518	156,355	124,626	169,131	293,758
2033	140,223	16,636	156,860	124,936	173,732	298,668
2034	140,997	16,799	157,796	125,586	178,651	304,237
2035	141,776	16,965	158,741	126,240	184,073	310,313
2036	142,950	17,183	160,133	127,241	189,923	317,164
2037	143,348	17,297	160,645	127,559	195,267	322,827
2038	144,142	17,469	161,611	128,225	201,079	329,304
2039	144,941	17,642	162,582	128,895	206,843	335,738
2040	146,144	17,865	164,009	129,919	213,730	343,650
2041	146,141	17,979	164,121	129,924	219,268	349,192
2042	146,539	18,144	164,683	130,278	225,820	356,098
2043	146,938	18,311	165,249	130,635	232,193	362,827
2044	147,743	18,531	166,274	131,347	239,800	371,146
2045	147,741	18,648	166,389	131,351	246,130	377,481
2046	148,145	18,821	166,966	131,711	253,334	385,045
2047	148,550	18,997	167,547	132,073	260,681	392,754
2048	149,364	19,229	168,593	132,794	268,913	401,707
2049	149,364	19,353	168,718	132,800	275,897	408,697
2050	149,774	19,536	169,310	133,140	283,881	417,021

NOTE: All forecast revenues are "expected revenues." Expected revenue is the sum of all toll revenues that would be realized if 100 percent of transactions were recorded at the proper rate and resulted in full payment.

⁽¹⁾ CV rates are linked to inflation and are increased on an annual basis. CV rates increased 3.65 percent in 2023 and is expected to increase by 5.22 percent in 2024. CDM Smith assumes inflation will average 4.0 percent in 2023, 2.5 percent in 2024, and 2.0 percent per annum for all years after 2024.

⁽²⁾ In 2023, the reconstruction and widening of I-294 between 95th Street and I-55 is assumed to be completed.

⁽³⁾ In 2025, widening work on the Central Tri-State between St. Charles Road and Wolf Road is assumed to be completed.

⁽⁴⁾ In 2026, reconstruction and widening work on the Central Tri-State between I-55 and the Cermak Mainline Plaza is assumed to be completed, including a new northbound entrance ramp from Archer Avenue.

⁽⁵⁾ In 2027, the final piece of reconstruction and widening work on the Central Tri-State between the Cermak Mainline Plaza and St. Charles Road is assumed to be completed. Also, the south-facing I-490 ramps between Franklin Avenue and I-294 are assumed to be open and tolling.

⁽⁶⁾ In 2028, both the I-490 north extension between IL 390 and I-90 and the section of I-490 between IL 390 and Franklin Avenue are assumed to be open and tolling.

Table 27: 2023-2050 Veterans Memorial Tollway (I-355) Transactions and Revenue
(in thousands, revenue shown in nominal \$)

Year	Transactions			Revenue		
	Passenger Car	Commercial Vehicle ⁽¹⁾	Total Transactions	Passenger Car	Commercial Vehicle ⁽¹⁾	Total Revenue
2023 ⁽²⁾	146,398	16,715	163,113	165,071	113,687	278,758
2024	145,612	16,320	161,931	163,360	115,543	278,903
2025 ⁽³⁾	148,532	16,452	164,984	165,937	124,819	290,755
2026 ⁽⁴⁾	146,612	15,693	162,306	163,590	123,235	286,825
2027 ⁽⁵⁾	147,741	15,570	163,310	164,914	124,909	289,824
2028 ⁽⁶⁾	148,537	15,637	164,175	165,851	127,872	293,724
2029	149,110	15,622	164,733	166,605	130,461	297,066
2030	150,098	15,655	165,753	167,888	133,269	301,157
2031	151,199	15,799	166,998	169,202	137,290	306,492
2032	152,728	15,987	168,715	171,014	141,838	312,852
2033	153,436	16,094	169,530	171,934	145,742	317,676
2034	154,572	16,242	170,815	173,333	149,911	323,244
2035	155,722	16,394	172,116	174,748	154,466	329,214
2036	157,313	16,595	173,908	176,657	159,438	336,094
2037	158,058	16,698	174,755	177,627	163,908	341,535
2038	159,245	16,853	176,098	179,092	168,875	347,967
2039	160,445	17,012	177,457	180,574	173,702	354,276
2040	162,102	17,219	179,321	182,567	179,415	361,982
2041	162,152	17,340	179,492	182,673	184,510	367,184
2042	162,647	17,510	180,157	183,274	190,355	373,629
2043	163,145	17,686	180,830	183,878	196,058	379,936
2044	164,093	17,910	182,002	184,985	202,822	387,807
2045	164,146	18,036	182,182	185,094	208,559	393,653
2046	164,651	18,214	182,865	185,706	215,023	400,729
2047	165,157	18,397	183,555	186,322	221,609	407,930
2048	166,120	18,632	184,752	187,447	229,170	416,617
2049	166,178	18,766	184,943	187,561	235,465	423,025
2050	166,691	18,954	185,646	188,164	242,689	430,853

NOTE: All forecast revenues are "expected revenues." Expected revenue is the sum of all toll revenues that would be realized if 100 percent of transactions were recorded at the proper rate and resulted in full payment.

⁽¹⁾ CV rates are linked to inflation and are increased on an annual basis. CV rates increased 3.65 percent in 2023 and is expected to increase by 5.22 percent in 2024. CDM Smith assumes inflation will average 4.0 percent in 2023, 2.5 percent in 2024, and 2.0 percent per annum for all years after 2024.

⁽²⁾ In 2023, the reconstruction and widening of I-294 between 95th Street and I-55 is assumed to be completed.

⁽³⁾ In 2025, widening work on the Central Tri-State between St. Charles Road and Wolf Road is assumed to be completed.

⁽⁴⁾ In 2026, reconstruction and widening work on the Central Tri-State between I-55 and the Cermak Mainline Plaza is assumed to be completed, including a new northbound entrance ramp from Archer Avenue.

⁽⁵⁾ In 2027, the final piece of reconstruction and widening work on the Central Tri-State between the Cermak Mainline Plaza and St. Charles Road is assumed to be completed. Also, the south-facing I-490 ramps between Franklin Avenue and I-294 are assumed to be open and tolling.

⁽⁶⁾ In 2028, both the I-490 north extension between IL 390 and I-90 and the section of I-490 between IL 390 and Franklin Avenue are assumed to be open and tolling.



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Table 28: 2023-2050 IL 390 Tollway Transactions and Revenue
 (in thousands, revenue shown in nominal \$)

Year	Transactions			Revenue		
	Passenger Car	Commercial Vehicle ⁽¹⁾	Total Transactions	Passenger Car	Commercial Vehicle ⁽¹⁾	Total Revenue
2023	69,806	8,071	77,878	29,539	12,133	41,672
2024	72,430	8,192	80,623	30,604	13,007	43,611
2025 ⁽²⁾	74,594	8,273	82,867	31,135	13,834	44,970
2026 ⁽³⁾	75,399	8,447	83,846	31,447	14,730	46,177
2027 ⁽⁴⁾	76,170	8,662	84,833	31,682	15,352	47,033
2028 ⁽⁵⁾	99,698	10,641	110,339	37,961	18,526	56,487
2029	101,788	11,040	112,827	38,571	19,429	58,000
2030	105,200	11,615	116,816	39,608	20,698	60,307
2031	106,623	11,762	118,386	40,067	21,499	61,565
2032	108,363	11,949	120,311	40,659	22,119	62,778
2033	109,530	12,077	121,607	41,053	22,837	63,891
2034	111,015	12,225	123,240	41,562	23,652	65,214
2035	112,521	12,379	124,900	42,078	24,436	66,514
2036	114,361	12,592	126,953	42,713	25,284	67,997
2037	115,598	12,711	128,309	43,128	26,089	69,217
2038	117,169	12,890	130,059	43,663	26,846	70,509
2039	118,763	13,038	131,802	44,206	27,859	72,065
2040	120,710	13,266	133,976	44,874	28,815	73,689
2041	121,104	13,361	134,466	45,001	29,510	74,510
2042	121,833	13,491	135,324	45,248	30,516	75,764
2043	122,566	13,627	136,192	45,496	31,415	76,911
2044	123,641	13,817	137,459	45,867	32,440	78,307
2045	124,046	13,929	137,975	45,995	33,230	79,225
2046	124,793	14,060	138,853	46,246	34,287	80,533
2047	125,545	14,210	139,755	46,499	35,245	81,744
2048	126,647	14,399	141,047	46,877	36,532	83,409
2049	127,063	14,507	141,570	47,007	37,478	84,485
2050	127,829	14,647	142,476	47,284	38,608	85,891

NOTE: All forecast revenues are "expected revenues." Expected revenue is the sum of all toll revenues that would be realized if 100 percent of transactions were recorded at the proper rate and resulted in full payment.

⁽¹⁾ CV rates are linked to inflation and are increased on an annual basis. CV rates increased 3.65 percent in 2023 and is expected to increase by 5.22 percent in 2024. CDM Smith assumes inflation will average 4.0 percent in 2023, 2.5 percent in 2024, and 2.0 percent per annum for all years after 2024.

⁽²⁾ In 2025, widening work on the Central Tri-State between St. Charles Road and Wolf Road is assumed to be completed. Also, the new southbound exit ramp from I-294 to County Line Road/North Avenue is assumed to be open and tolling.

⁽³⁾ In 2026, reconstruction and widening work on the Central Tri-State between I-55 and the Cermak Mainline Plaza is assumed to be completed, including a new northbound entrance ramp from Archer Avenue.

⁽⁴⁾ In 2027, the final piece of reconstruction and widening work on the Central Tri-State between the Cermak Mainline Plaza and St. Charles Road is assumed to be completed. Also, the south-facing I-490 ramps between Franklin Avenue and I-294 are assumed to be open and tolling.

⁽⁵⁾ In 2028, both the I-490 north extension between IL 390 and I-90 and the section of I-490 between IL 390 and Franklin Avenue are assumed to be open and tolling.

Table 29: 2023-2050 I-490 Tollway Transactions and Revenue
(in thousands, revenue shown in nominal \$)

Year	Transactions			Revenue		
	Passenger Car	Commercial Vehicle ⁽¹⁾	Total Transactions	Passenger Car	Commercial Vehicle ⁽¹⁾	Total Revenue
2023	0	0	0	0	0	0
2024	0	0	0	0	0	0
2025 ⁽²⁾	0	0	0	0	0	0
2026 ⁽³⁾	0	0	0	0	0	0
2027 ⁽⁴⁾	6,567	762	7,329	3,839	2,639	6,478
2028 ⁽⁵⁾	32,233	4,769	37,003	18,448	14,933	33,381
2029	34,228	5,121	39,349	19,544	16,257	35,801
2030	36,871	5,439	42,310	21,028	17,665	38,694
2031	37,755	5,549	43,305	21,512	18,388	39,900
2032	38,768	5,676	44,444	22,189	19,118	41,307
2033	39,590	5,771	45,361	22,647	19,862	42,509
2034	40,542	5,886	46,428	23,178	20,694	43,871
2035	41,517	6,000	47,517	23,724	21,525	45,249
2036	42,633	6,136	48,769	24,350	22,467	46,816
2037	43,540	6,240	49,781	24,859	23,281	48,141
2038	44,590	6,366	50,956	25,450	24,177	49,627
2039	45,665	6,489	52,155	26,055	25,179	51,234
2040	46,896	6,639	53,534	26,749	26,239	52,988
2041	47,200	6,720	53,920	26,924	27,142	54,067
2042	47,637	6,822	54,460	27,173	28,050	55,223
2043	48,079	6,928	55,007	27,425	29,057	56,481
2044	48,657	7,054	55,711	27,753	30,223	57,976
2045	48,974	7,142	56,116	27,935	31,222	59,157
2046	49,428	7,253	56,681	28,193	32,340	60,533
2047	49,886	7,366	57,252	28,454	33,407	61,861
2048	50,487	7,498	57,985	28,795	34,782	63,577
2049	50,816	7,591	58,407	28,982	35,960	64,942
2050	51,288	7,711	58,999	29,388	37,208	66,596

NOTE: All forecast revenues are "expected revenues." Expected revenue is the sum of all toll revenues that would be realized if 100 percent of transactions were recorded at the proper rate and resulted in full payment.

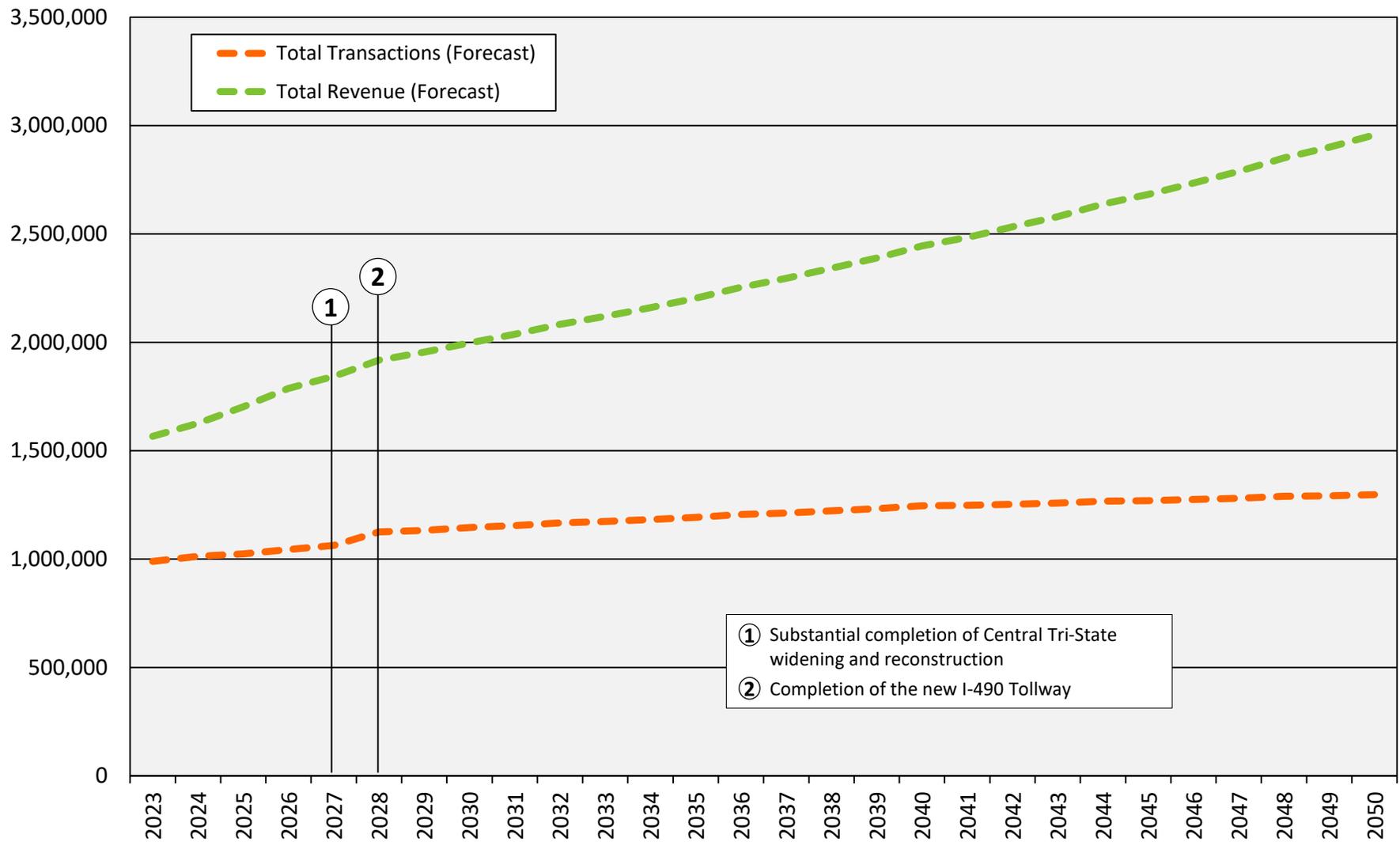
⁽¹⁾ CV rates are linked to inflation and are increased on an annual basis. CV rates increased 3.65 percent in 2023 and is expected to increase by 5.22 percent in 2024. CDM Smith assumes inflation will average 4.0 percent in 2023, 2.5 percent in 2024, and 2.0 percent per annum for all years after 2024.

⁽²⁾ In 2025, widening work on the Central Tri-State between St. Charles Road and Wolf Road is assumed to be completed. Also, the new southbound exit ramp from I-294 to County Line Road/North Avenue is assumed to be open and tolling.

⁽³⁾ In 2026, reconstruction and widening work on the Central Tri-State between I-55 and the Cermak Mainline Plaza is assumed to be completed, including a new northbound entrance ramp from Archer Avenue.

⁽⁴⁾ In 2027, the south-facing I-490 ramps between Franklin Avenue and I-294 are assumed to be open and tolling.

⁽⁵⁾ In 2028, both the I-490 north extension between IL 390 and I-90 and the section of I-490 between IL 390 and Franklin Avenue are assumed to be open and tolling.



PROJECTED ANNUAL TOTAL TRANSACTION AND REVENUE, 2023-2050
 (In Thousands, Revenue Shown in Nominal Dollars)





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CDM Smith will continue to monitor economic activity, traffic growth, and the impacts of construction on the Tollway as they relate to traffic and gross expected toll revenue forecasts. We trust the information herein meets your needs. Please let us know if you have questions or need additional assistance.

Sincerely,

CDM Smith Inc.

A handwritten signature in blue ink that reads "J Hart". The signature is written in a cursive style with a long horizontal stroke at the end.

Jonathon D. Hart, AICP, PMP
Senior Project Manager

Disclaimer

CDM Smith used currently-accepted professional practices and procedures in the development of the traffic and revenue estimates in this report. However, as with any forecast, it should be understood that differences between forecasted and actual results may occur, as caused by events and circumstances beyond the control of the forecasters. In formulating the estimates, CDM Smith reasonably relied upon the accuracy and completeness of information provided (both written and oral) by ISTHA. CDM Smith also relied upon the reasonable assurances of independent parties and is not aware of any material facts that would make such information misleading.

CDM Smith made qualitative judgments related to several key variables in the development and analysis of the traffic and revenue estimates that must be considered as a whole; therefore, selecting portions of any individual result without consideration of the intent of the whole may create a misleading or incomplete view of the results and the underlying methodologies used to obtain the results. CDM Smith gives no opinion as to the value or merit of partial information extracted from this report.

All estimates and projections reported herein are based on CDM Smith's experience and judgment and on a review of information obtained from multiple agencies, including ISTHA. These estimates and projections may not be indicative of actual or future values, and are therefore subject to substantial uncertainty. Certain variables such as future developments, economic cycles, pandemics, government actions, climate change related events, or impacts related to advances in automotive technology etc. cannot be predicted with certainty and may affect the estimates or projections expressed in this report, such that CDM Smith does not specifically guarantee or warrant any estimate or projection contained within this report.

While CDM Smith believes that the projections and other forward-looking statements contained within the report are based on reasonable assumptions as of the date of the report, such forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from the results predicted. Therefore, following the date of this report, CDM Smith will take no responsibility or assume any obligation to advise of changes that may affect its assumptions contained within the report, as they pertain to socioeconomic and demographic forecasts, proposed residential or commercial land use development projects and/or potential improvements to the regional transportation network.

The report and its contents are intended solely for use by the Illinois Tollway and designated parties approved by the Illinois Tollway and CDM Smith. Any use by third-parties, other than as noted above, is expressly prohibited. In addition, any publication of the report without the express written consent of CDM Smith is prohibited.

CDM Smith is not, and has not been, a municipal advisor as defined in Federal law (the Dodd Frank Bill) to the Illinois Tollway and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to the Illinois Tollway with respect to the information and material contained in this report. CDM Smith is not recommending and has not recommended any action to the Illinois Tollway. The Illinois Tollway should discuss the information and material contained in this report with any and all internal and external advisors that it deems appropriate before acting on this information.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following summary of certain provisions of the Indenture is qualified in its entirety by reference to the Indenture.

Definitions

“*Act*” means the Toll Highway Act, 605 ILCS 10/1, *et seq.*, as amended.

“*Additional Bonds*” means Additional Senior Bonds and any Junior Bonds issued pursuant to the terms of the Indenture.

“*Additional Senior Bonds*” means any Bond or Bonds originally issued as Senior Bonds after March 31, 1999, the date certain provisions of the Amending Supplemental Indenture became effective, which includes the 2024A Bonds.

“*Aggregate Debt Service*” means, for any Fiscal Year and as of any date of calculation, the sum of the amounts of Debt Service for such Fiscal Year with respect to all Series of Senior Bonds.

“*Amending Supplemental Indenture*” means the 1996 Amending Supplemental Indenture dated as of September 1, 1996, between the Authority and the Trustee.

“*Authorized Denominations*” means \$5,000 and any integral multiple thereof.

“*Authorized Officer*” means any director, officer or employee of the Authority authorized to perform specific acts or duties by a resolution duly adopted by the Authority.

“*Bond*” or “*Bonds*” means any bond or bonds, including Senior Bonds and Junior Bonds, authenticated and delivered under and pursuant to the Indenture, other than Subordinated Indebtedness.

“*Bondholder*” or “*Holder*,” means any person who shall be the bearer of any coupon Bond or Bonds or the registered owner of any registered Bond or Bonds without coupons.

“*Business Day*” means any day which is not a Sunday or legal holiday or a day (including Saturday) on which banking institutions in the city where the principal corporate trust office of any Fiduciary is located are authorized by law or executive order to close (and such Fiduciary is in fact closed).

“*Capital Appreciation Bond*” means a Bond accruing interest that is compounded and added to Principal as of such date or dates specified in the related Supplemental Indenture and is payable at maturity. Any Capital Appreciation Bond may mature on any date specified in the related Supplemental Indenture.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated and proposed pursuant to it.

“*Construction Fund*” means the Construction Fund established pursuant to the Indenture for the purpose of paying costs of any Project.

“*Consulting Engineers*” means an engineer or engineering firm or corporation at the time retained by the Authority pursuant to the Indenture to perform the acts and carry out the duties provided for such Consulting Engineers in the Indenture.

“*Costs of Construction*” means with respect to any Project the cost of construction, acquisition, installation, reconstruction, modification, preservation, replacement, repairs, renewals or enhancement, including, without

limitation, bridges over or under existing highways and railroads, the cost of acquisition of all land, rights of way, property, rights, easements and interests, acquired by the Authority for such construction, acquisition, installation, reconstruction, modification, preservation, replacement, repairs, renewals or enhancement, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, the cost of diverting highways, interchange of highways, access to roads to private property, including the cost of lands or easements, the cost of all machinery and equipment, financing charges, interest prior to and during work or construction and for up to two years after completion of the work or construction, the cost of traffic estimates and of engineering and legal expenses, plans, specifications, surveys, estimates of cost and revenues, other expenses necessary or incident to determining the feasibility or practicability of constructing any Project, administrative expenses and such other costs, expenses and funding as may be necessary or incident to the Project, the financing of such construction or work and the placing of such Project in operation.

“*Costs of Credit Enhancement*” means any fees of, or termination payments to, any Provider of Credit Enhancement; *provided*, that with respect to any Credit Enhancement executed and delivered or becoming effective on or after the effective date of the amendment to the Indenture establishing the Termination Payment Account (June 22, 2005), “Costs of Credit Enhancement” shall not include termination payments required to be made in connection with any such Credit Enhancement.

“*Costs of Hedge Agreement*” means any fees of, or termination payments to, any Provider of a Hedge Agreement; *provided*, that with respect to any Qualified Hedge Agreement executed and delivered or becoming effective on or after the effective date of the amendment to the Indenture establishing the Termination Payment Account (June 22, 2005), “Costs of Hedge Agreement” shall not include termination payments required to be made in connection with any such Qualified Hedge Agreement.

“*Credit Enhancement*” means any arrangement to provide additional security or liquidity for Bonds including, without limitation, surety bonds, bond insurance, letters of credit, lines of credit and purchase and remarketing agreements, but does not include Reserve Account Credit Facilities.

“*Current Funds*” means moneys that are immediately available in the hands of the payee at the place of payment.

“*Debt Reserve Account*” means the Debt Reserve Account established in the Indenture.

“*Debt Reserve Requirement*” means, as of any date of calculation, the maximum annual Aggregate Debt Service for any Fiscal Year for all Senior Bonds.

“*Debt Service*” means, for any period longer than one month, as of any date of calculation, an amount equal to the sum of Principal Installments and interest on Senior Bonds payable (or for the payment for which amounts are required to be deposited in the Debt Service Account) during such period, except to the extent that such interest is to be paid from Bond proceeds deposited to the credit of the Debt Service Account. Interest and Principal Installment amounts payable shall be calculated, for purposes of this definition, on the assumption that Senior Bonds Outstanding at the date of calculation will cease to be Outstanding by reason, but only by reason, of the payment of each Principal Installment on its due date. Interest and Principal Installments payable on January 1 of any Fiscal Year shall be deemed to be payable on December 31 of the preceding year. For purposes of applying this definition with respect to the calculations required by the Authority’s toll covenants and calculating the Debt Reserve Requirement, the amount of interest to be payable on Senior Bonds having variable interest rates shall be computed by assuming that the rate of interest with respect to Senior Bonds, interest on which is excludable from gross income of the Holders for federal income tax purposes, is a rate equal to the lesser of (i) the 30 Year Bond Buyer Revenue Bond Index as of the date of calculation, or (ii) the maximum interest rate on such Senior Bonds, and with respect to any Senior Bonds having a variable interest rate, the interest on which is not excludable from “gross income” of the Holders for federal income tax purposes, a rate equal to the lesser of (a) 115% of the 30 Year Bond Buyer Revenue Bond Index as of the date of calculation or (b) the maximum interest rate on such Senior Bonds, including in each case taking into account any Qualified Hedge Agreement as provided in the Indenture; for purposes of the Debt Reserve Requirement this calculation shall be made as of a date selected by the Authority within thirty (30) days preceding the date of issuance of each Series of Bonds for which such calculation is required. However, the rate for any such Series of Senior Bonds for which the variable interest rate is fixed for any portion of the applicable Fiscal Year shall be assumed to be the

actual rate borne by such Senior Bonds. For purposes of applying this definition with respect to the calculations required under the Indenture relating to the tests for the issuance of Additional Senior Bonds, the amount of interest payable on Senior Bonds having variable interest rates shall be computed at the maximum rate or amount for those Bonds, taking into account any Qualified Hedge Agreement. If a Series of Senior Bonds having variable interest rates is subject to purchase by the Authority pursuant to a mandatory or optional tender by the Holder, the “tender” date or dates shall be ignored and the stated Principal Installment dates of such Senior Bonds shall be used for purposes of calculating the Debt Service with respect to such Senior Bonds. If two Series of Senior Bonds having variable interest rates are issued simultaneously with inverse variable interest rates providing a composite fixed interest rate for such Senior Bonds taken at any time as a whole, such composite fixed rate shall be used in determining the Debt Service with respect to such Senior Bonds. Debt Service on Senior Bonds with respect to which there is a Qualified Hedge Agreement shall be calculated consistent with the provisions of the Indenture, as described in **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – HEDGING TRANSACTIONS.”** Debt Service shall include Costs of Credit Enhancement, Costs of Hedge Agreements and reimbursements to Providers of Credit Enhancement and Qualified Hedge Agreements, in each case to be paid as provided in a Supplemental Indenture from the Debt Service Account.

“*Debt Service Account*” means the Debt Service Account established in the Indenture.

“*Defeasance Securities*” means any direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

“*Depository*” means any bank, national banking association or trust company having capital stock, surplus and retained earnings aggregating at least \$8,000,000, or a savings or savings and loan institution having assets aggregating at least \$65,000,000, selected by the Treasurer (and with respect to Funds, Accounts and Sub-Accounts held by the Trustee, with the consent of the Treasurer, which consent shall not be unreasonably withheld) as a depository of moneys and securities held under the provisions of the Indenture, and may include the Trustee.

“*Eighteenth Supplemental Indenture*” means the Eighteenth Supplemental Indenture securing the 2014B Bonds, dated as of June 1, 2014, between the Authority and the Trustee.

“*Eighth Supplemental Indenture*” means the Eighth Supplemental Indenture securing the 2006 Bonds, dated as of June 1, 2006, between the Authority and the Trustee.

“*Eleventh Supplemental Indenture*” means the Eleventh Supplemental Indenture securing the 2008B Bonds, dated as of November 1, 2008, between the Authority and the Trustee.

“*Event of Default*” means any event described in **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – EVENTS OF DEFAULT.”**

“*Federal Securities*” means (i) any direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, (ii) any Municipal Bonds which are fully secured as to principal and interest by an irrevocable pledge of moneys or direct obligations of, or obligations unconditionally guaranteed by, the United States of America, which moneys or obligations are segregated in trust and pledged for the benefit of the holders of the Municipal Bonds, (iii) certificates of ownership of the principal of or interest on direct obligations of, or obligations unconditionally guaranteed by, the United States of America, which obligations are held in trust by a commercial bank that is a member of the Federal Reserve System, and (iv) interest obligations of the Resolution Funding Corporation, including, without limitation, interest obligations stripped by the Federal Reserve Bank of New York.

“*Fiduciary*” or “*Fiduciaries*” means the Trustee, the Registrar and the Paying Agents, or any or all of them, as may be appropriate.

“*Fifteenth Supplemental Indenture*” means the Fifteenth Supplemental Indenture securing the 2013A Bonds, dated as of May 1, 2013, between the Authority and the Trustee.

“*Fifth Supplemental Indenture*” means the Fifth Supplemental Indenture securing the 1996A Bonds, dated as of September 1, 1996, between the Authority and the Trustee.

“*First Supplemental Indenture*” means the First Supplemental Indenture securing Toll Highway Priority Revenue Bonds, 1986 Series, dated as of October 1, 1986, between the Authority and the Trustee.

“*Fiscal Year*” means the period January 1 through December 31 of the same year.

“*Fitch*” means Fitch Ratings, its successors and assigns, and, if Fitch shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

“*Fourteenth Supplemental Indenture*” means the Fourteenth Supplemental Indenture securing the 2010A Bonds dated as of June 1, 2010, between the Authority and the Trustee.

“*Fourth Supplemental Indenture*” means the Fourth Supplemental Indenture securing Toll Highway Refunding Revenue Bonds, 1993 Series A and B, dated as of March 1, 1993, between the Authority and the Trustee.

“*Hedge Agreement*” means a payment exchange agreement, swap agreement, forward purchase agreement or any other hedge agreement entered into by the Authority providing for payments between the parties based on levels of, or changes in, interest rates, stock or other indices or contracts to exchange cash flows or a series of payments or contracts, including, without limitation, interest rate floors, or caps, options, puts or calls, which allows the Authority to manage or hedge payment, rate, spread or similar risk with respect to any Series of Senior Bonds.

“*Improvement*” means any System Expansion Project or any acquisition, installation, construction, reconstruction, modification or enhancement of or to any real or personal property (other than Operating Expenses) for which a currently effective resolution of the Authority has been adopted authorizing the deposit of Revenues to the credit of the Improvement Account for such System Expansion Project or acquisition, installation, construction, reconstruction, modification or enhancement including, without limitation, the cost of related feasibility studies, plans, designs or other related expenditures.

“*Improvement Account*” means the Improvement Account established in the Indenture.

“*Improvement Requirement*” means the aggregate of the amounts established by currently effective resolutions of the Authority for specified Improvements, based upon a certificate or certificates of the Consulting Engineers with respect to the estimated costs of such Improvements filed with the Authority from time to time, less the amounts previously withdrawn or transferred from the Improvement Account to pay the costs of any such Improvements.

“*Indenture*” means the Amended and Restated Trust Indenture effective as of March 31, 1999 amending and restating the Trust Indenture dated as of December 1, 1985, by and between the Authority and the Trustee, as from time to time amended and supplemented, including by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, the Sixteenth Supplemental Indenture, the Seventeenth Supplemental Indenture, the Eighteenth Supplemental Indenture, the Nineteenth Supplemental Indenture, the Twentieth Supplemental Indenture, the Twenty-First Supplemental Indenture, the Twenty-Second Supplemental Indenture, the Twenty-Third Supplemental Indenture, the Twenty-Fourth Supplemental Indenture, the Twenty-Fifth Supplemental Indenture, the Twenty-Sixth Supplemental Indenture, the Twenty-Seventh Supplemental Indenture, the Twenty-Eighth Supplemental Indenture, the Twenty-Ninth Supplemental Indenture, the Thirtieth Supplemental Indenture, the Thirty-First Supplemental Indenture, the Thirty-Second Supplemental Indenture, the Thirty-Third Supplemental Indenture and the Amendatory Supplemental Indenture.

“*Interest Payment Date*” means, with respect to the 2024A Bonds, each January 1 and July 1 commencing July 1, 2024.

“*Interest Sub-Account*” means the sub-account of that name in the Debt Service Account established in the Indenture.

“*Investment Securities*” means any of the following securities authorized by law as permitted investments of Authority funds at the time of their purchase:

(i) Federal Securities;

(ii) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Government National Mortgage Association, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, United States Postal Service, Farmers Home Administration, Export-Import Bank, Federal Financing Bank and Student Loan Marketing Association;

(iii) Investments in a money market fund registered under the Investment Company Act of 1940, as amended (including any such money market fund sponsored by or affiliated with any Fiduciary), comprised of any of the investments set forth in subparagraph (i) or subparagraph (ii) above;

(iv) Negotiable or non-negotiable certificates of deposit or time deposits or other banking arrangements issued by any bank, trust company or national banking association (including any Fiduciary), which certificates of deposit or time deposits or other banking arrangements shall be continuously secured or collateralized by obligations described in subparagraphs (i), (ii) or (iii) of this definition, which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit or time deposits or other banking arrangements and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association issuing such certificates of deposit or time deposits or other banking arrangements, which certificates of deposit or time deposits or other banking arrangements acquired or entered into pursuant to this subparagraph (iv) shall be deemed for purposes of the Indenture to constitute investments and not deposits;

(v) With respect to moneys on deposit to the credit of the Debt Service Account, the Debt Reserve Account and the Construction Fund and its separate, segregated accounts (to the extent that the Construction Fund and such separate, segregated accounts are held by the Trustee) (except the Construction Fund revolving accounts), repurchase agreements with any bank, trust company or national banking association (including any Fiduciary) or government bond dealer reporting to the Federal Reserve Bank of New York continuously secured or collateralized by obligations described in subparagraph (i) of this definition, which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the amortized value of such repurchase agreements, provided such security or collateral is lodged with and held by the Trustee or the Authority as titleholder, as the case may be;

(vi) With respect to moneys on deposit to the credit of all Funds, Accounts and Sub-Accounts (except the Debt Service Account, the Debt Reserve Account, and the Construction Fund to the extent that the Construction Fund is held by the Trustee, the separate, segregated accounts of the Construction Fund to the extent such accounts are held by the Trustee and the revolving accounts of the Construction Fund), repurchase agreements with any bank, trust company or national banking association (including any Fiduciary) or government bond dealer reporting to the Federal Reserve Bank of New York continuously and fully secured for the benefit of the Authority and the Holders of the Bonds as provided by applicable state law with respect to the investment of public funds;

(vii) Public housing bonds issued by public housing authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; and project notes issued by public housing authorities

or by local public agencies, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(viii) Any Municipal Bond which has a rating by each rating agency from which the Authority has obtained Ratings for its Senior Bonds, which is not lower than the Rating provided by the respective rating agency for Senior Bonds; and

(ix) Any other investment securities as to which the Authority has received written advice from each rating agency which has a Rating for any Senior Bonds that investment in such securities will not result in a reduction of the Rating by the rating agency.

Investment Securities shall be rated not lower than “BBB-” by S&P and “Baa” by Moody’s or, in the case of Investment Securities described in subparagraph (iii), subparagraph (iv), subparagraph (v) or subparagraph (vi) of this definition, shall be secured or collateralized by Investment Securities rated not lower than “BBB” by S&P and “Baa” by Moody’s.

“*Junior Bond Debt Reserve Account or Accounts*” means any Junior Bond Debt Reserve Account or Accounts established in Supplemental Indentures authorizing the issuance of Junior Bonds.

“*Junior Bond Debt Service Account or Accounts*” means any Junior Bond Debt Service Account or Accounts established in Supplemental Indentures authorizing the issuance of Junior Bonds.

“*Junior Bonds*” means all Bonds authenticated and delivered as Junior Bonds pursuant to the Indenture.

“*Junior Bonds Revenue Requirement*” means for any Fiscal Year the amount required to be deposited from the Revenue Fund to any Junior Bond Debt Service Account and any Junior Bond Debt Reserve Account. For purposes of certain provisions of the tests established by the Indenture for the issuance of Additional Senior Bonds and the Authority’s toll covenants, the Junior Bond Revenue Requirement shall be the amount projected to be so required under the Supplemental Indentures authorizing the Junior Bonds, and taking into account, without limitation, (i) the expectations of the Authority as to the receipts, other than Revenues, which pursuant to the Supplemental Indentures authorizing Junior Bonds, will be applied to make such deposits to pay Principal Installments or interest, Costs of Credit Enhancement or Costs of Hedge Agreements and reimbursement to Providers of Credit Enhancement and Hedge Agreements on Junior Bonds to be paid from such Accounts; (ii) the expectations of the Authority as to future refinancings of Junior Bonds which were issued as provided in the Supplemental Indenture authorizing such Junior Bonds with the expectation of refinancing; and (iii) interest payable on Junior Bonds with variable interest rates as provided in the Supplemental Indenture authorizing Junior Bonds.

“*Maintenance and Operation Account*” means the Maintenance and Operation Account established in the Indenture.

“*Moody’s*” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*Moody’s*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

“*Move Illinois Program*” means the “*Move Illinois: The Illinois Tollway Driving the Future*” capital program of the Authority, as described in and approved by Resolution No. 19480 of the Authority adopted on August 25, 2011, together with the enhancements of the portion of those capital improvements related to the Central Tri-State Tollway described in Resolution No. 21244 of the Authority adopted on April 27, 2017, and as the same may be amended, revised or modified from time to time.

“*Municipal Bonds*” means any obligations of any state, public corporation, authority, political subdivision, unit of local government or municipality of any state.

“*Net Revenue Requirement*” means, with respect to any period of time, an amount necessary to cure deficiencies, if any, in the Debt Service Account, the Debt Reserve Account, any Junior Bond Debt Service Account and any Junior Bond Debt Reserve Account plus the greater of (i) the sum of Aggregate Debt Service, the Junior Bond Revenue Requirement and the Renewal and Replacement Deposit for such period or (ii) 1.3 times the Aggregate Debt Service for such period.

“*Net Revenues*” means, for any Fiscal Year or other period of time, the Revenues, excluding amounts transferred during such Fiscal Year or period (i) to the Revenue Fund from the Construction Fund and (ii) to the Trustee by the Authority from the System Reserve Account, the Improvement Account or the Renewal and Replacement Account, less the Operating Expenses for such Fiscal Year or period.

“*Nineteenth Supplemental Indenture*” means the Nineteenth Supplemental Indenture securing the 2014C Bonds dated as of December 1, 2014, between the Authority and the Trustee.

“*Ninth Supplemental Indenture*” means the Amended and Restated Ninth Supplemental Indenture securing the 2007 Bonds, dated as of March 1, 2011, between the Authority and the Trustee.

“*1996 Series A Bonds*” means the Toll Highway Refunding Revenue Bonds, 1996 Series A, authorized by the Fifth Supplemental Indenture.

“*1993 Series B Bonds*” means the Authority’s Toll Highway Refunding Revenue Bonds, 1993 Series B, issued pursuant to the Fourth Supplemental Indenture and redeemed on January 28, 2009.

“*1992 Series A Bonds*” means the Toll Highway Priority Revenue Bonds, 1992 Series A, authorized by the Third Supplemental Indenture.

“*Operating Expenses*” means the Authority’s expenses in the normal course of business for operation, maintenance and repairs of the Tollway System or any part of it and replacement and acquisition of equipment (other than expenses which under generally accepted accounting principles are capitalized and for which amounts (other than amounts held in the Maintenance and Operation Account) are set aside or otherwise available) including, without limitation, all policing, administrative and engineering expenses, legal and financial advisory expenses, fees and expenses of the fiduciaries, payments to pension, retirement, health and hospitalization funds, insurance premiums, rentals under leases of property not constituting Projects, and any other expenses or obligations required to be paid by the Authority under the provisions of the Indenture or by law, all to the extent properly and directly attributable to the operation of the Tollway System, but not including any costs or expenses of any Project, allowance for depreciation, payments on any Outstanding Bonds, Subordinated Indebtedness or money borrowed for purposes other than Operating Expenses, or any reserves for those purposes.

“*Operating Reserve Sub-Account*” means the subaccount of that name in the Maintenance and Operation Account established under the Indenture.

“*Operating Sub-Account*” means the sub-account of that name in the Maintenance and Operation Account.

“*Outstanding*,” when used with reference to Bonds, means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Indenture except:

(i) Any Bonds canceled by the Trustee at or prior to such date;

(ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or date fixed for redemption, are held in trust under the Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as provided in the proceedings authorizing such Bonds or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant the Indenture; and

(iv) Bonds deemed to have been paid under the provisions of the Indenture described in **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – DEFEASANCE.”**

“*Owner*” or “*Registered Owner*” means any person who shall be the registered owner of any Bond.

“*Paying Agent*” means any bank, national banking association or trust company designated by the Authority as paying agent for the Bonds of any Series, and any successor or successors appointed by the Authority under the Indenture, and for the 2024A Bonds means the Trustee.

“*Principal*,” when used in connection with a Capital Appreciation Bond, shall mean the initial principal amount of such Bond as of its date of issuance plus interest accreted thereon to the date of calculation, which in the aggregate shall constitute the maturity amount of such Capital Appreciation Bond as of the date of maturity thereof.

“*Principal Installment*” means, as of any particular date of calculation and with respect to any particular future date and with respect to Bonds of a particular Series, (a) the principal amount of Outstanding Bonds of said Series that are stated to mature on such future date, reduced by the aggregate principal amount of such Outstanding Bonds that would before said future date cease to be Outstanding by reason, but only by reason, of the payment when due, and application in accordance with the Indenture, of Sinking Fund Installments payable before said future date toward the retirement of such Outstanding Bonds, and (b) the amount of any Sinking Fund Installment payable on said future date toward the retirement of any Outstanding Bonds of said Series.

“*Principal Sub-Account*” means the sub-account of that name in the Debt Service Account established in the Indenture.

“*Priority Bonds*” means all Bonds designated as Priority Bonds, which, as of the date of issuance of the 2024A Bonds consists of the 2009A Bonds and the 2009B Bonds.

“*Project*” means any Improvement or Renewal and Replacement.

“*Provider*” means any person or entity providing Credit Enhancement, a Reserve Account Credit Facility or a Qualified Hedge Agreement with respect to any one or more Series of Senior Bonds, pursuant to agreement with or upon the request of the Authority.

“*Provider Payment Sub-Account*” means the sub-account of that name in the Debt Service Account established in the Indenture.

“*Qualified Hedge Agreement*” means a Hedge Agreement if (i) the Provider of the Hedge Agreement is rated “A” or better by S&P and (ii) the Authority has given each rating agency then rating any of the Senior Bonds (whether or not such rating agency also rates the unsecured obligations of the Provider of the Hedge Agreement or the Provider’s guarantor) at least 15 days’ notice in writing of its intention to enter into the Hedge Agreement (unless such notice period is waived by such rating agency) and has received from such rating agency its written advice that the entering into of the Hedge Agreement by the Authority will not in and of itself cause a reduction or withdrawal by such rating agency of its Rating on any Senior Bonds. Such written advice shall constitute a waiver by that rating agency of the notice requirement set forth above.

“*Rating*” means a rating given Senior Bonds by a nationally recognized rating agency upon the request or application of the Authority, and where the rating of any Senior Bonds is based upon bond insurance or similar credit enhancement, it means the rating which those Senior Bonds would have without that bond insurance or credit enhancement.

“*Rating Agency*” means Fitch, Moody’s and S&P or any other nationally recognized securities rating agency then assigning a Rating to the applicable Series.

“*Record Date*” means the fifteenth (15th) day (whether or not a Business Day) of the month next preceding each Interest Payment Date or as may be provided in the Supplemental Indenture for any Series of Bonds.

“*Redemption Price*” means, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon the date fixed for redemption.

“*Redemption Sub-Account*” means the sub-account of that name in the Debt Service Account established in the Indenture.

“*Refunding Bonds*” means all Bonds designated as Refunding Bonds, which as of the date of issuance of the 2024A Bonds consists of the 2014A Bonds, the 2014D Bonds, the 2016A Bonds, the 2018A Bonds, the 2019B Bonds, the 2019C Bonds and the 2024A Bonds.

“*Registrar*” means the Trustee.

“*Renewal and Replacement*” means preservation, replacement, repairs, renewals and reconstruction or modifications of the Tollway System or any part of it constituting real or personal property, whether leased or purchased, but does not include System Expansion Projects.

“*Renewal and Replacement Account*” means the Renewal and Replacement Account established in the Indenture.

“*Renewal and Replacement Deposit or Deposits*” means, with respect to any period, any amount budgeted for deposit to or projected for deposit to the Renewal and Replacement Account for Renewal and Replacement Expenses, other than such budgeted or projected amounts which the Authority has determined will be available for Renewal and Replacement Expenses from the System Reserve Fund, the Improvement Fund or from the proceeds of authorized borrowings or from installment purchases or leases.

“*Renewal and Replacement Expense or Expenses*” means the cost of any Renewal and Replacement.

“*Reserve Account Credit Facility*” means a surety bond, an insurance policy, a letter of credit or other credit facility with respect to any Series of Senior Bonds which meets the requirements of the Indenture.

“*Revenue Fund*” means the Revenue Fund established pursuant to the Indenture into which all Revenues (other than investment income, unless otherwise directed by the Indenture) are to be deposited.

“*Revenues*” means (i) all tolls, fees, charges, rents, and other income and receipts derived from the operation of the Tollway System, (ii) the proceeds of any use and occupancy insurance relating to the Tollway System and of any other insurance that insures against loss of revenues, (iii) investment income from any moneys or securities held in Funds, Accounts or Sub-Accounts established under the Indenture, other than the Construction Fund, and (iv) amounts transferred from the Construction Fund to the Revenue Fund, and transfers to the Trustee by the Authority from the System Reserve Account pursuant to the Indenture. Revenues excludes Federal and State grants and appropriations, loan proceeds, gifts or donations of any kind, transfers, if any, to the Authority as permitted under any Escrow Agreement, and receipts not related to the Authority’s performance of its obligations under the Indenture or to the operations of the Tollway System.

“*S&P*” means S&P Global Ratings, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

“*Second Supplemental Indenture*” means the Second Supplemental Indenture securing Toll Highway Refunding Revenue Bonds, 1987 Series, dated as of February 15, 1987, between the Authority and the Trustee.

“*Senior Bonds*” means (i) the Authority’s Outstanding Priority Bonds, (ii) the Authority’s Outstanding 2013A Bonds, 2014B Bonds, 2014C Bonds, 2015A Bonds, 2015B Bonds, 2016B Bonds, 2017A Bonds, 2019A Bonds, 2020A Bonds, 2021A Bonds and 2023A Bonds, (iii) the Authority’s Outstanding Refunding Bonds, and (iv) all Additional Senior Bonds, without duplication, issued in accordance with the Indenture, including the 2024A Bonds.

“*Series*” means all of the Bonds designated as a series and authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds.

“*Seventeenth Supplemental Indenture*” means the Seventeenth Supplemental Indenture securing the 2014A Bonds dated as of January 1, 2014, between the Authority and the Trustee.

“*Seventh Supplemental Indenture*” means the Seventh Supplemental Indenture securing the 2005 Bonds, dated as of June 1, 2005, between the Authority and the Trustee.

“*Sinking Fund Installment*” means each principal amount of Senior Bonds scheduled to be retired through the application of amounts on deposit in the Redemption Sub-Account established pursuant to the Indenture.

“*Sixteenth Supplemental Indenture*” means the Sixteenth Supplemental Indenture securing the 2013B-1 Bonds, dated as of August 1, 2013, between the Authority and the Trustee.

“*Sixth Supplemental Indenture*” means the Sixth Supplemental Indenture securing the 1998 Bonds, dated as of December 1, 1998, between the Authority and the Trustee.

“*Subordinated Indebtedness*” means any evidence of indebtedness, other than Bonds, permitted to be issued by the Indenture for any purpose for which Bonds may be issued thereunder and payable from the System Reserve Account.

“*Subsidy Payments*” means the cash subsidy payments that may be paid from time to time by the United States Treasury pursuant to Sections 54AA(g) and 6431 of the Code resulting from the elections by the Authority to issue the 2009A Bonds and the 2009B Bonds as “Build America Bonds (Direct Payment).”

“*System Expansion Project*” means any acquisition, improvement, betterment, enlargement or capital addition that extends the Tollway System.

“*System Reserve Account*” means the System Reserve Account established in the Indenture.

“*Tenth Supplemental Indenture*” means the Amended and Restated Tenth Supplemental Indenture securing the 2008 Bonds, dated as of February 1, 2011, between the Authority and the Trustee.

“*Termination Payment Account*” means the Termination Payment Account established in the Indenture.

“*Third Supplemental Indenture*” means the Third Supplemental Indenture securing the 1992 Series A Bonds, dated as of September 1, 1992, between the Authority and the Trustee.

“*Thirteenth Supplemental Indenture*” means the Thirteenth Supplemental Indenture securing the 2009B Bonds, dated as of December 1, 2009, between the Authority and the Trustee.

“*Thirtieth Supplemental Indenture*” means the Thirtieth Supplemental Indenture securing the 2020A Bonds, dated as of December 1, 2020, between the Authority and the Trustee.

“*Thirty-First Supplemental Indenture*” means the Thirty-First Supplemental Indenture securing the 2021A Bonds, dated as of December 1, 2021, between the Authority and the Trustee.

“*Thirty-Second Supplemental Indenture*” means the Thirty-Second Supplemental Indenture securing the Series 2023A Bonds, dated as of May 1, 2023, between the Authority and the Trustee.

“*Thirty-Third Supplemental Indenture*” means the Thirty-Third Supplemental Indenture securing the Series 2024A Bonds, dated as of January 1, 2024 between the Authority and the Trustee.

“*Tollway System*” means, collectively, (i) the toll highways operated and maintained by the Authority as of December 1, 1985, (ii) any Projects, and (iii) all properties, equipment and facilities used in connection with the operation and maintenance of the facilities listed in clause (i) or (ii) of this definition.

“*Traffic Engineers*” means an engineer or engineering firm or corporation at the time retained by the Authority pursuant to the Indenture to perform the acts and carry out the duties provided for such Traffic Engineers in the Indenture.

“*Treasurer*” means the Treasurer of the State of Illinois and *ex officio* custodian of the “Illinois State Toll Highway Authority Fund,” a special fund created under the Act, of which all Funds, Accounts, and Sub-Accounts created under the Indenture, including the Revenue Fund and the Construction Fund, are a part.

“*Trustee*” means The Bank of New York Mellon Trust Company, N.A., as successor to The First National Bank of Chicago, currently serving as trustee under the Indenture.

“*Twelfth Supplemental Indenture*” means the Twelfth Supplemental Indenture securing the 2009A Bonds, dated as of May 1, 2009, between the Authority and the Trustee.

“*Twentieth Supplemental Indenture*” means the Twentieth Supplemental Indenture securing the 2014D Bonds dated as of December 1, 2014, between the Authority and the Trustee.

“*Twenty-Eighth Supplemental Indenture*” means the Twenty-Eighth Supplemental Indenture securing the 2019B Bonds dated as of November 1, 2019, between the Authority and the Trustee.

“*Twenty-Fifth Supplemental Indenture*” means the Twenty-Fifth Supplemental Indenture securing the 2017A Bonds dated as of December 1, 2017, between the Authority and the Trustee.

“*Twenty-First Supplemental Indenture*” means the Twenty-First Supplemental Indenture securing the 2015A Bonds dated as of July 1, 2015, between the Authority and the Trustee.

“*Twenty-Fourth Supplemental Indenture*” means the Twenty-Fourth Supplemental Indenture securing the 2016B Bonds dated as of May 1, 2016, between the Authority and the Trustee.

“*Twenty-Ninth Supplemental Indenture*” means the Twenty-Ninth Supplemental Indenture securing the 2019C Bonds dated as of December 1, 2019 between the Authority and the Trustee.

“*Twenty-Second Supplemental Indenture*” means the Twenty-Second Supplemental Indenture securing the 2015B Bonds dated as of December 1, 2015, between the Authority and the Trustee.

“*Twenty-Seventh Supplemental Indenture*” means the Twenty-Seventh Supplemental Indenture securing the 2019A Bonds dated as of July 1, 2019, between the Authority and the Trustee.

“*Twenty-Sixth Supplemental Indenture*” means the Twenty-Sixth Supplemental Indenture securing the 2018A Bonds dated as of December 1, 2018, between the Authority and the Trustee.

“*Twenty-Third Supplemental Indenture*” means the Twenty-Third Supplemental Indenture securing the 2016A Bonds dated as of January 1, 2016, between the Authority and the Trustee.

“*2005 Bonds*” means the Toll Highway Senior Priority Revenue Bonds, 2005 Series A, authorized by the Seventh Supplemental Indenture.

“*2006 Bonds*” means, collectively, the Toll Highway Senior Priority Revenue Bonds, 2006 Series A-1 and 2006 Series A-2, authorized by the Eighth Supplemental Indenture.

“*2007 Bonds*” means, collectively, the Toll Highway Variable Rate Senior Priority Revenue Bonds, 2007 Series A-1 and 2007 Series A-2, authorized by the Ninth Supplemental Indenture.

“*2008 Bonds*” means, collectively, the Toll Highway Variable Rate Senior Refunding Revenue Bonds, 2008 Series A-1 and 2008 Series A-2, authorized by the Tenth Supplemental Indenture.

“*2009A Bonds*” means the Toll Highway Senior Priority Revenue Bonds, Taxable 2009 Series A (Build America Bonds – Direct Payment), authorized by the Twelfth Supplemental Indenture.

“*2009B Bonds*” means the Toll Highway Senior Priority Revenue Bonds, Taxable 2009 Series B (Build America Bonds – Direct Payment), authorized by the Thirteenth Supplemental Indenture.

“*2010A Bonds*” means the Toll Highway Senior Refunding Revenue Bonds, 2010 Series A-1, authorized by the Fourteenth Supplemental Indenture.

“*2013A Bonds*” means the Toll Highway Senior Revenue Bonds, 2013 Series A, authorized by the Fifteenth Supplemental Indenture.

“*2013B-1 Bonds*” means the Toll Highway Senior Revenue Bonds, 2013 Series B-1 (Refunding), authorized by the Sixteenth Supplemental Indenture

“*2014A Bonds*” means the Toll Highway Senior Revenue Bonds, 2014 Series A (Refunding), authorized by the Seventeenth Supplemental Indenture

“*2014B Bonds*” means the Toll Highway Senior Revenue Bonds, 2014 Series B, authorized by the Eighteenth Supplemental Indenture.

“*2014C Bonds*” means the Toll Highway Senior Revenue Bonds, 2014 Series C, authorized by the Nineteenth Supplemental Indenture.

“*2014D Bonds*” means the Toll Highway Senior Revenue Bonds, 2014 Series D (Refunding), authorized by the Twentieth Supplemental Indenture.

“*2015A Bonds*” means the Toll Highway Senior Revenue Bonds, 2015 Series A, authorized by the Twenty-First Supplemental Indenture.

“*2015B Bonds*” means the Toll Highway Senior Revenue Bonds, 2015 Series B, authorized by the Twenty-Second Supplemental Indenture.

“*2016A Bonds*” means the Toll Highway Senior Revenue Bonds, 2016 Series A (Refunding), authorized by the Twenty-Third Supplemental Indenture.

“*2016B Bonds*” means the Toll Highway Senior Revenue Bonds, 2016 Series B, authorized by the Twenty-Fourth Supplemental Indenture.

“2017A Bonds” means the Toll Highway Senior Revenue Bonds, 2017 Series A, authorized by the Twenty-Fifth Supplemental Indenture.

“2018A Bonds” means the Toll Highway Senior Revenue Bonds, 2018 Series A (Refunding), authorized by the Twenty-Sixth Supplemental Indenture.

“2019A Bonds” means the Toll Highway Senior Revenue Bonds, 2019 Series A, authorized by the Twenty-Seventh Supplemental Indenture.

“2019B Bonds” means the Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding), authorized by the Twenty-Eighth Supplemental Indenture.

“2019C Bonds” means the Toll Highway Senior Revenue Bonds, 2019 Series C (Refunding), authorized by the Twenty-Ninth Supplemental Indenture.

“2020A Bonds” means the Toll Highway Senior Revenue Bonds, 2020 Series A, authorized by the Thirtieth Supplemental Indenture.

“2021A Bonds” means the Toll Highway Senior Revenue Bonds, 2021 Series A, authorized by the Thirty-First Supplemental Indenture.

“2023A Bonds” means the Toll Highway Senior Revenue Bonds, 2023 Series A, authorized by the Thirty-Second Supplemental Indenture.

“2024A Bonds” means the Toll Highway Senior Revenue Bonds, 2024 Series A (Refunding), authorized by the Thirty-Third Supplemental Indenture.

“Underwriters” means the group of underwriters represented by RBC Capital Markets, LLC and Wells Fargo Bank, National Association in connection with the purchase of the 2024A Bonds.

PLEDGE AND LIEN

Pursuant to the Indenture, the Authority pledges for the payment of the principal and Redemption Price of, and interest on, the Senior Bonds (i) the Net Revenues, (ii) amounts on deposit in all Funds, Accounts and Sub-Accounts, except amounts on deposit in or required to be deposited in the Maintenance and Operation Account established by the Indenture and except for amounts held from time to time in any Junior Bond Debt Service Accounts and any Junior Bond Debt Reserve Accounts, in each case established pursuant to the Supplemental Indentures authorizing any Junior Bonds, and (iii) any and all other moneys, securities and property held by the Trustee under the terms of the Indenture (except such amounts to be held solely for benefit of Junior Bonds).

The pledge and lien created by the Indenture for Senior Bonds secure Senior Bonds on an equal and ratable basis and are superior in all respects to any pledge and lien created by any Supplemental Indenture for Junior Bonds, except with respect to amounts held from time to time solely for the benefit of Junior Bonds. With respect to amounts held in the Junior Bond Debt Service Account and the Junior Bond Debt Reserve Account, the pledge and lien for Junior Bonds secure Junior Bonds on an equal and ratable basis and are junior in all respects to the pledge and lien created for Senior Bonds. For purposes of the pledge and lien granted by the Indenture, and the requirement for deposits in and use of amounts in the Debt Service Account, the payment of principal of, premium, if any, and interest on Senior Bonds may include reimbursing Providers of Credit Enhancement or Qualified Hedge Agreements for Senior Bonds for amounts applied by such Providers to pay such principal of, premium, if any, and interest on Senior Bonds, but amounts in the Debt Service Account shall be so applied only if after such application there is no deficiency in the Debt Service Account.

FLOW OF FUNDS

The Authority covenants to deliver all Revenues (other than investment income, unless otherwise directed by the Indenture, and other than reimbursable advances from particular Funds or Accounts, which may when reimbursed be deposited directly into the Fund or Account from which the advance was made), within five Business Days after receipt by the Trustee for deposit in the Revenue Fund. On or before the 20th day of each month the Treasurer, at the direction of the Authority, will transfer or apply the balance as of such date of transfer in the Revenue Fund not previously transferred or applied in the following order of priority:

First, to the credit of the Maintenance and Operation Account as follows:

(1) to the credit of the Operating Sub-Account, that portion of the Operating Expenses set forth in the Annual Budget for the then current Fiscal Year that would have accrued on a *pro rata* basis to the end of the current calendar month if deemed to accrue monthly on a *pro rata* basis from the first day of the then current Fiscal Year, less all other amounts previously transferred by the Treasurer for deposit to the credit of the Operating Sub-Account during said Fiscal Year and less the balance, if any, that was on deposit to the credit of the Operating Sub-Account on December 31 of the preceding Fiscal Year, and

(2) to the credit of the Operating Reserve Sub-Account, the amount, if any, as shall be specified by the Authority; *provided, however*, that any such amount specified by the Authority shall be reduced by the amount, if any, by which such deposit, if made, when added to the balance on deposit to the credit of the Operating Reserve Sub-Account as of the last day of the immediately preceding month, would exceed 30% of the amount budgeted for Operating Expenses in the Annual Budget for the then current Fiscal Year.

Second, to the credit of the Debt Service Account maintained by the Trustee, as follows:

(1) to the credit of the Interest Sub-Account, an amount equal to (a) any interest due and unpaid on Senior Bonds, plus (b) for each Series of Senior Bonds, one-sixth of the difference between the interest payable on Outstanding Senior Bonds of that Series on any interest payment date within the next six months, and the proceeds of Senior Bonds on deposit to the credit of the Interest Sub-Account for paying that interest (*provided, however*, that for interest payable on any Series of Senior Bonds other than semi-annually or at a variable rate, and for a first interest payment date or as otherwise provided in any Supplemental Indenture for any Series of Senior Bonds, the amount so deposited shall be as provided in the Supplemental Indenture authorizing the Senior Bonds providing for such deposits). For purposes of calculating the periodic transfers required to be made to the Interest Sub-Account with respect to the 2009A Bonds and the 2009B Bonds pursuant to said clause (b), the Treasurer may apply the Subsidy Payments on deposit with the Trustee as a credit against the interest due on the date of deposit of the Subsidy Payments or if none is then due or such interest payment has been fully provided for, against the next interest due on the 2009A Bonds and the 2009B Bonds. Interest payable shall take into account any Qualified Hedge Agreement as provided under the Indenture;

(2) to the credit of the Principal Sub-Account, an amount equal to (a) any principal due and unpaid on Outstanding Senior Bonds plus (b) for each Series of Senior Bonds, one-twelfth of any principal (including the maturity amount of Capital Appreciation Bonds) of such Outstanding Senior Bonds payable on the next principal payment date within the next twelve months (*provided, however*, that a Supplemental Indenture authorizing any Series of Senior Bonds which has Principal Installments payable other than annually shall provide for the amounts to be so deposited, and any Supplemental Indenture authorizing any Series of Senior Bonds may provide for additional deposits in the Principal Sub-Account); and

(3) to the credit of the Redemption Sub-Account, an amount for each Series of Senior Bonds equal to one-twelfth of any Sinking Fund Installment of such Outstanding Senior Bonds of that Series payable within the next twelve months (*provided, however*, that a Supplemental Indenture authorizing Senior Bonds of a Series which has Sinking Fund Installments payable other than annually shall provide for the amounts to be so deposited, and any Supplemental Indenture authorizing Senior Bonds of a Series may provide for additional deposits in the Redemption Sub-Account).

Third, to the credit of the Provider Payment Sub-Account amounts as provided in any Supplemental Indenture for paying Costs of Credit Enhancement or Qualified Hedge Agreements for Senior Bonds or for making reimbursements to Providers of Credit Enhancement or Qualified Hedge Agreements for Senior Bonds; but no such deposit shall be made for making any termination payment for a Qualified Hedge Agreement when there is any deficiency in the Debt Reserve Account; *provided*, that, with respect to (a) any Credit Enhancements executed and delivered or becoming effective on or after the effective date of the amendment to the Indenture establishing the Termination Payment Account (June 22, 2005) all termination payments required to be made in connection with any such Credit Enhancements shall be paid from the Termination Payment Account and (b) any Qualified Hedge Agreements executed and delivered or becoming effective on or after the effective date of the amendment to the Indenture establishing the Termination Payment Account (June 22, 2005), all termination payments required to be made in connection with any such Qualified Hedge Agreements shall be paid from the Termination Payment Account.

Fourth, to the credit of the Debt Reserve Account, maintained by the Trustee, an amount sufficient to cause the balance in it to equal the Debt Reserve Requirement and to make any required reimbursement to Providers of Reserve Account Credit Facilities, which reimbursement is payable as provided by a Supplemental Indenture from the Debt Reserve Account.

Fifth, to the credit of any Junior Bond Debt Service Account or Junior Bond Debt Reserve Account, maintained by the Trustee, any amounts required by, and in the priority established by, any Supplemental Indentures authorizing Junior Bonds.

Sixth, to the credit of the Termination Payment Account, an amount sufficient to provide for the payment of termination payments then due and owing with respect to (i) Credit Enhancements and Qualified Hedge Agreements executed and delivered or becoming effective on or after the date of execution and delivery of the Seventh Supplemental Indenture and (ii) credit enhancement and similar agreements and hedge agreements executed and delivered pursuant to any Supplemental Indenture authorizing Junior Bonds.

Seventh, to the credit of the Renewal and Replacement Account, that portion of the Renewal and Replacement Deposit set forth in the Annual Budget for the then current Fiscal Year that would have accrued on a pro rata basis to the end of the current calendar month if deemed to accrue monthly on a pro rata basis from the first day of the then current Fiscal Year, less all other amounts previously transferred by the Treasurer for deposit to the credit of the Renewal and Replacement Account during that Fiscal Year.

Eighth, at the direction of the Authority, to the credit of the Improvement Account, for allocation to a project or projects as determined by the Authority in its sole discretion, until the balance in such Account is equal to the Improvement Requirement or such lesser amount as the Authority may from time to time determine by resolution.

Ninth, at the direction of the Authority, the balance of such amounts in the Revenue Fund for deposit to the credit of the System Reserve Account.

Any deficiency in the credits required to the various Accounts and Sub-Accounts in any month shall be added to the required credit for the next month.

Funds, Accounts and Sub-Accounts. The Indenture establishes the following Funds and Accounts:

- (a) Revenue Fund
- (b) Maintenance and Operation Account
- (c) Debt Service Account held by the Trustee
- (d) Debt Reserve Account held by the Trustee
- (e) Any Junior Bond Debt Service Account held by the Trustee

- (f) Any Junior Bond Debt Reserve Account held by the Trustee
- (g) Termination Payment Account held by the Trustee
- (h) Renewal and Replacement Account
- (i) Improvement Account
- (j) System Reserve Account
- (k) Construction Fund (by Supplemental Indenture, segregated accounts therein held by the Trustee).

All moneys deposited under the provisions of the Indenture are required to be deposited with one or more Depositories, in trust and applied only in accordance with the Indenture.

Certain of the foregoing Accounts and Sub-Accounts are established under the Indenture for the following purposes:

Maintenance and Operation Account — Operating Sub-Account. The Authority is required to pay Operating Expenses from the Operating Sub-Account in accordance with the Authority's Annual Budget.

Maintenance and Operation Account — Operating Reserve Sub-Account. Subject to the requirements of the Authority's Annual Budget, moneys, if any, on deposit to the credit of the Operating Reserve Sub-Account shall be held as a reserve for the payment of Operating Expenses and shall be withdrawn from time to time by the Authority, to the extent that moneys are not available to the credit of the Operating Sub-Account, in order to pay Operating Expenses. As of the last day of each Fiscal Year, the Authority shall transfer from the Operating Reserve Sub-Account to the Operating Sub-Account the amount, if any, to the credit of the Operating Reserve Sub-Account in excess of thirty percent of the amount budgeted for Operating Expenses in the Annual Budget for the then current Fiscal Year.

Debt Service Account and Debt Reserve Account. The Indenture establishes the Debt Service Account and Debt Reserve Account for the benefit of the Outstanding Senior Bonds, and any Additional Senior Bonds. The Indenture authorizes the establishment of Junior Bond Debt Service Accounts and Junior Bond Debt Reserve Accounts.

Debt Service Account. The Trustee shall pay to the respective Paying Agents in Current Funds (i) out of the Interest Sub-Account on or before each interest payment date for any Senior Bonds, including the 2024A Bonds, the amount required for the interest payable on such date; (ii) out of the Principal Sub-Account on or before each such interest payment date, an amount equal to the principal amount of the Outstanding Senior Bonds that mature on such date; and (iii) out of the Redemption Sub-Account on or before the day preceding any date fixed for redemption of Outstanding Senior Bonds from Sinking Fund Installments, the amount required for the payment of the Redemption Price of such Senior Bonds then to be redeemed. The Trustee shall also pay out of the Interest Sub-Account the accrued interest included in the purchase price of Senior Bonds purchased for retirement. The Trustee shall, at any time there is a deficiency in credits to the Interest Sub-Account, the Principal Sub-Account and the Redemption Sub-Account, apply amounts in the Provider Payment Sub-Account to remedy those deficiencies, in that order. The Trustee shall pay from the Provider Payment Sub-Account after any payment, as provided in the preceding sentence, has been made, to Providers amounts for paying Costs of Credit Enhancement or costs of Qualified Hedge Agreements for Senior Bonds, or making reimbursement to Providers of Credit Enhancement or Qualified Hedge Agreements, for Senior Bonds, as provided in Supplemental Indentures for Senior Bonds, but only if there is no deficiency in the Interest, Principal or Redemption Sub-Accounts.

Amounts to the credit of the Redemption Sub-Account with respect to Sinking Fund Installments are required to be applied to the purchase or redemption of Senior Bonds subject to redemption pursuant to Sinking Fund Installments as follows:

(i) Amounts deposited to the credit of the Redemption Sub-Account to be used in satisfaction of any Sinking Fund Installment may, and if so directed by the Authority shall, be applied by the Trustee, on or prior to the forty-fifth day preceding the next scheduled Sinking Fund Installment date, to the purchase of Senior Bonds for which such Sinking Fund Installment was established. That portion of the purchase price attributable to accrued interest shall be paid from the Interest Sub-Account. All such purchases of Senior Bonds shall be made at prices not exceeding the applicable Sinking Fund Redemption Price of such Senior Bonds plus accrued interest, and such purchases shall be made in such manner as the Authority shall determine. The principal amount of any Senior Bonds so purchased shall be deemed to be a part of the Redemption Sub-Account until such Sinking Fund Installment date, for the purpose of calculating the amount on deposit in such Sub-Account.

(ii) At any time up to the forty-sixth day preceding the next scheduled Sinking Fund Installment date, the Authority may purchase with any available funds, which may include amounts in the Improvement Account or the System Reserve Account, Senior Bonds for which such Sinking Fund Installment was established and surrender such Senior Bonds to the Trustee at any time up to such forty-fifth day.

(iii) To the extent that amounts are available to the credit of the Redemption Sub-Account and the Debt Reserve Account, and after giving effect to the Senior Bonds purchased by the Trustee and Senior Bonds surrendered by the Authority, which shall be credited against the Sinking Fund Installment for the Senior Bonds at their applicable sinking fund Redemption Price, and as soon as practicable after the forty-fifth day preceding the next scheduled Sinking Fund Installment date, the Trustee shall proceed to call for redemption on such scheduled Sinking Fund Installment date Senior Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Senior Bonds maturing on a Sinking Fund Installment date which shall be retired from payments from the Principal Sub-Account) in such amount as shall be necessary to complete the retirement of the unsatisfied portion of such Sinking Fund Installment. The Trustee shall pay out of the Redemption Sub-Account (after transfers to it from the Debt Reserve Account, if required) to the appropriate Paying Agents, on or before the day preceding such redemption date, the Redemption Price required for the redemption of the Senior Bonds so called for redemption, and such amount shall be applied by such Paying Agents to such redemption.

(iv) If the principal amount of Senior Bonds retired through application of amounts in satisfaction of any Sinking Fund Installment shall exceed such Sinking Fund Installment, or in the event of the purchase or redemption from moneys other than from the Redemption Sub-Account of Senior Bonds of any Series and maturity for which Sinking Fund Installments have been established, such excess or the principal amount of Senior Bonds so purchased or redeemed, as the case may be, shall be credited toward future scheduled Sinking Fund Installments either (i) in the order of their due dates or (ii) in such order as the Authority establishes in a certificate signed by an Authorized Officer and delivered to the Trustee on or prior to the date which is forty-five days after such redemption date.

(v) Failure to retire the entire scheduled amount of Senior Bonds through the application of any Sinking Fund Installment on or prior to the next scheduled Sinking Fund Installment date shall not be an Event of Default under the Indenture. Any amount of Senior Bonds not so retired shall be added to the amount to be retired on the next scheduled Sinking Fund Installment date for such Senior Bonds. *See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – EVENTS OF DEFAULT.”*

Debt Reserve Account. If on the due date of any interest on any Senior Bonds, including the 2024A Bonds, or any Principal Installment thereof, the aggregate amount to the credit of the Debt Service Account shall be less than the amount required to pay such interest or Principal Installment (and any other net amounts payable by the Authority from the Interest Sub-Account for Qualified Hedge Agreements) of any Senior Bonds, the Trustee shall apply amounts from the Debt Reserve Account to the extent necessary to make good the deficiency, in the following order of priority: first, to the credit of the Interest Sub-Account, then to the credit of the Principal Sub-Account and then to the credit of the Redemption Sub-Account.

In lieu of any required deposits into the Debt Reserve Account, the Authority may cause to be deposited into the Debt Reserve Account one or more Reserve Account Credit Facilities in total amounts equal to the difference

between the Debt Reserve Requirement and the sums then on deposit to the credit of the Debt Reserve Account, if any. The Provider of the Reserve Account Credit Facility which is a surety bond or insurance policy shall be an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in the highest rating category by S&P and Moody's, or their successors, or any insurer who holds the highest policyholder rating accorded insurers by A.M. Best & Co. or any comparable service; *provided* that the Authority shall give each rating agency which gives any Bonds a Rating at least 7 days prior written notice before acquiring such a Reserve Account Credit Facility which does not meet the rating requirement of this sentence from S&P and Moody's, or their successors. The Provider of the Reserve Account Credit Facility which is a letter of credit shall be a bank or trust company or other legal entity which is rated not lower than the second highest rating category by S&P and Moody's, or their successors, and the letter of credit or other credit facility itself shall be rated in the highest category of both such rating agencies. If a disbursement is made pursuant to any Reserve Account Credit Facility, the Authority shall be obligated either to (i) reinstate the maximum limits of such Reserve Account Credit Facility, or (ii) deposit to the credit of the Debt Reserve Account, funds in the amount of the disbursement made under such Reserve Account Credit Facility, or a combination of such alternatives, as shall provide that the amount to the credit of the Debt Reserve Account equals the Debt Reserve Requirement within a time period not longer than would have been required to restore the Debt Reserve Account by operation of the monthly transfer of funds from the Revenue Fund, as applicable.

Notwithstanding the provisions of the preceding paragraph, upon receipt of consent of the Holders of Bonds and Providers as described under "Supplemental Indentures" in this **APPENDIX D** and under "**SECURITY AND SOURCES OF PAYMENT FOR THE 2024A BONDS – Certain Amendments to the Indenture – Reserve Account Credit Facility Amendment**," in lieu of any required deposits into the Debt Reserve Account, the Authority may cause to be deposited into the Debt Reserve Account one or more Reserve Account Credit Facilities which shall be in total amounts equal to the difference between the Debt Reserve Requirement and the sums then on deposit to the credit of the Debt Reserve Account, if any. Any Reserve Account Credit Facility shall be payable to the Trustee for the equal and ratable benefit of all of the Holders of the Senior Bonds (upon the giving of notice as required under the Reserve Account Credit Facility) on any interest payment date on which moneys will be required to be withdrawn from the Debt Reserve Account and applied to the payment of the Principal Installments of or interest on any such Bonds which withdrawal cannot be met by any amounts on deposit to the credit of the Debt Reserve Account. The Provider of the Reserve Account Credit Facility which is a surety bond or insurance policy shall be an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated not lower than the second highest rating category by any nationally recognized rating agency or any insurer who holds the highest policyholder rating accorded insurers by A.M. Best & Co. or any comparable service; *provided* that the Authority shall give each rating agency which gives any Bonds a Rating at least 7 days prior written notice before acquiring such a Reserve Account Credit Facility which does not meet the rating requirement of this sentence from any nationally recognized rating agency. The Provider of the Reserve Account Credit Facility which is a letter of credit shall be a bank or trust company or other legal entity which is rated not lower than the second highest rating category by any nationally recognized rating agency, and the letter of credit or other credit facility itself shall be rated in the highest rating category of both such rating agencies. If a disbursement is made pursuant to any Reserve Account Credit Facility, the Authority shall be obligated either to (i) reinstate the maximum limits of such Reserve Account Credit Facility, or (ii) deposit to the credit of the Debt Reserve Account, funds in the amount of the disbursement made under such Reserve Account Credit Facility, or a combination of such alternatives, as shall provide that the amount to the credit of the Debt Reserve Account equals the Debt Reserve Requirement within a time period not longer than would have been required to restore the Debt Reserve Account by operation of the monthly transfer of funds from the Revenue Fund, as applicable.

Whenever the amount to the credit of the Debt Reserve Account shall exceed the Debt Reserve Requirement, after making any required reimbursement to a Provider of a Reserve Account Credit Facility, the Trustee shall use such excess to remedy any deficiency in the Debt Service Account and at the written direction of the Authority promptly transfer such excess to the Authority to be applied as Revenues as further described in **APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – FLOW OF FUNDS;"** *provided, however*, that upon the written direction of the Authority, the Trustee shall promptly transfer all or any portion of the amount of such excess as specified in such direction (i) to a refunding or defeasance escrow established pursuant to the Indenture, or (ii) for any purpose for which Senior Bonds may be issued.

The Trustee shall pay to Providers of Reserve Account Credit Facilities any reimbursement which is payable from the Debt Reserve Account as provided by a Supplemental Indenture, and upon the written direction of an Authorized Officer shall use amounts in the Debt Reserve Account to acquire a Reserve Account Credit Facility but only to the extent that after such payment, the amount to the credit of the Debt Reserve Account, including the amount of any Reserve Account Credit Facilities, either is not less than the Debt Reserve Requirement or is not reduced by the payment or acquisition.

Junior Bond Accounts. The Trustee shall apply amounts in the Junior Bond Debt Service Accounts and the Junior Bond Debt Reserve Accounts as required, and in the priority established, by any Supplemental Indenture authorizing Junior Bonds.

Termination Payment Account. Moneys to the credit of the Termination Payment Account are to be applied at the direction of the Authority to the payment of termination payments with respect to (i) Credit Enhancements and Qualified Swap Agreements, and (ii) credit enhancement and similar agreements and hedge agreements, executed and delivered pursuant to any Supplemental Indenture authorizing Junior Bonds.

If, at any time, the amounts to the credit of the Debt Service Account, the Debt Reserve Account, the Improvement Account and the System Reserve Account shall be insufficient to pay the interest and Principal Installments becoming due on the Senior Bonds, the Authority upon notice from the Trustee shall transfer from the Termination Payment Account for deposit to the credit of the Debt Service Account the amount necessary (or the entire available amount to the credit of the Termination Payment Account if less than the amount necessary) to make up such deficiency, in the following order of priority: first to the credit of the Interest Sub-Account, then to the credit of the Principal Sub-Account, then to the credit of the Redemption Sub-Account and then to the credit of the Provider Payment Sub-Account.

If, at any time after the transfers referred to in the prior paragraph have been made or have been determined by the Trustee to be unnecessary, the amounts to the credit of any debt service account or debt service reserve account established pursuant to a Supplemental Indenture authorizing Junior Bonds, the Improvement Account and the System Reserve Account shall be insufficient to pay the interest and Principal Installments becoming due on any Junior Bonds or to make required payments from any such debt service account, the Authority upon notice from the Trustee shall transfer from the Termination Payment Account to the Trustee for deposit to the credit of such debt service account the amount necessary (or the entire available amount to the credit of the Termination Payment Account if less than the amount necessary) to make up such deficiency in the order or priority specified by the Supplemental Indenture authorizing the related Junior Bonds.

Renewal and Replacement Account. Moneys to the credit of the Renewal and Replacement Account are to be applied to Renewal and Replacement Expenses at the direction of the Authority.

If, at any time, the amounts to the credit of the Debt Service Account, the Debt Reserve Account, the Improvement Account, and the System Reserve Account shall be insufficient to pay the interest and Principal Installments becoming due on Senior Bonds, the Authority upon notice from the Trustee shall transfer from the Renewal and Replacement Account and its revolving account to the Trustee for deposit to the credit of the Debt Service Account the amount necessary (or the entire available amount to the credit of the Renewal and Replacement Account and its revolving account if less than the amount necessary) to make up such deficiency, in the following order of priority: first to the credit of the Interest Sub-Account, then to the credit of the Principal Sub-Account, then to the credit of the Redemption Sub-Account, and then to the credit of the Provider Payment Sub-Account.

Improvement Account. Moneys to the credit of the Improvement Account are to be applied to the payment of the costs of Improvements at the direction of the Authority.

If, at any time, the amounts to the credit of the Debt Service Account, the Debt Reserve Account and the System Reserve Account shall be insufficient to pay the interest and Principal Installments becoming due on the Senior Bonds and to make required payments from the Debt Service Account, the Authority upon notice from the Trustee shall transfer from the Improvement Account and its revolving account to the Trustee for deposit to the credit of the Debt Service Account the amount necessary (or the entire available amount to the credit of the Improvement Account and its revolving account if less than the amount necessary) to make up such deficiency, in the following order of

priority: first to the credit of the Interest Sub-Account, then to the credit of the Principal Sub-Account, then to the credit of the Redemption Sub-Account and then to the credit of the Provider Payment Sub-Account.

The Authority may, from time to time, cause the Consulting Engineers to prepare and file estimates of the cost of the proposed Improvements, and the Authority may adopt resolutions pursuant to such estimates to establish the Improvement Requirement. In the event the cost of any Improvement is increased in accordance with such procedures, the Improvement Requirement with respect to such Improvement shall be correspondingly increased. In the event the cost of any Improvement is decreased in accordance with such procedures, the Improvement Requirement with respect to such Improvement shall be correspondingly reduced and any resulting excess to the credit of the Improvement Account shall, at the discretion of the Authority, be promptly credited for the cost of any other Improvement or be promptly transferred to the credit of the System Reserve Account.

Nothing contained in the Indenture shall prohibit the Authority from withdrawing moneys deposited to the credit of the Improvement Account for any Improvement and depositing such moneys to the credit of an account in the Construction Fund or to the credit of any other fund, account or sub-account maintained for the purposes of paying the cost of such Improvement.

System Reserve Account. The Authority shall transfer to the Trustee, upon requisition by the Trustee, from amounts on deposit to the credit of the System Reserve Account and its revolving account (i) for credit to the various Accounts and Sub-Accounts, and in the order of the priority specified in **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – FLOW OF FUNDS,”** the amount necessary (or the entire amount to the credit of the System Reserve Account and its revolving account if less than the amount necessary) to make up any deficiencies in payments to said Accounts and Sub-Accounts required under the Indenture, and (ii) in the event of any transfer of moneys from the Debt Reserve Account, to the credit of the Accounts from which such transfers were made in the order of priority specified in **APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – FLOW OF FUNDS,”** the amount of any resulting deficiency in such Accounts.

In the sole discretion of the Authority, amounts on deposit to the credit of the System Reserve Account and its revolving account, after all required transfers and payments, may be applied to any one or more of the following purposes:

- (a) to make payments, when due, on Subordinated Indebtedness;
- (b) to provide for the purchase or redemption of any Bonds;
- (c) to make payments into any separate account or accounts established in the Construction Fund for any Project;
- (d) to provide improvements, extensions, betterments, renewals and replacements of the Tollway System, including studies, surveys, estimates and investigations relating thereto, or the provision of reserves for those purposes;
- (e) to apply as Revenues pursuant to the Indenture;
- (f) to be transferred to any Fund or Account established under the Indenture or any Supplemental Indenture; and
- (g) for any other lawful Authority purpose, including repayment of any other indebtedness incurred by the Authority.

Creation of Additional Accounts and Sub-Accounts. The Trustee or the Treasurer, as the case may be, shall, at the written request of the Authority, establish such additional Accounts within any of the Funds established under the Indenture, and Sub-Accounts within any of the Accounts established under the Indenture, as shall be specified in such written request, for the purpose of enabling the Authority to identify or more precisely account for the sources,

timing and amounts of transfers or deposits into such Funds, Accounts and Sub-Accounts, the amounts on deposit in or credited to such Funds, Accounts or Sub-Accounts as of any date or dates of calculation, and the sources, timing and amounts of transfers, disbursements or withdrawals from such Funds, Accounts or Sub-Accounts; but the establishment of any such additional Accounts or Sub-Accounts shall not alter or modify in any manner or to any extent any of the requirements of the Indenture with respect to the deposit or use of moneys in any Fund, Account or Sub-Account established under the Indenture.

Investments of Certain Moneys. All moneys held in any separate, segregated accounts of the Construction Fund held by the Trustee, Debt Service Account and its Sub-Accounts, or the Debt Reserve Account, shall be invested and reinvested at the direction of the Authority to the fullest extent practicable in Investment Securities that mature no later than necessary to provide moneys when needed for payments to be made from such Funds, Accounts or Sub-Accounts, but no moneys in the Debt Reserve Account shall be invested in any Investment Security maturing more than ten (10) years from the date of such investment. Amounts in the Revenue Fund may be invested by the Treasurer, at the direction of the Authority, in Investment Securities maturing not later than necessary to provide moneys when needed for payments from such portion of the Revenue Fund so held by the Authority pursuant to the Indenture.

Moneys held in any Junior Bond Debt Service Account or Junior Bond Debt Reserve Account shall be invested and reinvested by the Trustee as provided in the applicable Supplemental Indentures.

Valuation of Investments. Valuation of Investment Securities held in the Funds, Accounts and Sub-Accounts established under the Indenture will be made as often as may be necessary to determine the amounts held under the Indenture, except the valuation of Investment Securities held in the Debt Service Account and its Sub-Accounts, the Debt Reserve Account, any Junior Bond Debt Service Account and its Sub-Accounts and any Junior Bond Debt Reserve Account shall also be made on December 20 of each year.

Deposits. All moneys on deposit to the credit of the Construction Fund, the Debt Service Account, the Debt Reserve Account, any Junior Bond Debt Service Account and any Junior Bond Debt Reserve Account shall be continuously and fully secured for the benefit of the Authority and the Holders of the Bonds, by lodging with the Trustee as collateral security, direct obligations of or obligations unconditionally guaranteed by the United States of America having a market value (exclusive of accrued interest) not less than the amount of such moneys. All other moneys held for the Authority under the Indenture shall be continuously and fully secured for the benefit of the Authority and the Holders of the Bonds as provided by applicable state law with respect to the investment of public funds.

Application of Subsidy Payments

The Authority covenants in the Twelfth Supplemental Indenture and the Thirteenth Supplemental Indenture to deposit or cause to be deposited with the Trustee promptly upon receipt all collections of Subsidy Payments for application to the payment of the next interest due on the 2009A Bonds and the 2009B Bonds. The Authority further covenants that subject to its right to elect to apply collections of the Subsidy Payments to purposes other than the payment of interest, as described below, the Authority will take all actions required by law or applicable regulations as necessary to provide for the collection to the fullest extent possible of the Subsidy Payments and will take no action or fail to take any action which in any way would materially adversely affect the ability of the Authority to collect the Subsidy Payments to the fullest extent possible.

Notwithstanding the covenant described in the preceding paragraph, the Authority may elect to apply collections of the Subsidy Payments to purposes other than the payment of interest with respect to the 2009A Bonds and the 2009B Bonds. If the Authority so elects, the Authority will provide written notice to the Trustee (i) that it will no longer deposit or cause to be deposited with the Trustee some or all of the collections of the Subsidy Payments, and (ii) of the first interest payment date with respect to which the Subsidy Payments will not be deposited (“**Payment Termination Date**”), which written notice shall be accompanied by the following:

- (i) A certificate of an Authorized Officer demonstrating that the Net Revenues as reflected in the books of the Authority for a period of 12 consecutive calendar months out of the 18 calendar months next preceding the Payment Termination Date exceeded the Net Revenue Requirement for that 12-month period; provided that if any adjustment of toll rates shall have been placed in effect during that 12-month period, Net

Revenues shall reflect the Revenues which the Traffic Engineers estimate in their certificate described in paragraph (iii) below would have resulted had such toll rate adjustment been in effect for the entire 12-month period;

(ii) A certificate of the Traffic Engineers stating whether, to the best of their knowledge, any federal, state or other agency has begun, or is then projecting or planning, the construction, improvement or acquisition of any highway or other facility which, in the opinion of the Traffic Engineers, may be materially competitive with any part of the Tollway System, and the estimated date of completion of such construction, improvement or acquisition;

(iii) A certificate of the Traffic Engineers setting forth estimates of toll receipts for the then current and each future Fiscal Year to and including the fifth full Fiscal Year after the Payment Termination Date. The estimates will give effect to (a) the completion as estimated of any Project not yet completed, (b) the assumption that any competitive highway or other facility referred to in their certificate described in subparagraph (ii) above will be completed on the date so estimated as provided in said subparagraph (ii) and will subsequently be in operation during the period covered by such estimates, (c) any adjustment of toll rates which will have been placed in effect subsequent to the beginning of the 12-month period referred to in the certificate of an Authorized Officer described in paragraph (i), above, as if such toll rate adjustment had been in effect from the beginning of the period covered by such estimate until the effective date of any subsequent adjustment presumed necessary, and (d) any adjustment of toll rates which, in the opinion of the Traffic Engineers, would be necessary to comply with the provisions of the toll covenant described under **“SECURITY AND SOURCES OF PAYMENT FOR THE 2024A BONDS – Toll Covenant,”** as if such adjustment were to be in effect from its effective date to the effective date of any other such adjustment;

(iv) A certificate of the Consulting Engineers setting forth, for the years and on the assumptions specified in the certificate of the Traffic Engineers described in paragraph (iii) above, estimates of the Operating Expenses and Renewal and Replacement Deposits; and

(v) A certificate of an Authorized Officer setting forth the estimated Net Revenues (based on the certificates described in paragraphs (iii) and (iv) above) for the current and each future Fiscal Year through the fifth full Fiscal Year after the Payment Termination Date and stating that such estimated Net Revenues for each such Fiscal Year equal or exceed the estimated Net Revenue Requirement for such Fiscal Year.

ADDITIONAL INDEBTEDNESS

The Indenture permits the issuance of additional indebtedness, including (a) Senior Bonds on a parity with the Outstanding Senior Bonds, including the 2024A Bonds, (b) Junior Bonds, and (c) Subordinated Indebtedness.

Senior Bonds. Additional Senior Bonds may be incurred for the purposes of (i) paying the Costs of Construction of any Project, (ii) refunding or prepaying, including at or prior to maturity any (a) Senior Bonds or (b) any other obligation of the Authority issued or entered into for purposes for which Senior Bonds may be issued, including paying related costs of issuance, costs of redemption of refunded bonds, capitalized interest, Costs of Credit Enhancement or Costs of Hedge Agreements or termination payments with respect to Credit Enhancements or Hedge Agreements becoming effective on or after the execution and delivery of the Seventh Supplemental Indenture, (iii) making deposits to the Debt Reserve Account or acquiring a Reserve Account Credit Facility, (iv) paying interest on any Bond, (v) paying any costs of issuing Senior Bonds, or (vi) paying Costs of Credit Enhancement or Costs of Qualified Hedge Agreements for the Additional Senior Bonds. A description of the requirements relating to the incurrence of additional indebtedness follows:

Senior Bonds may be issued on a parity with the Outstanding Senior Bonds, for a Project, *provided*, among other things that the Authority certifies that (1) Net Revenues as reflected in the books of the Authority for a period of 12 consecutive calendar months out of the 18 calendar months next preceding such issuance (as adjusted to reflect any adjustments of toll rates made during such 12-month period as if such toll rates had been in effect for the entire 12-month period) exceeded the Net Revenue Requirement for such 12-month period; (2) estimated Net Revenues (based on certificates of the Traffic Engineers and Consulting Engineers) for the current and each future Fiscal Year

through the fifth full Fiscal Year after the estimated date when each Project for which Additional Senior Bonds are being issued will be placed in service, and in any case, to and including the fifth full Fiscal Year after the date of issuance of such Additional Senior Bonds, shall be at least equal to the estimated Net Revenue Requirement for such Fiscal Year; and (3) if such Additional Senior Bonds are being issued to pay Costs of Construction of a Project, the amount of the proceeds of the proposed Bonds, which may be issued in one or more Series, together with other funds then available or expected to be available, will be sufficient to pay the remainder of the Cost of Construction of such Project as scheduled. For purposes of estimating Net Revenues and determining the Net Revenue Requirement, the Authority shall rely on estimates of the Traffic Engineers with respect to toll receipts (as further described below) and on estimates of the Consulting Engineers with respect to Operating Expenses, budgeted or projected Renewal and Replacement Deposits and the costs and completion dates of Projects. In addition, the Traffic Engineers are required to certify whether, to the best of their knowledge, any federal, state or other agency has begun or is then projecting or planning, the construction, improvement or acquisition of any highway or other facility that, in the opinion of the Traffic Engineers, may be materially competitive with any part of the Tollway System and the estimated date of completion of such construction, improvement or acquisition. The estimates of the Traffic Engineers shall give effect to (i) the completion as estimated of any Project not yet completed, (ii) the assumption that any competitive highway or other facility referred to in the certificate described in the preceding sentence will be completed on the date so estimated and subsequently be in operation during the period covered by such estimates, (iii) any adjustment of the toll rates that became effective subsequent to the beginning of the 12-month period described in clause (1) of the first sentence of this paragraph, as if such toll rate adjustment had been in effect from the beginning of the period covered by such estimate until the effective date of any subsequent adjustment presumed necessary, and (iv) any adjustment of toll rates which, in the opinion of the Traffic Engineers, would be necessary to comply with the toll covenant described under “**SECURITY AND SOURCES OF PAYMENT FOR THE 2024A BONDS – Toll Covenant,**” as if such adjustment was to be in effect from its effective date to the effective date of any other adjustment.

One or more series of Senior Bonds may be issued on a parity with the Outstanding Senior Bonds for the purpose of completing a Project for which Senior Bonds were previously issued without meeting the test described above, *provided* that the Trustee receives a certificate of the Consulting Engineers stating (i) the purpose for which the Additional Senior Bonds are to be issued, which shall be to complete a Project for which Senior Bonds have been issued, without material change in scope, (ii) that the amount of available proceeds of the Additional Senior Bonds issued for the purposes of completing the Project, together with other funds of the Authority then available or expected to be available for completing the Project, including proceeds of one or more other Series of Additional Bonds to be issued for such purpose, will be sufficient, in their opinion, to pay the cost of completion of the Project; and (iii) that the amount of proceeds of such Additional Senior Bonds available for completing the Project will not exceed 10% of the total estimated Costs of Construction as provided in the Certificate of the Consulting Engineers provided for the Additional Senior Bonds previously issued for that Project.

Senior Bonds may be issued on a parity with the Outstanding Senior Bonds for the purpose of refunding Outstanding Senior Bonds (including paying related Costs of Issuance, deposits to the Debt Reserve Account, capitalized interest or Costs of Credit Enhancement or Costs of Qualified Hedge Agreements for the Additional Senior Bonds) without meeting the test described in the second paragraph under the subheading “Senior Bonds” if there is received by the Trustee (i) a Counsel’s Opinion that upon issuance of the Additional Senior Bonds and application of their proceeds as provided in the authorizing Supplemental Indenture, provision for payment of the refunded Senior Bonds will have been made in accordance with the defeasance provisions of the Indenture, and (ii) the certificate of an Authorized Officer demonstrating (a) for each Fiscal Year in which any Senior Bonds (other than Additional Senior Bonds to be issued) will be Outstanding after the refunding that the Debt Service for the Additional Senior Bonds to be issued will not be greater than 105% of the Debt Service for the Senior Bonds to be refunded, and (b) that the aggregate Principal Installments and interest payable in all those Fiscal Years on the Additional Senior Bonds to be issued is less than the aggregate Principal Installments and interest that would have been payable on the Senior Bonds to be refunded, assuming all Sinking Fund Installments are made as provided in the Supplemental Indentures for Senior Bonds.

Junior Bonds. One or more Series of Junior Bonds may be issued as authorized by the Authority by a Supplemental Indenture for any purpose for which Senior Bonds may be issued. Any such Supplemental Indenture shall make provision for the establishment of any Junior Bond Debt Service Account or Accounts and any Junior Bond Debt Reserve Account with respect to any or all Series of Junior Bonds and for the amounts of Net Revenues to be deposited in such Accounts. Any such Supplemental Indenture may grant a lien on and pledge for the payment of

principal of and interest on Junior Bonds or reimbursing Providers of Credit Enhancement or Hedge Agreements for Junior Bonds for amounts applied by such Provider to pay such principal or interest, of the (i) Net Revenues to be deposited in any Junior Bond Debt Service Account or Junior Bond Debt Reserve Account, (ii) amounts on deposit from time to time in Junior Bond Debt Service Accounts and Junior Bond Debt Reserve Accounts, (iii) amounts on deposit from time to time in the Renewal and Replacement Account, the Improvement Account and the System Reserve Account, and (iv) any other funds, accounts, property or receipts other than Revenues or Funds or Accounts established by the Indenture or a Supplemental Indenture solely for the benefit of Senior Bonds. Any such pledge or lien on Net Revenues and the amounts on deposit from time to time in the Renewal and Replacement Account, the Improvement Account and the System Reserve Account shall be subordinate to the pledge and lien made and granted by the Indenture for Senior Bonds. A Supplemental Indenture providing for the issuance of any Series of Junior Bonds may provide for “events of default” with respect to such Junior Bonds and remedies arising from such “events of default.” Such a remedy may include acceleration of the maturity of any Junior Bonds, but only upon not less than sixty-days’ written notice to the Trustee. No remedy shall be contrary to the rights or remedies provided to Holders of Senior Bonds under the Indenture.

Subordinated Indebtedness. Subordinated Indebtedness may be issued for any purpose for which Bonds may be issued under the Indenture, which Subordinated Indebtedness may be payable, pursuant to the authorizing instrument, from amounts on deposit in, and secured by a pledge of and lien on amounts payable from, the System Reserve Account.

Other Indebtedness. Other indebtedness issued for any lawful Authority purpose may be payable, pursuant to the authorizing instrument, from amounts on deposit in the System Reserve Account. The Authority may also issue evidences of indebtedness payable from moneys in the Construction Fund as part of the Cost of Construction for any Project, or payable from, or secured by the pledge of, Revenues to be derived on and after such date as the pledge of Net Revenues provided in the Indenture shall be discharged and satisfied. The Authority reserves the right to issue bonds or other evidences of indebtedness for any purpose payable from or secured by funds or sources other than Revenues or moneys on deposit with the Trustee or the Authority under the Indenture.

HEDGING TRANSACTIONS

If the Authority shall enter into any Qualified Hedge Agreement with respect to any Senior Bonds and the Authority has made a determination that the Qualified Hedge Agreement was entered into to provide substitute amounts or limits on the interest due with respect to those Senior Bonds, then during the term of the Qualified Hedge Agreement and so long as the Provider of the Qualified Hedge Agreement is not in default:

- (a) for purposes of any calculation of Debt Service, the interest rate on the Senior Bonds with respect to which the Qualified Hedge Agreement applies shall be determined as if such Senior Bonds had interest payments equal to the interest payable on those Senior Bonds less any payments to the Authority from the Provider and plus any payments by the Authority to the Provider as provided by the Qualified Hedge Agreement (other than fees or termination payments of such Provider for providing the Qualified Hedge Agreement);
- (b) any such payments (other than fees and termination payments) required to be made by the Authority to the Provider pursuant to such Qualified Hedge Agreement may be made from amounts on deposit to the credit of the Interest Sub-Account; and
- (c) any such payments received by the Authority from the Provider pursuant to such Qualified Hedge Agreement shall be deposited to the credit of the Interest Sub-Account.

If the Authority shall enter into a Hedge Agreement that is not a Qualified Hedge Agreement, then:

- (a) the interest rate adjustments or assumptions referred to above shall not be made;
- (b) any payments required to be made by the Authority to the Provider pursuant to such Hedge Agreement shall be made only from amounts on deposit to the credit of the System Reserve Account; and

(c) any payments received by the Authority from the Provider pursuant to such Hedge Agreement shall be treated as Revenues and shall be deposited to the credit of the Revenue Fund.

REMOVAL OR MERGER OR CONSOLIDATION OF TRUSTEE

The Trustee may be removed at any time by an instrument in writing delivered to the Trustee and signed by the Authority and the Treasurer; *provided, however*, that if an Event of Default shall have occurred and be continuing, the Trustee may be so removed by the Authority and the Treasurer only with the written concurrence of the Holders of a majority in principal amount of Senior Bonds and the Holders of a majority in principal amount of Junior Bonds then Outstanding. The Trustee may be removed at any time by the Holders of a majority in principal amount of the Senior Bonds then Outstanding excluding any Bonds held by or for the account of the Authority.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which all or substantially all corporate trust business of the Trustee may be sold or transferred shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act, unless such successor delivers written notice of resignation pursuant to the terms of the Indenture.

TOLL RATE COVENANTS

1. The Authority shall at all times charge and collect tolls for the use of the Tollway System at rates not less than those set forth in any schedule of tolls then in effect.

2. The Authority shall at all times fix, charge and collect such tolls for the use of the Tollway System as shall be required in order that in each Fiscal Year Net Revenues shall at least equal the Net Revenue Requirement for such Fiscal Year.

3. On or before October 31 of each Fiscal Year, the Authority shall cause the Traffic Engineers to make a written estimate of the revenues from tolls for the last four months of such Fiscal Year and for the ensuing Fiscal Year and shall complete a review of its financial condition for the purpose of estimating whether the Net Revenues for such Fiscal Year were, and for the next succeeding Fiscal Year will be, sufficient to comply with paragraph 2 above and shall, by resolution, make a determination with respect to that sufficiency. Such review shall take into consideration the anticipated completion date of any uncompleted Projects and the issuance of future Series of Bonds if necessary to finance the completion of such Projects. If the Authority determines that the Net Revenues may not be sufficient to meet the Net Revenue Requirement in either the current or ensuing Fiscal Year, it shall (a) forthwith cause the Traffic Engineers to provide a recommended schedule of tolls for the Tollway System which, in the opinion of the Traffic Engineers, will cause sufficient Revenues to be collected to comply with paragraph 2 in such ensuing Fiscal Year and to eliminate the amount of such estimated deficiency from such current Fiscal Year not later than twelve months after the effective date of such recommended schedule of tolls, and (b) as promptly as practicable, but no later than April 30 of such following Fiscal Year, adopt and place in effect the schedule of tolls recommended by the Traffic Engineers.

4. Except as provided in paragraphs 6 and 7 below, the Authority shall not effect any reduction in any toll rate fixed for the use of the Tollway System, except after thirty days' notice to the Trustee and then only if, accompanying the notice, there shall be filed with the Trustee:

(1) A Certificate of the Traffic Engineers stating whether, to the best of their knowledge, any federal, state or other agency is then projecting or planning the construction, improvement or acquisition of any highway or other facility which, in the opinion of the Traffic Engineers, may be materially competitive with any part of the Tollway System and the estimated date of completion of such highway or other facility, and setting forth estimates of Revenues, giving effect to the completion of any uncompleted Project at the time estimated by the Consulting Engineers, for the then current and each of the next ten Fiscal Years or to and including the latest maturity of the Bonds, whichever is first to occur, on the assumption that any such competing highway or other facility will be completed on such estimated date and will thereafter be in operation during the period covered by such estimates;

(2) A Certificate of the Consulting Engineers setting forth, for the years and on the assumptions specified in the Certificate of the Traffic Engineers delivered pursuant to clause (1), estimates of Operating Expenses and the Renewal and Replacement Deposit, giving effect to the completion of any uncompleted Project at the time estimated by the Consulting Engineers; and

(3) A Certificate of any Authorized Officer setting forth (i) the Aggregate Debt Service (excluding bond interest, the payment of which shall have been provided by payments or deposits out of Bond proceeds) for the next preceding eighteen months and the Junior Bond Revenue Requirement, during that period, (ii) Renewal and Replacement Deposits for the then current Fiscal Year, and estimated Renewal and Replacement Deposits for each of the next ten Fiscal Years or to and including the latest maturity of the Bonds, whichever is first to occur, (iii) the Aggregate Debt Service for the then current and each of the next ten Fiscal Years or to and including the latest maturity of the Senior Bonds, whichever is first to occur, and the Junior Bond Revenue Requirement, during that period, and (iv) the Net Revenues for the next preceding eighteen months; and stating (a) that Net Revenues have equaled at least 1.5 times the Aggregate Debt Service for any twelve consecutive months of the preceding eighteen months, (b) that the estimated Net Revenues (based on the certificates filed pursuant to clauses (1) and (2) of this subsection) for the then current and each of the next ten Fiscal Years or to and including the latest maturity of the Bonds, whichever is first to occur, will be not less than 1.5 times the Aggregate Debt Service for each such Fiscal Year, (c) if there shall be any uncompleted Project, that the Net Revenue Requirement for each such Fiscal Year includes the Aggregate Debt Service, as estimated by such Authorized Officer, with respect to all future Series of Senior Bonds which (based on estimates by the Consulting Engineers of Costs of Construction of such Project) will be required to complete such Project, (d) that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Bonds or this Indenture, and (e) that the amount in the Debt Reserve Amount is at least equal to the Debt Reserve Requirement and the amount in the Junior Bond Debt Reserve Account is at least equal to any requirement for such Account established by the related Supplemental Indenture.

5. The Authority may increase toll rates at any time and from time to time upon written recommendation of the Traffic Engineers, as evidenced by their certificate filed by the Authority with the Trustee.

6. The Authority may also make any minor adjustment or reclassification of toll rates or establish special toll rates at any time and from time to time provided that such action (i) is concurred in by the Traffic Engineers and affects traffic of a character specified by the Traffic Engineers as accounting for less than ten percent of the Revenues, as evidenced by the certificate of the Traffic Engineers filed by the Authority with the Trustee, and (ii) the Authority estimates such actions in the aggregate during any Fiscal Year will not result in a reduction of Net Revenues in excess of one and one-half percent of Net Revenues for the current or any future Fiscal Year, as supported by certificates, filed by the Authority with the Trustee, of the Traffic Engineers setting forth estimated Revenues, and of the Consulting Engineers setting forth the estimated Operating Expenses.

7. The Authority may also make any changes in toll rates when there is filed with the Trustee a Certificate of the Traffic Engineers that the change in toll rates is not projected to result in a reduction of Revenues during any Fiscal Year in the next five Fiscal Years or to and including the latest maturity of Senior Bonds, whichever is first to occur.

8. The Authority shall forthwith, upon the adoption or revision of any Schedule of tolls or revision, file certified copies with the Trustee.

9. The failure in any Fiscal Year to comply with the covenant in paragraph 2 above shall not constitute an Event of Default if the Authority shall comply with paragraph 3 above; provided that if the Traffic Engineers (relying upon the certificate of the Consulting Engineers mentioned below in this paragraph) shall be of the opinion, as shown by their certificate filed with the Trustee, that a schedule of tolls for the Tollway System that would provide funds to meet the requirements specified in paragraph 2 is impracticable at that time, and the Authority, therefore, cannot comply with paragraph 3, then the Authority shall fix and establish such schedule of tolls as is recommended in such certificate by the Traffic Engineers in order to comply as nearly as practicable with paragraph 2, and in such event, the failure of the Authority to comply with paragraph 2 and paragraph 3 shall not constitute an Event of Default. The Traffic Engineers' certificate shall be accompanied by a certificate of the Consulting Engineers setting forth

estimates of payments for the then current and each of the next ten Fiscal Years to and including the latest maturity of the Bonds, whichever is first to occur, for Operating Expenses and Renewal and Replacement Deposits, giving effect to the estimated date of completion of construction of any uncompleted Project. The Trustee may, and upon the identical request of the Holders of not less than fifty percent in principal amount of the Senior Bonds Outstanding and upon being indemnified to its satisfaction shall, institute and prosecute in a court of competent jurisdiction or appropriate action to compel revision of the schedule of tolls and the fixing, charging and collection of tolls in accordance with the Act and any of the toll rate covenants.

ADDITIONAL COVENANTS

Sale, Lease or Encumbrance of Property. The Authority will not sell, lease or otherwise dispose of or encumber the Tollway System or any part thereof and will not create or permit to be created any charge or lien on the Revenues, except as permitted under the Indenture (including certain instances generally relating to utilities and concessions); provided, however, to the extent permitted by law, the Authority may lease or make contracts or grant licenses, easements or other rights with respect to any part of the Tollway System if such lease, contract, license, easement or right does not impede or restrict the operation by the Authority of the Tollway System. The Authority may from time to time sell, exchange or otherwise dispose of any real or personal property or release, relinquish or extinguish any interest therein as the Authority shall determine is not needed in connection with the maintenance and operation of the Tollway System and, in the case of real property or any interest therein, will not in the future be needed for any foreseeable improvement to the Tollway System.

Notwithstanding the provisions of the preceding paragraph, upon receipt of consent of the Holders of Bonds and Providers as described under “Supplemental Indentures” in this **APPENDIX D** and under “**SECURITY AND SOURCES OF PAYMENT FOR THE 2024A BONDS – Certain Amendments to the Indenture – Transfer Amendment,**” to the extent permitted by law, the Authority may sell, lease, convey, mortgage, encumber or otherwise dispose, directly or indirectly, all or a portion of the Tollway System or transfer, directly or indirectly, control, management or oversight, or any material aspect of control, management or oversight of the Tollway System, whether of its properties, interests, operations, expenditures, revenues or otherwise (any of the foregoing being referred to as a “**Transfer**”).

Any Transfer may be part of a transaction in which the Authority enters into a leaseback or other agreement that directly or indirectly gives the Authority a right to control, manage, use and possess the Tollway System.

In connection with any Transfer, the Authority must provide to the Trustee the following:

- (i) a certified copy of a resolution of the Authority authorizing and approving the Transfer;
- (ii) evidence that the Transfer will not adversely affect the rating on any Bonds Outstanding immediately prior to the Transfer issued by a rating agency then maintaining a rating on such Bonds;
- (iii) an opinion of nationally recognized bond counsel selected by the Authority to the effect that the Transfer (i) complies with the provisions of the Act and the Indenture, and (ii) will not cause interest on any Senior Bonds or Junior Bonds Outstanding immediately prior to the Transfer or on any Subordinated Indebtedness to become subject to federal income taxation;
- (iv) a Certificate of the Traffic Engineers (a) stating whether, to the best of their knowledge, any federal, state or other agency is then projecting or planning the construction, improvement, or acquisition of any highway or other facility which, in the opinion of the Traffic Engineers, may be materially competitive with the Tollway System as constituted following the Transfer (the Tollway System as constituted following the Transfer being referred to as the “Remaining Tollway System”) and the estimated date of completion of such highway or other facility, and (b) setting forth estimates of toll receipts derived from the Remaining Tollway System for the then current and each of the next ten Fiscal Years or to and including the latest maturity of the Bonds, whichever is first to occur, giving effect, with respect to the Remaining Tollway System, to the factors considered by the Traffic Engineers in delivering their certificates described above under “**Additional Indebtedness – Senior Bonds**”;

(v) a Certificate of the Consulting Engineers setting forth, for the years and on the assumptions specified in the Certificate of the Traffic Engineers delivered pursuant to clause (iv) above, estimates of Operating Expenses and the Renewal and Replacement Deposits for the Remaining Tollway System, giving effect, with respect to the Remaining Tollway System, to the factors considered by the Consulting Engineers in delivering their certificate described above under “**Additional Indebtedness – Senior Bonds**”; and

(vi) a Certificate of any Authorized Officer setting forth (i) the Aggregate Debt Service and the Junior Bond Revenue Requirement (excluding, in each case, bond interest, the payment of which shall have been provided by payments or deposits from Bond proceeds) allocable to the Remaining Tollway System (determined as described below, the Aggregate Debt Service and the Junior Bond Revenue Requirement for each Fiscal Year so allocated being referred to as the “Remaining Tollway System Debt Service”) for the next preceding eighteen months, (ii) the Remaining Tollway System Debt Service for the then current and each of the next ten Fiscal Years or to and including the latest maturity of the Bonds, whichever is first to occur, and (iii) the Net Revenues allocable to the Remaining Tollway System (determined as described below, the Net Revenues so allocated being referred to as the “Remaining Tollway System Net Revenues”) for the next preceding eighteen months; and stating that (a) the Remaining Tollway System Net Revenues have equaled at least 1.5 times the Remaining Tollway System Debt Service for any twelve consecutive months of the preceding eighteen months, (b) the Remaining Tollway System Net Revenues (based on the certificates filed pursuant to clauses (iv) and (v) above) for the then current and each of the next ten Fiscal Years or to and including the latest maturity of the Bonds, whichever is first to occur, will be not less than the greater of (I) 1.5 times the Remaining Tollway System Debt Service for each such Fiscal Year, and (II) the sum of the Remaining Tollway System Debt Service and the Renewal and Replacement Deposit for each such Fiscal Year, (c) the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Bonds or the Indenture, and (d) the amount in the Debt Reserve Account is at least equal to the Debt Reserve Requirement and the amount in any Junior Bond Debt Reserve Account established pursuant to a Supplemental Indenture authorizing Junior Bonds is at least equal to any requirement for such Account established by the related Supplemental Indenture.

The determination of the Remaining Tollway System Debt Service and the Remaining Tollway System Net Revenues shall be made (i) to the extent determinable, by reference to the actual financial records of the Authority showing (a) Net Revenues generated by the Remaining Tollway System, and (b) the Remaining Tollway Debt Service allocable to the Remaining Tollway System, or (ii) if not so determinable, by any reasonable methodology generally incorporating the assumptions of the Traffic Engineers and Consulting Engineers described above. Such determinations may be based, without limitation, on a pro rata method based on such financial results.

All proceeds received by the Authority in connection with a Transfer may be applied by the Authority to any lawful purpose designated by resolution of the Authority.

Annual Budget. The Authority is required to prepare and adopt on or before January 31 of each Fiscal Year the Annual Budget for such Fiscal Year. The Authority may at any time adopt an amended Annual Budget for the remainder of the then current Fiscal Year. Copies of the Annual Budget and of any amended Annual Budget shall be promptly filed with the Trustee, for inspection by Bondholders.

Operation and Maintenance of the Tollway System. The Authority covenants at all times to operate or cause to be operated the Tollway System properly and in a sound and economical manner and to maintain, preserve, reconstruct and keep the Tollway System, or cause the Tollway System to be so, maintained, preserved, reconstructed and kept so that at all times the operation of the Tollway System may be properly and advantageously conducted.

Maintenance of Insurance. The Authority is required to maintain, to the extent reasonably obtainable, the following kinds of insurance in amounts recommended by the Consulting Engineers or determined by the Authority: multi-risk insurance on the facilities of the Tollway System; use and occupancy insurance covering loss of Revenues by reason of necessary interruption, total or partial, in the use of facilities of the Tollway System; public liability insurance covering injuries to persons or property; during the construction or reconstruction of any portion of the facilities of the Tollway System, such insurance as is customarily carried by others with respect to similar structures used for similar purposes, *provided* that the Authority shall not be required to maintain any such insurance to the extent that such insurance is carried for the benefit of the Authority by contractors.

The Authority, with the approval of the Consulting Engineers, may adopt self-insurance programs in lieu of maintaining any of the foregoing types of insurance. Each self-insurance program shall include an actuarially sound reserve fund, if any, as recommended by the Consulting Engineers, out of which claims will be paid. The adequacy of such fund shall be evaluated not later than ninety (90) days after the end of each insurance year. Deficiencies in any such reserve fund shall be made up in accordance with the recommendations of the Consulting Engineers. In the event a self-insurance program is discontinued, the actuarial soundness of any related reserve fund, as recommended by the Consulting Engineers, shall be maintained. With respect to any workers' compensation self-insurance program, any such reserve fund shall be held as required by law.

EVENTS OF DEFAULT

Each of the following events constitutes an "Event of Default" with respect to Senior Bonds under the Indenture:

- a. default in the due and punctual payment of the principal or Redemption Price of any Senior Bond, when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise; *provided, however*, that the failure to retire the entire scheduled amount of Bonds through the application of any Sinking Fund Installment shall not constitute an Event of Default;
- b. default in the due and punctual payment of interest on any Senior Bond, when and as such interest shall become due and payable;
- c. default in the performance or observance by the Authority of the toll covenant (*see* "**SECURITY AND SOURCES OF PAYMENT FOR THE 2024A BONDS – Toll Covenant**");
- d. receipt of a written declaration of an Event of Default by Holders of not less than 10% of the principal amount of the Senior Bonds (or at least 50% of the principal amount of any Series of Senior Bonds) upon receipt of the Trustee of a notice of the acceleration of the maturity of any Junior Bonds as provided in the Indenture;
- e. default in the performance or observance by the Authority of any other of the covenants, agreements or conditions in the Indenture or in any Bonds, and such default shall continue for a period of sixty days after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Holders of not less than 20% in principal amount of the Senior Bonds Outstanding;
- f. if the Authority shall file a petition seeking a composition of indebtedness under federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State of Illinois;
- g. if any part of the Tollway System shall be damaged or destroyed to the extent of impairing its efficient operation and materially and adversely affecting the Revenues, and the Authority shall not have taken reasonable steps to promptly repair, replace, reconstruct or provide a reasonable substitute for the damaged or destroyed part of the Tollway System; or
- h. if an order or decree shall be entered, with the consent or acquiescence of the Authority, appointing a receiver or receivers of the Tollway System, or any part thereof, or of the tolls or other revenues therefrom; or if such order or decree entered without the consent or acquiescence of the Authority shall not be vacated or stayed within ninety days after its entry.

If an Event of Default occurs and is not remedied, unless the principal of all Senior Bonds shall have already become due and payable, either the Trustee (by notice in writing to the Authority) or the Holders of not less than a majority in aggregate principal amount of the Senior Bonds Outstanding (by notice in writing to the Authority and the Trustee), may declare the principal of all the Senior Bonds then Outstanding, and the interest accrued on them, to be due and payable immediately.

Application of Revenues and Other Moneys after Default. If an Event of Default occurs and is not remedied, the Authority, upon demand of the Trustee, shall pay over or cause to be paid over to the Trustee (i) forthwith, all moneys, securities and funds then held by the Authority in any Fund, Account, Sub-Account or revolving fund pursuant to the terms of the Indenture, and (ii) all Revenues as promptly as practicable after receipt thereof.

During the continuance of an Event of Default, the Trustee shall apply such moneys, securities, funds and Revenues and the income therefrom as follows and in the following order: (i) to the payment of the reasonable and proper charges and expenses of the Trustee; (ii) to the payment of the amounts required for reasonable and necessary Operating Expenses and for reasonable renewals, repairs and replacements of the Tollway System necessary to prevent loss of Revenues; and (iii) to the payment of the principal of, Redemption Price and interest on the Bonds then due in the priority set forth in the Indenture. If the principal of all the Senior Bonds shall have been declared due and payable, the Trustee shall apply available sources of payment first to the ratable payment of the principal and interest then due and unpaid upon the Senior Bonds and second to the ratable payment of the principal and interest then due and unpaid upon the Junior Bonds.

Proceedings Brought by Trustee. If an Event of Default occurs and is not remedied, the Trustee may proceed, and upon written request of the Holders of not less than 20% in principal amount of Senior Bonds Outstanding, shall proceed to protect and enforce its rights and the rights of the Holders of the Bonds under the Indenture as the Trustee shall deem most effectual to enforce any of its rights or to perform any of its duties under the Indenture.

The Holders of not less than a majority in principal amount of Senior Bonds at the time Outstanding may direct the time, method and place of conducting any proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or for the enforcement of any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, *provided* that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

Regardless of the occurrence of an Event of Default, the Trustee shall have the power, but unless requested in writing by the Holders of a majority in principal amount of the Senior Bonds then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation, to institute and maintain such suits and proceedings as may be necessary or expedient to prevent any impairment of the security under the Indenture and to preserve or protect its interests and the interests of the Bondholders.

Notwithstanding any provision of the Indenture, the Act provides that owners of any bonds issued by the Authority may bring civil actions to compel the observance by the Authority or by any of its officers, agents, or employees of any contract or covenant made by the Authority with the owner of such bonds. Further, the Act permits, notwithstanding any provision of the Indenture, owners of any bonds to bring civil actions to compel the Authority and any of its officers, agents or employees to perform any duties required to be performed for the benefit of the owners of such bonds by the provisions of the resolution authorizing their issuance, or by the Act or to enjoin the Authority and any of its officers, agents or employees from taking any action in conflict with such contract or covenant.

SUPPLEMENTAL INDENTURES

The Authority and the Trustee may without the consent of, or notice to, any of the Bondholders, enter into Supplemental Indentures not inconsistent with the terms and provisions of the Indenture for any one or more of the following purposes: (i) to authorize Senior Bonds or Junior Bonds; (ii) to close the Indenture against, or impose additional limitations or restrictions on the issuance of Bonds or other notes, bonds, obligations or other evidences of indebtedness; (iii) to impose additional covenants or agreements to be observed by, or to impose other limitations or restrictions on, the Authority; (iv) to surrender any right, power or privilege reserved to or conferred upon the Authority by the Indenture; (v) to confirm, as further assurance, any pledge of or lien upon the Revenues or any other moneys, securities or funds; (vi) to cure any ambiguity, omission or defect in the Indenture; (vii) to provide for the appointment of a successor Fiduciary; and (viii) to make any other change that, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders.

Except for Supplemental Indentures described in the preceding paragraph, any modification or amendment of the Indenture and of the rights and obligations of the Authority and of the Holders of the Bonds thereunder may be made with the written consent of the Holders of at least a majority in principal amount of Senior Bonds of all Outstanding Series which are affected and of the Holders of at least a majority in principal amount of the Junior Bonds of all Outstanding Series which are affected at the time such consent is given. No such modification or amendment shall (i) permit a change in (a) the terms of redemption or maturity of the principal of any Outstanding Bonds, (b) any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or (c) the rate of interest thereon without the consent of the Holder of each such Bond, (ii) reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or (iii) change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

Notwithstanding any other provision of the Indenture, in issuing any Bonds the Authority may consent to any modification or amendment to the Indenture that may be adopted by consent of the required percentage of Holders of Bonds. That consent shall, upon the issuance of those Bonds, constitute the irrevocable consent of the Holders of those Bonds.

DEFEASANCE

If the Authority shall pay or cause to be paid or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, then the Indenture and all covenants, agreements and other obligations of the Authority to the Bondholders, shall thereupon be discharged and satisfied.

Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust by the escrow agent at or prior to their maturity or redemption date shall be deemed to have been paid if the Authority shall have delivered to or deposited with the escrow agent (i) irrevocable instructions to pay or redeem all of said Bonds, (ii) irrevocable instructions to publish or mail the required notice of redemption of any Bonds to be redeemed, (iii) either moneys in an amount that shall be sufficient or direct obligations of or obligations unconditionally guaranteed by the United States of America the principal of and the interest on which when due will provide moneys that, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to each specified redemption date or maturity date thereof, as the case may be, and (iv) if any of said Bonds are not to be redeemed within the next succeeding sixty days, irrevocable instructions to give notice, as provided in the Indenture, that such deposit has been made with the Trustee and such Bonds are deemed to have been paid under the Indenture.

THIRTY-THIRD SUPPLEMENTAL INDENTURE

The Series 2024A Bonds are authorized and issued pursuant to the Thirty-Third Supplemental Indenture and the Indenture. The terms of the applicable Bonds are generally described in this Official Statement under the caption **“DESCRIPTION OF THE 2024A BONDS.”** The proceeds of the Series 2024A Bonds are required by the Thirty-Third Supplemental Indenture to be used for the purposes described in this Official Statement under the captions **“PLAN OF FINANCE – Refunding of the Refunded Bonds”** and **“ESTIMATED SOURCES AND APPLICATIONS OF FUNDS.”**

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APPENDIX E

BOOK-ENTRY SYSTEM

The Depository Trust Company (“**DTC**”), New York, New York, will act as securities depository for the 2024A Bonds. The 2024A Bonds will be issued as fully registered securities, registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the 2024A Bonds, each in the aggregate principal amount of each such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2024A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024A Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2024A Bond (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2024A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2024A Bonds, except in the event that use of the book-entry system for the 2024A Bonds is discontinued.

To facilitate subsequent transfers, all 2024A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2024A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2024A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2024A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2024A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners may wish to ascertain that the nominee holding the 2024A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative,

Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2024A Bonds of a single maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2024A Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2024A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2024A Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participants and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2024A Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event a successor depository is not obtained, 2024A Bond certificates are required to be printed and delivered.

The foregoing information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and neither the Authority nor the Underwriters take any responsibility for the accuracy of such information.

Neither the Authority nor any Fiduciary will have any responsibility or obligation to DTC, any Direct or Indirect Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by DTC or any Direct or Indirect Participant; (ii) the payment by DTC or by any Direct or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption or purchase price of, or interest on, any Bonds; (iii) the delivery of any notice by DTC or any Direct or Indirect Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of a maturity of the 2024A Bonds; or (v) any other action taken by DTC or any Direct or Indirect Participant.

In reading this Official Statement it should be understood that while the 2024A Bonds are in the Book-Entry System, references in this Official Statement to registered owners should be read to include the Beneficial Owner, but (i) all rights of ownership must be exercised through DTC and the Book-Entry System, and (ii) notices that are to be given to registered owners by the Authority or the Trustee will be given only to DTC.

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APPENDIX F

FORM OF OPINION OF BOND COUNSEL

[Date of Issuance of Series 2024A Bonds]

The Illinois State Toll Highway Authority
Downers Grove, Illinois

The Bank of New York Mellon
Trust Company, N.A., as Trustee
Chicago, Illinois

Ladies and Gentlemen:

We have acted as bond counsel to The Illinois State Toll Highway Authority (the “*Authority*”) in connection with the issuance of the \$873,710,000 aggregate principal amount Toll Highway Senior Revenue Bonds, 2024 Series A (Refunding) (the “*Series 2024A Bonds*”), of the Authority. In such capacity we have examined a certified copy of the proceedings (the “*Proceedings*”) of the Authority passed preliminary to the issue by the Authority of the Series 2024A Bonds.

The Series 2024A Bonds mature on January 1 of the years and in the amounts and bear interest at the respective rates percent per annum as follows:

YEAR	AMOUNT	INTEREST RATE
2028	\$ 17,130,000	5.00
2029	16,530,000	5.00
2030	16,545,000	5.00
2031	16,995,000	5.00
2032	25,000,000	5.00
2033	25,265,000	5.00
2034	27,780,000	5.00
2035	28,125,000	5.00
2036	187,415,000	5.00
2037	196,810,000	5.00
2038	206,660,000	5.00
2039	109,455,000	5.00

Each of the Series 2024A Bonds bears interest (computed on the basis of a 360-day year composed of twelve 30-day months) from its date until paid, such interest being payable semiannually on January 1 and July 1 of each year, commencing on July 1, 2024.

The Series 2024A Bonds are being issued pursuant to an Amended and Restated Trust Indenture effective March 31, 1999, amending and restating a Trust Indenture dated as of December 1, 1985 (the “*Amended and Restated Indenture*”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor to J.P. Morgan Trust Company, N.A. and The First National Bank of Chicago, as trustee (the “*Trustee*”), and a Thirty-Third Supplemental Indenture Providing For \$873,710,000 Toll Highway Senior Revenue Bonds, 2024 Series A (Refunding), dated as of January 1, 2024 (the “*Thirty-Third Supplemental Indenture*” and collectively with the Amended and Restated Indenture, as supplemented and amended to the date hereof, the “*Indenture*”). The Series 2024A Bonds are issued as Senior Bonds pursuant to the Toll Highway Act of the State of Illinois, as amended (the “*Act*”), resolutions adopted by the Board of Directors of the Authority on May 21, 2020, November 18, 2021 and December 15, 2022 (collectively, the “*Bond Resolution*”) and the Indenture. Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Indenture.

The Series 2024A Bonds maturing on or after January 1, 2035 are subject to redemption at the election or direction of the Authority on any date on or after July 1, 2034, in whole or in part, and if in part, in Authorized Denominations, and in any order of maturity designated by the Authority, at a redemption price of 100 percent of the principal amount of the Series 2024A Bonds called for redemption plus accrued interest, if any, to the redemption date.

The Series 2024A Bonds are issued for the purpose of (i) refunding on a current basis all of the outstanding Toll Highway Senior Revenue Bonds, 2013 Series A, and the outstanding Toll Highway Senior Revenue Bonds, 2014 Series B, of the Authority (collectively, the “*Refunded Bonds*”), and (ii) paying costs related to the issuance of the Series 2024A Bonds.

In our capacity as bond counsel, we have examined, among other things, the following:

- (a) a certified copy of the Proceedings evidencing the adoption of the Bond Resolution and authorizing, among other things, the execution and delivery of the Thirty-Third Supplemental Indenture and the issuance of the Series 2024A Bonds;
- (b) a certified copy of the Bond Resolution;
- (c) an executed counterpart of the Thirty-Third Supplemental Indenture;
- (d) an executed counterpart of the Refunding Escrow Agreement, dated January 4, 2024, by and between the Authority and the Trustee (the “*Escrow Agreement*”);
- (e) a certified copy of the Amended and Restated Indenture; and
- (f) such other certifications, documents, showings and related matters of law as we have deemed necessary in order to render this opinion.

Based upon the foregoing we are of the opinion that:

1. The Authority has full power and authority and has taken all necessary corporate action to authorize the execution and delivery of the Thirty-Third Supplemental Indenture and the Escrow Agreement and the issuance of the Series 2024A Bonds.
2. The Thirty-Third Supplemental Indenture, the Escrow Agreement and the Amended and Restated Indenture have each been duly and lawfully executed and delivered by the Authority and, assuming the due authorization, execution and delivery by, and the binding effect on, the Trustee, the Thirty-Third Supplemental Indenture, the Escrow Agreement and the Amended and Restated Indenture are valid and legally binding upon the Authority and enforceable in accordance with their respective terms.
3. The Indenture creates the valid pledge and lien which it purports to create on and in the Revenues, Funds, Accounts and moneys, securities and properties held or set aside under the Indenture, subject to the application thereof to the purposes and on the conditions permitted by the Indenture.
4. The Proceedings show lawful authority for the issuance of the Series 2024A Bonds under the laws of the State of Illinois now in force and the Series 2024A Bonds, to the amount named, are valid and legally binding obligations of the Authority, enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefits of the Indenture.
5. The form of Series 2024A Bond prescribed for said issue by the Thirty-Third Supplemental Indenture is in due form of law.
6. The Series 2024A Bonds are payable ratably and equally together with all Senior Bonds, as heretofore and as may hereafter be issued, solely and only from and secured by a pledge of and lien on Net Revenues of the

Tollway System and amounts on deposit in certain Funds, Accounts and Sub-Accounts established under the Indenture. The Series 2024A Bonds do not represent or constitute debt of the Authority or of the State of Illinois within the meaning of any constitutional or statutory limitation or pledge of the faith and credit of the Authority or the State of Illinois nor grant the owners thereof any right to have the Authority or the State of Illinois levy any taxes or appropriate any funds for the payment of the principal of, premium, if any, or interest on the Series 2024A Bonds.

7. The interest on the Series 2024A Bonds is excludable for federal income tax purposes from the gross income of the owners of the Series 2024A Bonds. The interest on the Series 2024A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the “Code”), on individuals. With respect to certain applicable corporations (as defined in Section 59(k) of the Code), such interest is taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on corporations for tax years beginning after December 31, 2022. The Code contains requirements that must be satisfied subsequent to the issuance of the Series 2024A Bonds in order for interest on the Series 2024A Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Series 2024A Bonds to be included in gross income retroactively to the date of issuance of the Series 2024A Bonds. The Authority has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer complies with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Series 2024A Bonds.

8. Interest on the Series 2024A Bonds is not exempt from income taxes imposed by the State of Illinois.

In rendering this opinion, we have relied upon certifications of the Authority with respect to certain material facts within the Authority’s knowledge. We have further relied upon the verification report of Robert Thomas CPA, LLC, dated January 4, 2024 as to the sufficiency of the cash and investments held under the Escrow Agreement to pay the principal and redemption price of and the interest on the Refunded Bonds.

The rights of the registered owners of the Series 2024A Bonds and the enforceability of provisions of the Series 2024A Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights. Enforcement of provisions of the Series 2024A Bonds and the Indenture by an equitable or similar remedy is subject to general principles of law or equity governing such a remedy, including the exercise of judicial discretion whether to grant any particular form of relief.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2024A Bonds.

Respectfully submitted,

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APPENDIX G

SCHEDULE OF REFUNDED BONDS

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
Toll Highway Senior Revenue Bonds, 2013 Series A**

Originally issued: May 16, 2013
 Redemption Date: April 2, 2024
 Redemption Price: 100% plus accrued interest

Maturity Date (January 1)	Principal Amount	Interest Rate	CUSIP (452252)
2027	\$ 13,605,000	5.000%	GX1
2028	14,285,000	5.000	GY9
2029	15,000,000	5.000	GZ6
2030	15,745,000	5.000	HA0
2031	16,535,000	5.000	HB8
2032	17,360,000	5.000	HC6
2033	18,230,000	5.000	HD4
2034	19,140,000	5.000	HE2
2035	20,100,000	5.000	HF9

\$350,000,000 5.000% Term Bonds due January 1, 2038; CUSIP 452252HG7

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
Toll Highway Senior Revenue Bonds, 2014 Series B**

Originally issued: June 4, 2014
 Redemption Date: April 2, 2024
 Redemption Price: 100% plus accrued interest

Maturity Date (January 1)	Principal Amount	Interest Rate	CUSIP (452252)
2026	\$ 7,300,000	5.000%	HU6
2027	9,100,000	5.000	HV4
2028	9,100,000	5.000	HW2
2029	8,100,000	5.000	HX0
2030	7,700,000	5.000	HY8
2031	7,700,000	5.000	HZ5
2032	12,900,000	5.000	JA8
2033	14,900,000	5.000	JB6
2034	16,900,000	5.000	JC4
2035	16,700,000	5.000	JE0
2036	85,500,000	5.000	JF7
2037	89,800,000	5.000	JG5
2038	94,300,000	5.000	JH3
2039	120,000,000	5.000	JD2

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