THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
FINANCIAL AUDIT
For the Year Ended December 31, 2023

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

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FINANCIAL AUDIT
For the Year Ended December 31, 2023

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Illinois Tollway Officials

Executive Director	Cassaundra Rouse
Chief Operating Officer	Jeffrey Donoghue
Chief of Staff	John Donato (effective 11/1/2023)
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	Arnaldo Rivera (effective 2/17/2023)
	Dorothy Abreu (until 1/31/2023)
Vice Chairman	James Connolly
Board Member	Mark Wright (effective 7/17/2023)
Board Member	Melissa Neddermeyer (effective 7/17/2023)
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 Fuentes

Tollway's Central Administrative offices are located at:

2700 Ogden Avenue
Downers Grove, Illinois 60515

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
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FINANCIAL AUDIT
For the Year Ended December 31, 2023

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

Number of	Current Report	Prior Report
Findings	None	2
Repeated Findings	None	None
Prior Recommendations Implemented or Not Repeated	2	4

Item No.	Page	Last/First Reported	Description
			Prior Findings Not Repeated
A	78	2022/2022	Inadequate Internal Controls over Intergovernmental Agreements
B	78	2022/2022	Inadequate Internal Controls over the Financial Reporting of Other Post-Employment Benefits

Exit Conference

The Tollway waived an exit conference in correspondence from Patricia Pearn, Controller, on July 11, 2024.

CliftonLarsonAllen LLP
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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, 2023, 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, 2023, 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.

Emphasis of Matter

The Tollway implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective January 1, 2023 as referenced in Note 1. Our audit opinion is not modified with respect to this matter.

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.

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 auditors' 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, 2022 (not presented herein), and have issued our report thereon dated July 12, 2023, with the exception of Note 21 as to which the date is October 26, 2023, which contained an unmodified opinion on the basic financial statements. The supplementary information in Schedules 4 and 5 for the year ended December 31, 2022, 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 2022 financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 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, 2022, are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2022.

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 opinion 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 23, 2024, 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.

SIGNED ORIGINAL ON FILE

CliftonLarsonAllen LLP

Oak Brook, Illinois
July 23, 2024

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, 2023. 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). On December 14, 2023, the Tollway's Board of Directors increased the "*Move Illinois*" program budget to $ 15.2 billion and extended the anticipated substantial completion date to 2027.
- To help fund the capital outlays approved for "*Move Illinois*," the Tollway's Board of Directors 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 $4.8 billion of revenue bonds have been issued since 2013 to fund the capital program.
- During 2023, construction and professional engineering services contracts with a combined value of $534.1 million were awarded under this program, bringing total "*Move Illinois*" contract awards to $11.1 billion.
- In March 2020, the Tollway converted to all electronic tolling in response to the pandemic. In June 2020, the Tollway implemented a program to invoice missed tolls.
- The Tollway's toll revenue totaled $1.4 billion for 2023, which was comparable to the 2022 toll revenue of $1.3 billion.
- Amounts on deposit on behalf of I-PASS account holders remained fairly stable at $211.1 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.

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.

Financial Analysis

2023 Results Compared to 2022

Operating Revenue

The Tollway's 2023 operating revenues, totaling $1.5 billion, decreased $25.1 million, or 1.6%, from the previous year. This decrease was mainly attributable to an increase in the missed toll invoices bad debt reserve. In 2023, toll revenue totaled $1.4 billion, slightly higher than 2022, posting an increase of $42.5 million, or 3.2%. Revenue from toll evasion recovery decreased to $129.2 million (from $198.6 million), due mainly to an increased reserve for uncollectible accounts.

Concession and miscellaneous revenue increased slightly in 2023.

Operating Expenses

Operating expenses, excluding depreciation, amortization and the OPEB adjustment, increased in 2023, to $418.0 million (13.7%) from $367.8 million in 2022. This was due to adjustments to salaries and wages for contractual increases and utilities, operational materials, and group health insurance, partially offset by reductions in other categories of expense.

Depreciation and amortization expense decreased by 1.7% to $523.0 million, from $531.8 million in 2022.

Nonoperating Revenues (Expenses)

Nonoperating revenue increased by $52.1 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 2023 rebates totaled $13.6 million, the same as 2022.

Nonoperating expenses increased by $5.7 million, due to increased interest and amortization of financing costs.

The net nonoperating expenses decreased this year by 16.1% from $286.9 million in 2022 to $240.6 million for 2023, due to the variances noted above.

Summary of Changes in Net Position

	2023	2022
REVENUES:		
Operating revenues:		
Toll revenue	$ 1,379,065,079	$ 1,336,521,453
Toll evasion recovery	129,247,095	198,557,196
Concessions	67,672	47,206
Miscellaneous	20,995,990	19,354,183
Nonoperating revenues:		
Investment income	86,808,342	25,763,738
Revenues under intergovernmental agreements	3,223,091	12,165,554
Bond interest subsidy (Build America Bonds)	13,571,260	13,571,260
Total revenues	1,632,978,529	1,605,980,590
EXPENSES:		
Operating expenses:		
Engineering and maintenance of roadway and structures	118,143,471	97,184,463
Services and toll collection	121,527,872	104,444,385
Traffic control, safety patrol, and radio communications	39,320,145	39,868,397
Procurement, IT, finance and administration	138,963,297	126,274,149
Depreciation & Amortization	523,032,656	531,791,165
OPEB expense recovery	(73,821,501)	(70,076,140)
Nonoperating expenses:		
Expenses under intergovernmental agreements	3,223,091	12,165,554
Net loss on disposal of property	9,758,803	8,852,072
Miscellaneous	360	360
Interest expense and amortization of financing costs	331,181,464	317,432,443
Total expenses	1,211,329,658	1,167,936,848
Increase in net position	421,648,871	438,043,742
Net position, beginning of year	3,807,230,569	3,369,186,827
Net position, end of year	$ 4,228,879,440	$ 3,807,230,569

Changes in Net Position

Net operating income decreased in 2023 by $62.8 million to $662.2 million. After deducting this year's net nonoperating expense of $240.6 million, the Tollway posted an increase in net position for the year of $421.6 million compared to $438.0 million increase in net position for 2022. After this year's result, the Tollway's net position totaled $4.2 billion.

Summary of Net Position

	December 31, 2023	December 31, 2022
ASSETS		
Current and other assets	$ 2,612,304,714	$ 2,187,729,143
Capital assets - net	11,850,831,427	11,428,334,950
Total Assets	14,463,136,141	13,616,064,093
DEFERRED OUTFLOWS OF RESOURCES		
Net loss on bond refundings	160,964,755	185,093,466
Pension related	80,190,573	80,501,400
OPEB related	30,393,991	34,557,533
Total Deferred Outflows of Resources	271,549,319	300,152,399
LIABILITIES		
Current debt outstanding	155,025,000	45,925,000
Long-term debt outstanding	8,090,415,355	7,743,586,021
Other liabilities	1,906,241,058	1,857,921,836
Total Liabilities	10,151,681,413	9,647,432,857
DEFERRED INFLOWS OF RESOURCES		
Pension related	98,304,711	117,009,877
OPEB related	240,032,554	326,726,917
Lease related	15,787,342	17,816,272
Total Deferred Inflows of Resources	354,124,607	461,553,066
NET POSITION		
Net investment in capital assets	3,407,367,616	3,473,668,882
Restricted under trust indenture agreements	654,763,787	518,315,612
Unrestricted	166,748,037	(184,753,925)
Total Net Position	$ 4,228,879,440	$ 3,807,230,569

Statement of Net Position

The Tollway's capital assets of $11.9 billion consisting of land, buildings, infrastructure, equipment, and right to use lease assets constitutes 80.4% of total assets and deferred outflows of resources. The largest liabilities are revenue bonds totaling $8.2 billion, (inclusive of unamortized premiums), total pension liability and related deferred inflows of $872.5 million and total other postemployment benefits (OPEB) liability and related deferred inflows of $477.3 million, which together constitute 91.3% of total liabilities and deferred inflows of resources.

The restricted net position balance, totaling $654.8 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 6.2% to $14.5 billion, from $13.6 billion as of December 31, 2022. This increase was due to an increase in capital assets and cash balances.

Total liabilities increased by 5.2% to $10.2 billion, from $9.6 billion as of December 31, 2022. This increase was mainly due to the issuance of new bonds in 2023.

Capital Assets and Debt Administration

CAPITAL ASSETS
2023 and 2022

	January 1, 2023 Net Balance	2023 Net Activity	2023 Depreciation and Amortization	December 31, 2023 Net Balance
Land	$ 1,033,067,855	$ 3,671,693	$ -	$ 1,036,739,548
Construction in progress	2,287,145,988	152,013,574	-	2,439,159,562
Buildings	20,085,837	2,643,048	(1,769,055)	20,959,830
Temporary Easement	4,318,484	701,258	(1,754,030)	3,265,712
Infrastructure	7,888,295,713	767,500,688	(482,248,149)	8,173,548,252
Machinery and equipment	195,085,647	14,544,473	(35,973,431)	173,656,689
Lease Asset-GASB 87	335,426	-	(335,426)	-
Lease Asset-GASB 96	-	4,454,399	(952,565)	3,501,834
Total	$ 11,428,334,950	$ 945,529,133	$ (523,032,656)	$ 11,850,831,427

	January 1, 2022 Net Balance	2022 Net Activity	2022 Depreciation and Amortization	December 31, 2022 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-GASB 87	-	738,157	(402,731)	335,426
Total	$ 10,856,252,664	$ 1,003,305,283	$ (431,222,997)	$ 11,428,334,950

Capital Assets

Capital assets continue to represent the largest category of Tollway assets, totaling $11.9 billion at year-end ($11.4 billion at 12/31/2022) comprising 80.4% 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.

Long-Term Debt

The following table lists, as of December 31, 2023, 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.

	December 31, 2023		
Revenue bonds payable	**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	1,000,000	139,935,000	140,935,000
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	442,630,000	12,910,000	455,540,000
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	691,555,000	2,180,000	693,735,000
Issue of 2020 Series A	500,000,000	-	500,000,000
Issue of 2021 Series A	700,000,000	-	700,000,000
Issue of 2023 Series A	500,000,000	-	500,000,000
Total revenue bonds payable	$ 7,173,490,000	$ 155,025,000	$ 7,328,515,000

At year-end 2023, as compared to year-end 2022, the long-term portion of revenue bonds payable, inclusive of total unamortized original issue premium, increased by $346.8 million, from $7,743.6 million to $8,090.4 million. This increase resulted from $500.0 million new bond issuance on May 18, 2023 plus $56.7 million original issue premium on such bonds, net of $155.0 million revenue bonds becoming currently payable during 2023 and $54.8 million of original issue premium being amortized during 2023.

All Tollway bonds outstanding as of December 31, 2023, 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 2023 was 2.30.

Factors Impacting Future Operations

During 2023, 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 65.5% 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, 2023

		2023
Assets		
Current assets:		
Current unrestricted assets:		
Cash and cash equivalents	$	1,269,496,747
Accounts receivable, less allowance for doubtful accounts of $1,063,871,463		127,780,740
Intergovernmental receivables		45,656,598
Accrued interest receivable		5,263,403
Risk management cash and cash equivalents		15,000,335
Prepaid expenses		8,921,256
Lease Receivable		2,657,027
Total current unrestricted assets		1,474,776,106
Current restricted assets:		
Cash and cash equivalents - debt service		333,616,109
Cash and cash equivalents - I-PASS accounts		211,111,667
Prepaid expenses restricted for debt service		206,897
Accrued interest receivable		6,219,478
Total current restricted assets		551,154,151
Total current assets		2,025,930,257
Noncurrent unrestricted assets:		
Capital assets:		
Land, improvements and construction in progress		3,475,899,110
Other capital assets, net of accumulated depreciation/amortization		8,374,932,317
Total capital assets		11,850,831,427
Other noncurrent unrestricted assets:		
Intergovernmental receivable less current portion		82,074,336
Prepaid expenses less current portion		1,635,376
Lease Receivable less current portion		13,631,081
Total noncurrent unrestricted assets		97,340,793
Noncurrent restricted assets:		
Cash and cash equivalents - debt reserve		19,378,492
Investments - debt reserve		468,000,000
Prepaid expenses - debt reserve		1,655,172
Total noncurrent restricted assets		489,033,664
Total assets		14,463,136,141
Deferred Outflows of Resources		
Net loss on bond refundings		160,964,755
Deferred outflows of resources - Pension related		80,190,573
Deferred outflows of resources - OPEB related		30,393,991
Total deferred outflows of resources	$	271,549,319

See accompanying notes to the financial statements.

(Continued)

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Statement of Net Position
December 31, 2023

Liabilities

		2023
Current liabilities:		
Payable from unrestricted current assets:		
Accounts payable	$	7,910,060
Accrued liabilities		261,181,060
Accrued compensated absences		9,500,000
Intergovernmental agreement payable		83,530,711
Risk management claims payable		6,649,774
Deposits and retainage		101,077,811
Unearned revenue, net of accumulated amortization of $2,231,836		319,609
Total OPEB liability - current		10,152,399
Lease Liabilities		975,603
Total current liabilities payable from unrestricted current assets		481,297,027
Payable from current restricted assets:		
Current portion of revenue bonds payable		155,025,000
Accrued interest payable		174,312,361
Deposits and unearned revenue – I-PASS accounts		211,111,667
Total current liabilities payable from current restricted assets		540,449,028
Total current liabilities		1,021,746,055
Noncurrent liabilities:		
Revenue bonds payable, less current portion		8,090,415,354
Accrued compensated absences		594,289
Risk management claims payable		10,364,321
Total pension liability		774,204,380
Total OPEB liability, less current portion		227,158,425
Lease Liabilities		611,307
Unearned revenue, net of accumulated amortization of $16,119,276		26,587,282
Total noncurrent liabilities		9,129,935,358
Total liabilities		10,151,681,413

Deferred Inflows of Resources

Deferred inflows of resources - Pension related		98,304,711
Deferred inflows of resources - OPEB related		240,032,554
Deferred inflows of resources - Lease related		15,787,342
Total deferred inflows of resources		354,124,607

Net Position

Net position:		
Net investment in capital assets		3,407,367,616
Restricted under the Trust Indenture		654,763,787
Unrestricted		166,748,037
Total net position	$	4,228,879,440

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, 2023

		2023
Operating revenues:		
Toll revenue	$	1,379,065,079
Toll evasion recovery		129,247,095
Concessions		67,672
Miscellaneous		20,995,990
Total operating revenues		1,529,375,836
Operating expenses:		
Engineering and maintenance of roadway and structures		118,143,471
Services and toll collection		121,527,872
Traffic control, safety patrol and radio communications		39,320,145
Procurement, IT, finance and administration		138,963,297
Depreciation and amortization		523,032,656
OPEB expense recovery		(73,821,501)
Total operating expenses		867,165,940
Operating income		662,209,896
Nonoperating revenues (expenses):		
Revenues under intergovernmental agreements		3,223,091
Expenses under intergovernmental agreements		(3,223,091)
Net Gain/(Loss) on disposal of property		(9,758,803)
Interest (expense) and amortization of financing costs		(331,181,464)
Bond interest subsidy (Build America Bonds)		13,571,260
Miscellaneous revenue (expense)		(360)
Investment income		86,808,342
Total nonoperating revenues (expenses), net		(240,561,025)
Change in net position		421,648,871
Net position, beginning of year		3,807,230,569
Net position, end of year	$	4,228,879,440

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, 2023

		2023
Cash flows from operating activities:		
Cash received from sales and services	$	1,543,607,522
Cash payments to suppliers		(241,240,450)
Cash payments to employees		(179,653,444)
Net cash provided by operating activities		1,122,713,628
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets		(946,338,132)
Cash received relate to capital assets		8,569,330
Proceeds from sale of property		646,746
Bond proceeds		556,673,637
Principal paid on revenue bonds		(45,925,000)
Bond subsidy (Build America Bonds)		9,489,202
Interest expense and issuance costs paid on revenue bonds		(346,914,595)
Net cash (used in) capital and related financing activities		(763,798,812)
Cash flows from investing activities:		
Proceeds from sales and maturities of investments		214,000,000
Purchase of investments		(226,000,000)
Interest on investments		81,097,619
Net cash provided by investing activities		69,097,619
Net (decrease) increase in cash and cash equivalents		428,012,435
Cash and cash equivalents at beginning of year		1,420,590,915
Cash and cash equivalents at end of year	$	1,848,603,350

Reconciliation of cash and cash equivalents:		
Cash and cash equivalents	$	1,269,496,747
Risk management reserved cash and cash equivalents		15,000,335
Cash and cash equivalents restricted for debt service and debt reserve		352,994,601
Cash and cash equivalents – I-PASS accounts		211,111,667
Total cash and cash equivalents at end of year	$	1,848,603,350

See accompanying notes to the financial statements.

(Continued)

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Statement of Cash Flows
For the Year Ended December 31, 2023

		2023
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	662,209,896
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization		523,032,656
Provision for bad debt		400,707,992
Amortization of unearned revenue		(2,226,615)
Pension adjustment		(24,058,133)
Other post employment benefits adjustment		(73,821,501)
Cash paid out Local Fund		(446,724)
GASB 87 Expense		(345,443)
GASB 87 Revenue		(205,402)
SBITA Expense		(2,867,489)
Effects of changes in operating assets and liabilities:		
(Increase) in accounts receivable		(382,018,828)
(Increase) in intergovernmental receivables		(2,601,326)
Decrease in prepaid expenses		2,379,048
(Decrease) in accounts payable		(1,084,184)
Increase in accrued liabilities		21,240,591
(Decrease) in accrued compensated absences		(429,085)
Increase in intergovernmental agreement payable		1,886,276
Increase in deposits - I-PASS		1,019,717
Increase in unearned revenue		2,086,657
(Decrease) in risk management claims payable		(1,744,475)
Net cash provided by operating activities	$	1,122,713,628
Noncash capital and related financing activities:		
Increase in capital asset obligation accounts payable	$	8,313,141

See accompanying notes to the financial statements.

(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.

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 $59.0 million in locally held funds and cash on hand at December 31, 2023, 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 and that is rated AAAmmf 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, 2023.

(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.

(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 $2,500 ($5,000 prior to 2023). (Projects whose individual components are less than $2,500 but in their entirety are greater than $2,500 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. Capital assets also include right to use lease assets, capitalized per GASB 87 and GASB 96. 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 or amortized 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	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 Liabilitie*s, 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 total pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense have been recognized in the Tollway's financial statements.

The total 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 total 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, 2023, the Tollway adopted GASB pronouncement number 96 – Subscription-Based Information Technology Arrangements (SBITA). This pronouncement requires the recognition of certain right-to-use assets and liabilities for Information Technology arrangements that were previously classified as operating or capital expenses. It establishes a single model for these subscription-based technology arrangements accounting based on the foundational principle that SBITA's are financings of the right to use an underlying asset. The Tollway adopted the requirements of the guidance that was effective for periods beginning after June 15, 2022, 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 amortization, 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, 2023, restrictions on net position consisted of: *Restricted under the Trust Indenture* which reflects restrictions imposed by the Tollway's Trust Indenture.

(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 toll and fee amount, reduced by an estimated allowance for doubtful accounts, is recorded as evasion recovery revenue when the invoice is issued. Tolls that remain unpaid through the invoicing process become 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 96 in 2023.

(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, 2023, the Tollway's deposits were covered by FDIC insurance or eligible collateral.

(b) Schedule of Investments

As of December 31, 2023, the carrying value of the Tollway's investments (with associated maturities) is as follows:

Investment Type	Fair Value or Amortized Cost	Investment Maturities (in years) Less Than 1	1 - 5
Money market funds*	$ 1,536,693,562	$ 1,536,693,562	$ -
U.S. Treasuries - State and Local Governement Series (SLGS)	468,000,000	133,000,000	335,000,000
Illinois Funds LGIP*	276,065,704	276,065,704	-
	$ 2,280,759,266	$ 1,945,759,266	$ 335,000,000

* 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.

(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 2023.

As of December 31, 2023, 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 12/31/2023		
		Moody's Investor Services	S&P Global	Fitch Ratings
Money Market Funds	$ 1,536,693,562	Aaa-mf	AAAm	AAAmmf
U.S. Treasury SLGS	468,000,000	Aaa/P-1	AA+/A-1+	AA+/F1+
Illinois Funds LGIP	276,065,704	None	None	AAAmmf
Total	$ **2,280,759,266**			

(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, 2023, the Tollway's accounts receivable balance consists of the following:

	Gross accounts receivables	Allowance for doubtful accounts	Net accounts receivable
Tolls	$ 19,843,628	$ (12,841,650)	$ 7,001,978
Toll evasion recovery	1,156,159,345	(1,044,117,393)	112,041,952
Oases & Pavillion	97,341	-	97,341
Damage claims	377,760	(157,078)	220,682
Over dimension vehicle permit	738,268	(373,599)	364,669
Fiber optic agreements	7,435,454	(3,934,372)	3,501,082
Other	7,000,407	(2,447,371)	4,553,036
Total non-governmental receivables	1,191,652,203	(1,063,871,463)	127,780,740
Various local government and other state agency	10,367,730	-	10,367,730
E-Z Pass Agency Group	35,288,868	-	35,288,868
Illinois Department of Transportation	82,074,336	-	82,074,336
Total intergovernmental receivables	127,730,934	-	127,730,934
Total receivables	$ 1,319,383,137	$ (1,063,871,463)	$ 255,511,674

As of December 31, 2023, long term accounts receivable consisted of the following:

Illinois Department of Transportation	$ 82,074,336

(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, 2023, the Tollway had $12.4 million in prepaid expenses. These are categorized as both current and noncurrent.

(5) Leases and Subscription-Based Information Technology Arrangements (SBITAs)

(a) 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 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, 2023, the Tollway recognized revenue from these leases, as follows:

Lease revenue	$ 2,775,846
Interest revenue	520,818
Total	$ 3,296,664

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

	Business Type Activities		
	Principal	Interest	Total
2024	$ 2,657,027	$ 456,618	$ 3,113,645
2025	2,553,819	379,069	2,932,888
2026	2,632,903	302,560	2,935,463
2027	1,887,619	230,236	2,117,855
2028	1,390,055	184,686	1,574,741
2029-2033	3,564,563	543,715	4,108,278
2034 and thereafter	1,602,122	256,258	1,858,380
Total minimum lease payments	$ 16,288,108	$ 2,353,142	$ 18,641,250

(Continued)

Lessee Activity:

The Tollway was a lessee under one lease, in which the Tollway leased space to operate a customer service call center for its IPASS program. This lease expired in 2023 and was not renewed.

For the year ended December 31, 2023, the Tollway removed the following right-to-use lease asset and accumulated amortization from its capital asset balances:

Right-to-use lease asset	$ 738,157
Accumulated amortization	(738,157)
Balance - December 31, 2023	$ -

(b) GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements* (SBITAs) was a new accounting pronouncement that was adopted by the Tollway in the year ended December 31, 2023. This statement requires recognition of right-to-use assets and liabilities related to cloud-based information technology arrangements.

The Tollway has entered into various SBITAs with varying remaining contract terms. At December 31, 2023, subscription assets under SBITA are as follows:

Equipment	$ 4,454,399
Accumulated amortization	(952,565)
Balance - December 31, 2023	$ 3,501,834

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(6) Capital and Lease Assets

Changes in capital and lease assets for the year ended December 31, 2023, are as follows:

Capital Assets

Changes in capital assets for the year ended December 31, 2023 are as follows:

	Balance at Jan 1, 2023	Additions and transfers in	Deletions and transfers out	Balance at Dec 31, 2023
Nondepreciable capital assets:				
Land and improvements	$ 1,033,067,855	$ 3,671,826	$ (133)	$ 1,036,739,548
Construction in progress	2,287,145,988	877,911,475	(725,897,901)	2,439,159,562
Total nondepreciable capital assets	3,320,213,843	881,583,301	(725,898,034)	3,475,899,110
Depreciable capital assets				
Buildings	70,505,863	2,643,048	-	73,148,911
Temporary Easement	7,941,029	701,258	(2,995,280)	5,647,007
Infrastructure	12,992,567,021	767,500,688	(421,402,894)	13,338,664,815
Machinery and equipment	509,369,836	24,949,889	(25,081,825)	509,237,900
Right-to-use building	738,157	-	(738,157)	-
SBITA	-	4,454,399	-	4,454,399
Total depreciable capital and lease assets	13,581,121,906	800,249,282	(450,218,156)	13,931,153,032
Less accumulated depreciation and amortization				
Buildings	(50,420,026)	(1,769,055)	-	(52,189,081)
Temporary Easement	(3,622,545)	(1,754,030)	2,995,280	(2,381,295)
Infrastructure	(5,104,271,308)	(482,248,149)	421,402,894	(5,165,116,563)
Machinery and equipment	(314,284,189)	(35,973,431)	14,676,409	(335,581,211)
Right-to-use building	(402,731)	(335,426)	738,157	-
SBITA	-	(952,565)	-	(952,565)
Total accumulated depreciation and amortization	(5,473,000,799)	(523,032,656)	439,812,740	(5,556,220,715)
Total depreciable assets, net	8,108,121,107	277,216,626	(10,405,416)	8,374,932,317
Total capital assets, net	$ 11,428,334,950	$ 1,158,799,927	$ (736,303,450)	$ 11,850,831,427

(7) Revenue Bonds Payable

Changes in revenue bonds payable for the year ended December 31, 2023, are as follows:

	Balance at Jan 1, 2023*	Additions	Deletions	Balance at Dec 31, 2023	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 B	500,000,000	-	-	500,000,000	-
2014 Series C	400,000,000	-	-	400,000,000	-
2014 Series D	171,825,000	-	(30,890,000)	140,935,000	139,935,000
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	468,440,000	-	(12,900,000)	455,540,000	12,910,000
2019 Series A	300,000,000	-	-	300,000,000	-
2019 Series B	225,245,000	-	-	225,245,000	-
2019 Series C	695,870,000	-	(2,135,000)	693,735,000	2,180,000
2020 Series A	500,000,000	-	-	500,000,000	-
2021 Series A	700,000,000	-	-	700,000,000	-
2023 Series A	-	500,000,000	-	500,000,000	-
Totals	$ 6,874,440,000	$ 500,000,000	$ (45,925,000)	$ 7,328,515,000	$ 155,025,000
Current portion of revenue bonds payable	(45,925,000)	(155,025,000)	45,925,000	(155,025,000)	
Unamortized bond premium	915,071,021	56,673,637	(54,819,304)	916,925,354	
Revenue bonds payable net current portion, plus unamortized bond premium	$ 7,743,586,021	$ 401,648,637	$ (54,819,304)	$ 8,090,415,354	

* The January 1, 2023 balances are before any payments of principal due January 1, 2023.

(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 has reduced the amount of the subsidy payments since March 2013. The following table presents subsidies under the Build America Bonds program and the impact of sequestration thereon.

Period	Reduced	Subsidy as % of Interest	Period	Reduced	Subsidy as % of Interest
2009-Feb 2013	None	35.000%	Oct 2016-Sep 2017	6.9%	32.585%
Mar 2013-Sep 2013	8.7%	31.955%	Oct 2017-Sep 2018	6.6%	32.690%
Oct 2013-Sep 2014	7.2%	32.480%	Oct 2018-Sep 2019	6.2%	32.830%
Oct 2014-Sep 2015	7.3%	32.445%	Oct 2019-Sep 2020	5.9%	32.935%
Oct 2015-Sep 2016	6.8%	32.620%	Oct 2020-Sep 2024	5.7%	33.005%

The current sequestration reduction rate of 5.7% 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

On 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) 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 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. The bonds were refunded on January 4, 2024. (See Note 20 – Subsequent Events).

(e) 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. The bonds were refunded on January 4, 2024. (See Note 20 – Subsequent Events).

(f) 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 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.

(g) 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.

(h) 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.

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

(j) 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.

(k) 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.

(l) 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.

(m) 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 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.

(n) 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.

(o) 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.

(p) 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 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.

(q) 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.

(r) 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, 2044. The bonds have not been insured or otherwise credit enhanced by the Tollway.

(s) Series 2023A Bonds

On May 18, 2023, the Tollway issued $500,000,000 of Toll Highway Senior Revenue Bonds, 2023 Series A. This was the eleventh 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 January 1 of each of the years 2041 through 2045. Bonds were sold bearing interest rates of 5.00% or 5.25%. The bonds were sold at yields which produced an original issue premium of $56,673,637. The bonds are subject to optional redemption on or after July 1, 2033, 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.

(t) Defeased Bonds

As of December 31, 2023, no defeased Tollway bonds were outstanding. On January 4, 2024, $1,000,000,000 of Tollway bonds were defeased and remained outstanding until their redemption on April 2, 2024. (See Note 20 – Subsequent Events).

(u) All Series

Details of outstanding revenue bonds as of December 31, 2023, 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, 2024-2025		140,935,000
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, 2024-2031		455,540,000
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, 2024-2031		693,735,000
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
Issue of 2023, Series A, 5.00% due on January 1, 2041-2042 and 2044, and 5.25% due on January 1, 2043 and 2045		500,000,000
Total revenue bonds payable	$	7,328,515,000
Less current portion	$	(155,025,000)
Plus unamortized bond premium		916,925,354
Revenue bonds payable net of current portion, plus unamortized bond premium	$	8,090,415,354

Accrued interest payable as of the year ended December 31, 2023, was $174,312,361.

The annual requirements to retire principal and pay interest on all bonds outstanding at December 31, 2023 all of which are fixed interest rate bonds, are as follows.

Year ending December 31	Principal	Interest	Total Debt Service
2024	$ 155,025,000	$ 368,780,865	$ 523,805,865
2025	162,715,000	357,773,675	520,488,675
2026	187,530,000	349,017,550	536,547,550
2027	231,265,000	338,547,675	569,812,675
2028	242,700,000	326,698,550	569,398,550
2029	255,135,000	314,252,675	569,387,675
2030	268,090,000	301,172,050	569,262,050
2031	444,185,000	287,433,175	731,618,175
2032	310,030,000	268,891,548	578,921,548
2033	147,435,000	252,383,400	399,818,400
2034	614,505,000	238,364,902	852,869,902
2035	74,300,000	210,207,000	284,507,000
2036	374,425,000	198,988,875	573,413,875
2037	393,175,000	179,818,875	572,993,875
2038	412,800,000	159,729,500	572,529,500
2039	433,300,000	138,727,000	572,027,000
2040	454,800,000	116,734,500	571,534,500
2041	457,200,000	94,034,500	551,234,500
2042	414,600,000	72,877,000	487,477,000
2043	404,500,000	53,003,875	457,503,875
2044	417,500,000	32,835,750	450,335,750
2045	353,300,000	14,106,625	367,406,625
2046	120,000,000	2,700,000	122,700,000
Total	$ 7,328,515,000	$ 4,677,079,565	$ 12,005,594,565

(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, 2023, the Tollway continues to amortize previously capitalized interest with an unamortized balance of $89.2 million.

(w) Trust Indenture Agreement

All Tollway bonds outstanding as of December 31, 2023, 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. 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, 2023, no arbitrage rebate liability was owing.

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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 $38,380,174 at December 31, 2023, and the amount earned was $11,614,904 through December 31, 2023.

The Tollway also invoices annual fiber optic maintenance fees. At December 31, 2023, 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, Geico 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 and January, 2023. The sponsorship fee paid by Travelers in 2023 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, 2023, is as follows:

	Balance at January 1	Current Year Activity	Balance at December 31	Current Portion
Unearned revenue				
Fiber optics and co-location	$ 36,293,674	$ 2,086,500	$ 38,380,174	$ 2,409,824
Accumulated amortization	(10,369,553)	(1,245,351)	(11,614,904)	(2,231,836)
	25,924,121	841,149	26,765,270	177,988
Intergovernmental agreements	121,670	(5,091)	116,579	116,579
Accumulated amortization	-	-	-	-
	121,670	(5,091)	116,579	116,579
H.E.L.P. Truck advertising revenue	6,160,250	601,000	6,761,250	25,042
Accumulated amortization	(6,135,208)	(601,000)	(6,736,208)	-
	25,042	-	25,042	25,042
Totals				
Unearned revenue	42,575,594	2,682,409	45,258,003	2,551,445
Accumulated amortization	(16,504,761)	(1,846,351)	(18,351,112)	(2,231,836)
Net unearned revenue	$ 26,070,833	$ 836,058	$ 26,906,891	$ 319,609

(9) Restricted Net Position

As of December 31, 2023, the Tollway reported the following restricted net position:

Description		December 31, 2023
Net position restricted under Trust Indenture Agreement	$	654,763,787

(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 2023 are also included in the state's ACFR for the year ended June 30, 2023.

As of June 30, 2023, the breakdown of employees participating or benefitting from SERS, as a whole, is as follows:

Active employees	61,651
Retirees and beneficiaries currently receiving benefits	78,036
Inactive employees entitled to but not yet receiving benefits	3,835

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

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**
A member must have a minimum of eight years of service credit and may retire at: • 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). 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. 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. 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.	A member must have a minimum of 10 years of credited service and may retire at: • 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). 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. 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 2023 is $123,489. 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.

(Continued)

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 $123,489 for 2023 with limitations for future years increased by the lessor 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 2023, 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 2023, the employer contribution rate is 53.258%. The Tollway's contribution amount for calendar year 2023 was $62,692,048.

The Tollway has made all required contributions through December 31, 2023.

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 total pension liability and pension expense, and to recognize proportionate shares for the primary government and component units, including the Tollway.

At December 31, 2023, the Tollway reported a liability of $774,204,380 for its allocated share of the State's total pension liability for SERS on the statement of net position. The total pension liability was measured as of June 30, 2023 (current year measurement date), and the total pension liability used was determined by an actuarial valuation as of that date. The Tollway's portion of the total 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, 2023. As of the current year measurement date of June 30, 2023, the Tollway's proportion was 2.3389%, which was a decrease of 0.0728% from its proportion of 2.4117% measured as of the prior year measurement date of June 30, 2022.

Change in the total pension liability allocated to the Tollway for the year ended December 31, 2023, is as follows:

	Balance January 1	Additions	Deletions	Balance December 31	Amounts due within one year
Total Pension Liability	$ 779,868,174	$ 37,611,159	$ 43,274,953	$ 774,204,380	$ -

For the year ended December 31, 2023, the Tollway recognized pension expense of $37.6 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, 2023, 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	$ 19,996,189	$
Changes in assumptions	9,631,616	47,474,752
Net difference between projected and actual investment earnings on pension plan investments	16,639,236	-
Changes in proportion and differences between Tollway contributions and proportionate share of contributions	2,749,806	50,829,959
Tollway contributions subsequent to the measurement date	31,173,726	-
	$ 80,190,573	$ 98,304,711

The $31.2 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 total pension liability in the year ending December 31, 2024.

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	$	(19,443,434)
12/31/2024		(28,390,306)
12/31/2025		(1,519,210)
12/31/2026		65,086
Total	$	(49,287,864)

Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, 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, 2019, actuarial valuation pursuant to an experience study of the period July 1, 2015 to June 30, 2018.

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 5.54% and a standard deviation of 12.2% 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%	5.3%
Emerging Market Equity	8.0%	6.2%
Private Equity	9.0%	7.8%
High Yield Bonds	2.0%	2.2%
Private Debt	9.0%	5.1%
Investment Grade Bonds	15.0%	0.2%
Long-Term Government Bonds	5.0%	0.6%
TIPS	3.0%	0.2%
Real Estate	10.0%	5.2%
Infrastructure	3.0%	5.5%
Total	100.0%	

Discount Rate

A single discount rate of 6.59% was used to measure the total pension liability as of June 30, 2023. This represents an increase of 0.01% from the discount rate used for the June 30, 2022 valuation, 6.58%.

The single discount rate was based on the June 30, 2023 expected rate of return on pension plan investments of 6.75% and a municipal bond rate of 3.86% as of June 30, 2023. 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 2077 at June 30, 2023. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2077, and the municipal bond rate was applied to all benefit payments after that date.

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

The total pension liability for the plan was calculated using a single discount rate of 6.59%, as well as what the total 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, 2023		
	1% decrease	Current Discount Rate	1% increase
	5.59%	6.59%	7.59%
Tollway's total pension liability	$942,997,663	$774,204,380	$634,595,368

Payables to the Pension Plan

At December 31, 2023, 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 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 total OPEB liability and OPEB expense and to recognize proportionate shares for the primary government and component units, including the Tollway.

At December 31, 2023, the Tollway recorded a liability of $237,310,824 for its allocated share of the State's total OPEB liability on the statement of net position. The total OPEB liability, as reported at December 31, 2023, was measured as of June 30, 2023, with an actuarial valuation as of June 30, 2022. The Tollway's portion of the total 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, 2022 for the Tollway's active employees and Illinois State Police Troop 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 is 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. As of the current year measurement date of June 30, 2023, the Tollway's proportion was 1.3800%.

The State's unfunded OPEB liability, a portion of which is allocated to the Tollway, decreased significantly in 2022.This resulted in a Tollway recovery of OPEB expense. Generally accepted accounting principles require that this recovery be shown as a negative operating expense that is accreted over the estimated average service life of the SEGIP members.

At December 31, 2023, the Tollway reported deferred outflows and deferred inflows of resources, as of the measurement date of June 30, 2023, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 4,125,311	$ 48,993,221
Changes in assumptions	737,387	172,984,355
Changes in proportion	15,378,894	18,054,978
Tollway contributions subsequent to the measurement date	10,152,399	-
	$ 30,393,991	$ 240,032,554

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, 2024. 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
12/31/2024	$ (80,409,770)
12/31/2025	(71,806,747)
12/31/2026	(55,190,287)
12/31/2027	(12,887,774)
12/31/2028	503,616
	$ (219,790,962)

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, 2022, for eligible SEGIP employees, and SEGIP retiree data as of June 30, 2022.

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB liability
Discount Rate	3.86%
Inflation Rate	2.25%
Projected Salary Increases	2.50%-7.41%
Healthcare Cost Trend Rates	Trend rates for plan year 2024 are based on actual premium increases. For non-Medicare costs, trend rates start at 8% for plan year 2025 and decrease gradually to an ultimate rate of 4.25% in 2040. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 6.08% in 2034, declining gradually to an ultimate rate of 4.25% in 2040.
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 2023 and 2024 are based on actual premiums. Premiums after 2024 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, 2023, pension valuations for GARS, JRS, SERS, TRS, and SURS as follows:

General Employees and retirees	Base Mortality Table	Male Scaling Factor	Female Scaling Factor
Pre-retirement	Pub-2010 General Employee, sex distinct	84%	92%
Post-retirement	Pub-2010 General Healthy Retiree sex distinct	91%	115%

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 3.86% at June 30, 2023 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 3.86%, 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 (4.86%) or lower (2.86%) than the current rate:

June 30, 2023		
	Current Single Discount	
1% Decrease	**Rate Assumption**	**1% Increase**
2.86%	**3.86%**	**4.86%**
$ 263,189,472	$ 237,310,824	$ 215,161,168

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

The following presents the plan's 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 9.63% in 2024 decreasing to an ultimate trend rate of 4.25% in 2040.

June 30, 2023

1% Decrease[a]	Healthcare Cost Trend Rates Assumption	1% Increase[b]
$ 208,262,463	$ 237,310,824	$ 273,071,350

(a) Current healthcare trend rates -
Pre-Medicare per capita costs: 9.63% in 2024, 8.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2040.

Post-Medicare per capita costs: 0.00% from 2024 to 2028, 19.42% from 2029 to 2033 6.08% in 2034 decreasing ratabley to an ultimate trend rate of 4.25% in 2040.

(b) One percentage point decrease in current healthcare trend rates -
Pre-Medicare per capita costs: 8.63% in 2024, 7.00% in 2025 decreasing by 0.25% per year to an ultimate rate of 3.25% in 2040.

Post-Medicare per capita costs: 0.00% from 2024 to 2028, 18.42% from 2029 to 2033 5.08% in 2034, decreasing ratably to an ultimate trend rate of 3.25% in 2040.

(c) One percentage point increase in current healthcare trend rates -
Pre-Medicare per capita costs: 10.63% in 2024, 9.00% in 2025 decreasing by 0.25% per year to an ultimate rate of 5.25% in 2040.

Post-Medicare per capita costs: 0.00% from 2024 to 2028, 20.42% from 2029 to 2023 7.08% in 2034, decreasing ratebly to an ultimate trend rate of 5.25% in 2040.

(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 $14,964,321 and incurred but not reported employee health claims of $2,049,774 as of December 31, 2023, are included in the accompanying financial statements.

Changes in workers' compensation claims payable for the year ended December 31, 2023, are as follows:

Balance at January 1	Additions	Deletions	Balance at December 31	Current Portion
$ 16,708,796	$ 4,653,644	$ (6,398,119)	$ 14,964,321	$ 4,600,000

Changes in health insurance claims payable for the year ended December 31, 2023, are as follows:

Balance at January 1	Additions	Deletions	Balance at December 31	Current Portion
$ 1,689,644	$ 24,597,288	$ (24,237,158)	$ 2,049,774	$ 2,049,774

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, 2023, are as follows:

Balance at January 1	Accrued	Used	Balance at December 31	Due within one year
$ 10,523,374	$ 9,510,134	$ 9,939,219	$ 10,094,289	$ 9,500,000

(Continued)

(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.

		December 31, 2023	
Bond issue	**Purpose**	**Pledged future net revenues**	**Term of commitment**
2009 Series A Senior Priority Revenue (Build America Bonds - Direct Payment)	Fund Congestion-Relief Program	$ 647,077,700	2034
2009 Series B Senior Priority Revenue (Build America Bonds - Direct Payment)	Fund Congestion-Relief Program	460,210,800	2034
2013 Series A Senior Revenue	Fund *Move Illinois* Program	795,499,750	2038
2014 Series B Senior Revenue	Fund *Move Illinois* Program	818,625,000	2039
2014 Series C Senior Revenue	Fund *Move Illinois* Program	651,400,000	2039
2014 Series D (Refunding) Senior Revenue	Refund 2006A Bonds	144,508,375	2025
2015 Series A Senior Revenue	Fund *Move Illinois* Program	687,482,500	2040
2015 Series B Senior Revenue	Fund *Move Illinois* Program	687,482,500	2040
2016 Series A (Refunding) Senior Revenue	Refund 2008B Bonds	470,631,000	2032
2016 Series B Senior Revenue	Fund *Move Illinois* Program	520,700,000	2041
2017 Series A Senior Revenue	Fund *Move Illinois* Program	530,935,000	2042
2018 Series A (Refunding) Senior Revenue	Refund portions of 2007A, 2008A, 2009A Bonds	560,318,750	2031
2019 Series A Senior Revenue	Fund *Move Illinois* Program	559,990,000	2031
2019 Series B (Refunding) Senior Revenue	Refund 2010A-1 Bonds	274,414,125	2044
2019 Series C (Refunding) Senior Revenue	Refund 2007A, 2008A Bonds	859,508,625	2031
2020 Series A Senior Revenue	Fund *Move Illinois* Program	979,505,000	2045
2021 Series A Senior Revenue	Fund *Move Illinois* Program	1,339,115,000	2046
2023 Series A Senior Revenue	Fund *Move Illinois* Program	1,018,190,440	2045
		$ 12,005,594,565	

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 38% 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 5.224% in 2024 and projected to be approximately 5.4% in 2025, 3.8% in 2026, 2.4% in 2027, 2.1% in 2028, and 2.0% thereafter). The total principal and interest remaining to be paid on the bonds is approximately $12.0 billion. Principal and interest paid in calendar year 2023 was approximately $391.0 million, and total pledged net revenue in calendar year 2023 was approximately $1.2 billion.

(15) Commitments

At December 31, 2023, the remaining obligations against current contracts open for the "*Move Illinois*" capital program totaled $2.0 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, property damage, wrongful discharge and other employment-related matters. Generally, the Tollway's exposure is limited to the self-insured retention of $1,000,000 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, 2023.

(18) New Governmental Accounting Standards

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

Statement No. 96 – *Subscription-Based Information Technology Arrangements (SBITA's)* – This statement defines a SBITA, establishes that a SBITA results in a right-to-use asset and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs, and requires note disclosures regarding SBITA's. The Illinois Tollway implemented this pronouncement in the year ended December 31, 2023.

Statement No. 99 – *Omnibus 2022*- This statement clarifies practice issues relating to derivative instruments, GASB 34, GASB 53, GASB 63, GASB 87, GASB 95, and GASB 96. 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 implementation of this pronouncement did not have a material effect on the Tollway's financial statements.

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

(Continued)

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

Statement No. 102 – *Certain Risk Disclosures* – This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of substantial impact. This statement is effective for years beginning after June 15, 2024. Management has not yet determined the impact this statement will have 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 $82.1 million are recorded at December 31, 2023, 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, 2024, 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.

On January 4, 2024, the Tollway issued $873,710,000 of Toll Highway Senior Revenue Bonds, 2024 Series A (Refunding). The bonds refunded $500,000,000 of Toll Highway Senior Revenue Bonds, 2013 Series A and $500,000,000 of Toll Highway Senior Revenue Bonds, 2014 Series B. The bonds also financed costs of issuance. The bonds were sold as serial bonds maturing on January 1 of each of the years 2028 through 2039 and were sold bearing an interest rate of 5.00%. The bonds were sold at yields which produced an original issue premium of $136,849,914. The bonds are subject to optional redemption on or after July 1, 2034, 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 net 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 $188.2 million. The present value of such savings was estimated at $151.8 million at the time of the transaction's closing.

On May 16, 2024, the Tollway's Board of Directors authorized the issuance of up to $1,000,000,000 of senior-lien fixed rate revenue bonds for the purpose of paying costs relating to the *Move Illinois* Program.

The 5.7% reduction in U.S. Treasury subsidies of Build America Bond interest payments for the federal fiscal year ending September 30, 2024, is expected to reduce such subsidies earned by the Tollway for the Series 2009B semi-annual interest payment due June 1, 2024, and the Series 2009A semi-annual interest payment due July 1, 2024, by a total of $410,160.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule 1

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois
Schedule of Tollway's Proportionate Share
of the Total Pension Liability of the
State Employees' Retirement System (SERS)
Year ended December 31, 2023

	SERS Fiscal Year Ended June 30,									
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017****	**2016**	**2015**	**2014**
Tollway's proportion of the total pension liability*	2.3389%	2.4117%	2.5815%	2.5578%	2.5568%	2.6698%	2.6999%	2.6382%	2.6261%	2.6826%
Tollway's proportionate share of the total pension liability, pursuant to GASB 68 reporting requirements	$ 774,204,380	$ 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	$ 119,088,611	$ 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 total pension liability as a percentage of its covered payroll	650.11%	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	41.37%	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.

** 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 though the pension plan.

No assets are accumulated in trust to fund pension related benefits.

See accompanying independent auditors' report.

Schedule 2

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois

Schedule of Contributions to SERS Pension Plan

Year ended December 31, 2023

Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2023	$ 74,165,486	$ 63,393,852	$ 10,771,634	$ 118,456,007	53.52%
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%

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.

No assets are accumulated in trust to fund pension related benefits.

See accompanying independent auditors' report.

Schedule 3

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois

Schedule of Tollway's Proportionate Share

of the Total OPEB Liability of the

State's Employee Group Insurance Program (SEGIP)

For the Year Ended December 31, 2023

Last 10 Fiscal Years**

	Fiscal Year Ended June 30,						
	2023	2022	2021	2020	2019	2018	2017
Tollway's proportion of the total OPEB liability*	1.3779%	1.3384%	1.2567%	1.3706%	0.2995%	0.3495%	0.2520%
Tollway's proportionate share of the total OPEB liability	$ 237,310,824	$ 228,601,504	$ 493,963,815	$ 580,018,281	$ 131,448,041	$ 140,125,903	$ 104,136,124
Tollway's covered-employee payroll	$ 119,088,611	$ 115,611,655	$ 118,275,046	$ 112,876,932	$ 115,464,445	$ 110,352,910	$ 111,183,988
Proportionate share of total OPEB liability as a percentage of covered-employee payroll	199.27%	197.73%	417.64%	513.85%	113.84%	126.98%	93.66%

* Effective January 9, 2023, legislation was enacted that changed the methodology to compute the Tollway's allocated share of the total OPEB liability. This change requires that the Tollway's share is allocated on the basis of contributions made on behalf of future retirees. In 2020 and 2021, the Tollway's proportion of total OPEB liability was estimated based on the Tollway's specific actuarial share of the total State of Illinois liability. Prior to 2020, the Tollway's share was estimated based on actual contruibutions 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 seven years presented.

*** No assets are accumulated in trust to fund OPEB benefits.

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, 2023

	Revenue fund	Construction fund
Increases:		
Toll revenue	$ 1,379,065,079	$ -
Toll evasion recovery	129,247,095	-
Concessions	1,242,966	-
Interest	84,276,236	2,532,106
Miscellaneous	7,525,752	-
Total increases	1,601,357,128	2,532,106
Decreases:		
Engineering and maintenance of roadway and structures	108,595,397	-
Services and toll collection	109,777,314	-
Traffic control, safety patrol, and radio communications	43,060,193	-
Procurement, IT, finance and administration	103,283,949	-
Insurance and employee benefits	51,302,936	-
Construction	951,000,840	-
Construction expense reimbursed by bond proceeds	(536,200,680)	536,200,680
Bond principal payments	45,925,000	-
Bond interest	359,831,740	-
Bond Proceeds - 2023A Series	(21,231,393)	(535,442,244)
Build America bond subsidy	(13,571,260)	
Bond - Other Financing Costs	266,647	1,773,670
Total decreases	1,202,040,683	2,532,106
Change in fund balance	399,316,445	-
Fund balance, January 1, 2023	1,266,965,861	-
Prior Period adjustment - Series 2021A Bond Proceeds	29,656,965	-
Fund balance, December 31, 2023	$ 1,695,939,271	$ -

See accompanying independent auditors’ report.

(Continued)

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

See accompanying independent auditors' report.

(Continued)

Schedule 5

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, 2023

	Revenue fund and accounts							
		Maintenance and operations						
	Revenue account	Operating sub account	Operating reserve sub account	Debt service	Debt reserve	Renewal and replacement	Improvement	Total
Increases:								
Toll revenue	$ 1,379,065,079	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,379,065,079
Toll evasion recovery	129,247,095	-	-	-	-	-	-	129,247,095
Concessions	1,242,966	-	-	-	-	-	-	1,242,966
Interest	17,988,791	-	-	8,773,301	9,933,094	18,038,750	29,542,300	84,276,236
Miscellaneous	7,525,752	-	-	-	-	-	-	7,525,752
Intrafund transfers	(1,548,428,542)	390,495,172	-	495,737,894	-	276,000,000	386,195,476	-
Total increases	(13,358,859)	390,495,172	-	504,511,195	9,933,094	294,038,750	415,737,776	1,601,357,128
Decreases:								
Engineering and maintenance of roadway and structures	-	108,595,397	-	-	-	-	-	108,595,397
Services and toll collection	-	109,777,314	-	-	-	-	-	109,777,314
Traffic control, safety patrol, and radio communications	-	43,060,193	-	-	-	-	-	43,060,193
Procurement, IT, finance and administration	-	103,283,949	-	-	-	-	-	103,283,949
Insurance and employee benefits	-	51,302,936	-	-	-	-	-	51,302,936
Construction expenses	-	-	-	-	-	222,936,549	728,064,291	951,000,840
Construction expenses reimbursed by bond proceeds	-	-	-	-	-	(118,732,679)	(417,468,001)	(536,200,680)
Bond principal payments	-	-	-	45,925,000	-	-	-	45,925,000
Bond Interest	-	-	-	359,831,740	-	-	-	359,831,740
Bond Proceeds - Series 2023A Series	-	-	-	-	(21,231,393)	-	-	(21,231,393)
Build America bond subsidy	-	-	-	(13,571,260)	-	-	-	(13,571,260)
Bond - Other Financing Costs				59,750	206,897			266,647
Total decreases	-	416,019,789	-	392,245,230	(21,024,496)	104,203,870	310,596,290	1,202,040,683
Change in fund balance	(13,358,859)	(25,524,617)	-	112,265,965	30,957,590	189,834,880	105,141,486	399,316,445
Fund balance, January 1, 2023	25,309,936	35,613,424	27,400,000	54,991,071	433,667,575	183,677,524	506,306,331	1,266,965,861
Prior Period adjustment - Series 2021A Bond Proceeds					29,656,965			29,656,965
Fund balance, December 31, 2023	$ 11,951,077	$ 10,088,807	$ 27,400,000	$ 167,257,036	$ 494,282,130	$ 373,512,404	$ 611,447,817	$ 1,695,939,271

See accompanying independent auditors' report.

(Continued)

Schedule 5

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							
		Maintenance and operations						
	Revenue account	Operating sub account	Operating reserve sub account	Debt service	Debt reserve	Renewal and replacement	Improvement	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	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	390,838,240	-
Total increases	15,371,529	402,474,613	-	478,652,730	4,066,131	291,283,725	399,830,033	1,591,678,761
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	-	374,860,837	-	482,780,728	206,897	256,816,701	588,873,947	1,703,539,110
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	$ 25,309,936	$ 35,613,424	$ 27,400,000	$ 54,991,071	$ 433,667,575	$ 183,677,524	$ 506,306,331	$ 1,266,965,861

See accompanying independent auditors' report.

(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.

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 or amortization.

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.

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.

16. The provisions of GASB 96 regarding subscription-based technology arrangements are not reflected in 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.

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.

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.

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 2023.

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 - 2023

	Debt Service	Debt Reserve	Total
Bond interest expense	$ 359,831,740	$ -	$ 359,831,740
Other financing costs	59,750	206,897	266,647
	$ 359,891,490	$ 206,897	$ 360,098,387

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, 2023.

(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, 2023, are $333.6 million in the Debt Service accounts and $487.4 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, 2023 and 2022

	2023		2022	
Class of Vehicle	**Average Daily Transactions***	**Revenue****	**Average Daily Transactions***	**Revenue****
1. Auto, motorcycle, taxi, station wagon, ambulance, single-unit truck or tractor: 2 axles, 4 tires	2,370,465	$ 676,222,389	2,267,560	$ 642,279,365
2. Single-unit truck or tractor, buses: 2 axles, 6 tires	45,447	36,288,741	45,430	35,152,243
3. Trucks and buses with 3 & 4 axles	61,024	78,077,210	60,123	75,168,239
4. Trucks with 5 or more axles, other vehicles and toll adjustments	243,528	588,476,739	249,176	583,921,606
TOTAL	2,720,464	$ 1,379,065,079	2,622,289	$ 1,336,521,453

* 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 $129.2 and $198.6 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, 2014 through December 31, 2023

Year	Total funds Credited (1)
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
2023	294,038,750

[(1)] Includes earnings on the Renewal and Replacement Account

See accompanying independent auditors' report.

Schedule 8

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, 2014 through December 31, 2023

(Amounts in thousands)

	2023	2022	2021	2020	2019[(8) (9) (10)]	2018	2017	2016[(6)(7)]	2015[(5)]	2014[(4)]
Operating revenue:										
Toll revenue	$ 1,379,065	$ 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
Toll evasion recovery	129,247	198,557	147,047	93,164	81,554	70,469	65,640	64,491	64,323	53,769
Concession and other revenue	8,769	31,307	22,004	26,630	8,864	12,232	13,041	11,481	7,664	12,373
Interest income[(1)]	84,276	25,294	2,356	13,726	38,455	34,389	13,947	6,529	1,846	1,041
Total operating revenue	1,601,357	1,591,679	1,463,777	1,282,540	1,509,624	1,458,141	1,401,817	1,298,799	1,220,462	1,036,155
Maintenance and operating expenses:										
Engineering and maintenance	108,595	93,675	89,903	91,503	95,540	78,404	74,054	53,650	55,477	47,614
Toll services	109,777	97,874	104,742	130,701	136,124	141,981	140,217	109,854	101,415	107,326
Police, safety and communication	43,060	46,961	44,706	45,729	42,190	40,762	37,908	27,256	24,958	27,606
Procurement, IT, finance and administration	103,284	91,266	81,315	46,334	46,074	47,341	32,077	25,731	23,851	24,192
Insurance and employee benefits	51,303	45,085	50,452	45,935	30,278	27,873	35,282	92,748	92,778	91,082
Total expenses	416,019	374,861	371,118	360,202	350,206	336,361	319,538	309,239	298,479	297,820
Net operating revenues	$ 1,185,338	$ 1,216,818	$ 1,092,659	$ 922,338	$ 1,159,418	$ 1,121,780	$ 1,082,279	$ 989,560	$ 921,983	$ 738,335
Total debt service[(2)(3)]	$ 514,857	$ 500,297	$ 467,926	$ 442,114	$ 419,460	$ 424,244	$ 398,411	$ 387,933	$ 358,846	$ 308,443
Net revenues after debt service[(2)]	$ 670,481	$ 716,521	$ 624,733	$ 480,224	$ 739,958	$ 697,536	$ 683,868	$ 601,627	$ 563,137	$ 429,892
Debt service coverage[(2)]	2.30	2.43	2.34	2.09	2.76	2.64	2.72	2.55	2.56	2.39

(1) - Excludes interest income on construction funds.

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

(3) – In August 2013, the Tollw ay advance refunded a portion of the 2005 A bonds.

(4) – In February 2014, the Tollw ay advance refunded a portion of the 2005 A bonds.

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

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

(6) – In January 2016, the Tollw ay advance refunded all of the 2008B bonds.

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

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

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

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

See accompanying independent auditors' report.

Schedule 9

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, 2014 through 2023

(Transactions in thousands)

Year	Passenger	Commercial	Total	Percentage passenger
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%
2023	865,220	127,750	992,970	87.13%

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

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 2023 period.

See accompanying independent auditors' report.

Schedule 10

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois

Annual Toll Revenues

Passenger and Commercial Vehicles (Unaudited)

For years 2014 to 2023

(Dollars in thousands)

Year	**Passenger**	**Commercial**	**Total**	**Percentage passenger**
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%
2023	676,222	702,843	1,379,065	49.03%

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

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 2023 period.

See accompanying independent auditors' report.

Schedule 11

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

A Component Unit of the State of Illinois

Operating Revenues, Maintenance and Operating Expenses and Net Operating Revenues[1] (Unaudited)

For Years 2014 to 2023

(Dollars in thousands)

Year	Operating revenue	Maintenance and operating expenses	Net operating revenues
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
2023	1,601,357	416,019	1,185,338

(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.

CliftonLarsonAllen LLP
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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, 2023, and the related notes to the financial statements, which collectively comprise the Tollway's basic financial statements, and have issued our report thereon dated July 23, 2024.

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 opinions 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.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

SIGNED ORIGINAL ON FILE

CliftonLarsonAllen LLP

Oak Brook, Illinois
July 23, 2024

A. Inadequate Internal Controls over Intergovernmental Agreements

During the prior year financial audit, 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.

During the current year financial audit, we noted the Tollway strengthened its controls over accounting of IGA's. Similar exceptions were not noted during our current year engagement. (Finding Code No. 2022-001)

B. Inadequate Internal Controls over the Financial Reporting of Other Post-Employment Benefits

During the prior year financial audit, 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.

During the current year financial audit, we noted the Tollway strengthened its controls over accounting of OPEB expense, and related deferred inflows and outflows of resources. Similar exceptions were not noted during our current year engagement. (Finding Code No. 2022-002)