



2017 Budget Analysis

(Unaudited)

Quarterly Financial Review

April 1 – June 30, 2017

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INTRODUCTION

In December 2016, the Tollway Board of Directors adopted the annual budget for 2017. To monitor performance against this budget, each quarter the Finance Department reviews and compares actual revenue and expenditures of the Tollway to the budget and presents the resulting analysis in this quarterly report to the Finance, Administration and Operations Committee and the Tollway Board.

The annual budget is prepared in conformance with provisions of the Tollway's Trust Indenture. This quarterly financial report is unaudited and is prepared on a basis of accounting that comports with the Trust Indenture, which is a basis of accounting other than generally accepted accounting principles. Revenue and expenditures are reported on an accrual basis net of certain allowances for bad debt. Capital expenditures are expensed in the period incurred, and no accommodation is made for depreciation of capital assets. Reimbursements for capital expenditures are treated as reduction in expenses.

Tollway revenue sources include toll revenue and evasion recovery, concessions, investment income and miscellaneous income.

- Toll revenue is collected from Tollway users either by cash or electronic toll collection for users of I-PASS/E-ZPass.
- Evasion recovery revenue includes fines, fees and tolls collected from toll violators.
- Concessions revenue is generated from the Tollway's oases, where third-party vendors provide fuel, food and other conveniences to users of the Tollway.
- Investment income is primarily interest earned on Tollway funds and I-PASS escrow accounts.
- Miscellaneous revenue includes revenue from overweight truck fines, rental and easement income, tower co-location fees, rental income from fiber optic lines and other miscellaneous receipts.

This report provides an analysis of actual revenue and expenditures through the second quarter of fiscal year 2017. The purpose of this analysis is to assess the actual financial performance of the Tollway relative to the 2017 Budget. A favorable variance contributes to a higher fund balance, while an unfavorable variance reduces the fund balance.

All figures contained in this report are preliminary and unaudited and should be used for informational purposes only.

BUDGET SUMMARY

Introduction

On August 25, 2011, the Illinois Tollway Board of Directors adopted the 15-year, \$12 billion capital program, *Move Illinois: The Illinois Tollway Driving the Future*. In 2017, the Board of Directors expanded this program to \$14 billion. The program is funded by bonds, and toll revenue generated through a toll rate increase for passenger vehicles in 2012 and previously approved increases for commercial vehicles beginning in 2015. The 2017 Budget, approved by the Board of Directors in December 2016, includes the maintenance and operations budget, debt service transfers and capital budget in support of the sixth year of the *Move Illinois* Program.

Budgeted Revenue 2017

The 2017 revenue was estimated at \$1,380 million, including \$1,366 million from toll revenue and evasion recovery, \$6.0 million from investment income and \$8.0 million from concessions revenue and miscellaneous income.

The Tollway's 2017 Budget allocates \$336 million for maintenance and operations expenses, \$405 million for debt service transfers and \$639 million for the *Move Illinois* and Congestion-Relief Programs as well as other non-roadway capital investments (deposits to the renewal/replacement and improvement accounts).

| 2017 Revenue Sources and Allocations | |
|---|----------------|
| SOURCES OF REVENUE | (\$ millions) |
| | 2017 Budget |
| Toll Revenue and Evasion Recovery | \$1,366 |
| Investment Income | 6 |
| Concessions Revenue and Miscellaneous Income | 8 |
| Total Revenue | \$1,380 |
| ALLOCATIONS OF REVENUE | (\$ millions) |
| | 2017 Budget |
| Maintenance and Operations | \$336 |
| Debt Service Transfers | 405 |
| Deposits to Renewal/Replacement and Improvement | 639 |
| Total Allocations | \$1,380 |

SECOND QUARTER RESULTS SUMMARY

Revenue

Revenue for the 2017 second quarter totaled \$359.9 million, or 26.1 percent of the \$1,380 million annual budget. Toll and evasion recovery revenue totaled \$353 million, miscellaneous income totaled \$3.1 million, concessions revenue totaled \$595 thousand and investment income totaled \$3.2 million.

Revenue through June 30, 2017, totaled \$675 million, or 48.9 percent of the \$1,380 million annual revenue budget. Toll and evasion recovery revenue totaled \$663.3 million, miscellaneous income totaled \$5.2 million, concessions revenue totaled \$1.1 million and investment income totaled \$5.5 million.

Expenditures

The Illinois Tollway's 2017 second quarter operating expenditures totaled \$77.8 million, which was 23.1 percent of the \$336.3 million annual maintenance and operations budget.

Operating expenditures through June 30, 2017, totaled \$158.5 million, or 47.1 percent of the \$336.3 million annual maintenance and operations budget.

The Tollway's 2017 second quarter debt service transfers totaled \$97.3 million or \$3.8 million less than the budgeted amount. The second quarter debt service transfers were 24 percent of the \$405 million annual debt service transfers budget.

Capital program expenditures for the second quarter totaled \$266.2 million and were \$5.9 million more than projected. These capital expenditures included \$269.6 million for *Move Illinois* Program and Congestion-Relief Program projects. Other adjustments and reimbursements made during the quarter reduced expenditures by \$3.3 million.

Capital program expenditures through June 30, 2017, totaled \$403.7 million, or 42.0 percent of the \$961.3 million annual capital program budget. These capital expenditures included \$411.4 million for *Move Illinois* Program and Congestion-Relief Program expenses. Intergovernmental agreements and fiber optic agreement reimbursements for work performed in prior periods and other adjustments reduced capital expenditures by \$7.7 million.

REVENUE SUMMARY

Budget vs. Unaudited Actual
Second Quarter 2017
(\$ thousands)

| | 2nd Qtr | | Variance | |
|-----------------------------------|------------------|------------------|----------------|-------------|
| | Budget | Actual | \$ | % |
| Toll Revenue and Evasion Recovery | \$352,370 | \$353,015 | \$645 | 0.2% |
| Concessions | 750 | 595 | (155) | -20.6% |
| Investment Income | 1,500 | 3,166 | 1,666 | 111.1% |
| Miscellaneous | 1,250 | 3,119 | 1,869 | 149.6% |
| Total Revenue | \$355,870 | \$359,896 | \$4,026 | 1.1% |

Note: Numbers may not add to totals due to rounding.

Percent of Annual Budget Realized (Unaudited)
Year-To-Date June 30, 2017
(\$ thousands)

| | 2017 | YTD | % Budget |
|-----------------------------------|--------------------|------------------|--------------|
| | Budget | Actual | Realized |
| Toll Revenue and Evasion Recovery | \$1,366,000 | \$663,283 | 48.6% |
| Concessions | 3,000 | 1,110 | 37.0% |
| Investment Income | 6,000 | 5,450 | 90.8% |
| Miscellaneous | 5,000 | 5,156 | 103.1% |
| Total Revenue | \$1,380,000 | \$674,999 | 48.9% |

Note: Numbers may not add to totals due to rounding.

Second Quarter Analysis

Revenue for the 2017 second quarter totaled \$359.9 million, \$4 million more than budgeted for the period. The second quarter revenue was 26.1 percent of the \$1,380 million annual revenue budget.

Toll and evasion recovery revenue totaled \$353 million, \$645 thousand more than budget.

Toll transactions for all vehicle classes grew 9.8 percent compared to the same period in 2016 but fell short of the second quarter projection by 0.2 percent. Passenger car transactions grew 10.2 percent from second quarter 2016 but fell short of the quarterly projection by 0.5 percent. Second quarter commercial vehicle transactions grew 6.2 percent from second quarter 2016 and were 2.2 percent more than projected.

Investment income totaled \$3.2 million, or \$1.7 million more than budget. Concessions revenue totaled \$155 thousand less than budget. Miscellaneous income totaled \$3.1 million, or \$1.9 million more than budget.

MAINTENANCE AND OPERATIONS SUMMARY

Budget vs. Unaudited Actual Second Quarter 2017

(\$ thousands)

| | 2nd Qtr | | Variance | |
|--|-----------------|-----------------|----------------|-------------|
| | Budget | Actual | \$ | % |
| Payroll and Related Costs | \$40,105 | \$38,429 | \$1,676 | 4.2% |
| Group Insurance | 9,673 | 8,022 | 1,651 | 17.1% |
| Contractual Services | 17,408 | 18,288 | (881) | -5.1% |
| Materials/Operational Supplies/Other Expenses | 1,626 | 1,437 | 189 | 11.6% |
| Utilities | 2,028 | 2,563 | (535) | -26.4% |
| All Other Insurance | 2,911 | 2,517 | 395 | 13.6% |
| Parts and Fuel | 1,340 | 1,261 | 79 | 5.9% |
| Equipment/Office Rental and Maintenance | 6,242 | 5,697 | 544 | 8.7% |
| Other Miscellaneous Expenses | 211 | 182 | 29 | 13.9% |
| Recovery of Expenses | (575) | (563) | (12) | -2.1% |
| Total Maintenance and Operations Expenditures | \$80,970 | \$77,833 | \$3,136 | 3.9% |

Note: Numbers may not add to totals due to rounding

Year-To-Date June 30, 2017

(\$ thousands)

| | YTD | | % Budget Realized |
|--|------------------|------------------|----------------------|
| | Budget | Actual | |
| Payroll and Related Costs | \$166,072 | \$78,748 | 47.4% |
| Group Insurance | 38,872 | 17,809 | 45.8% |
| Contractual Services | 72,918 | 35,070 | 48.1% |
| Materials/Operational Supplies/Other Expenses | 7,698 | 2,358 | 30.6% |
| Utilities | 8,304 | 4,543 | 54.7% |
| All Other Insurance | 11,646 | 5,178 | 44.5% |
| Parts and Fuel | 6,677 | 2,644 | 39.6% |
| Equipment/Office Rental and Maintenance | 25,418 | 12,699 | 50.0% |
| Other Miscellaneous Expenses | 916 | 482 | 52.6% |
| Recovery of Expenses | (2,260) | (1,049) | 46.4% |
| Total Maintenance and Operations Expenditures | \$336,261 | \$158,481 | 47.1% |

Note: Numbers may not add to totals due to rounding

Analysis

The Tollway's 2017 operating expenditures totaled \$77.8 million, representing a favorable variance of \$3.1 million. The second quarter expenditures were 23.1 percent of the \$336.3 million annual maintenance and operations budget.

The variances to the 2017 budget during the second quarter are explained below:

Payroll and related costs for the second quarter totaled \$38.4 million, \$1.7 million less than budget. This favorable variance is mainly attributed to unfilled vacant positions, offset by additional costs related to unused vacation and sick days accrued for the quarter.

Group insurance expenses totaled \$8 million, \$1.7 million less than budget due to fewer claims and lower than anticipated vacancies filled in the second quarter.

Contractual services for the second quarter totaled \$18.3 million, \$881 thousand more than budget. The unfavorable variance is mainly attributed to an increase in call minutes due to the new back office system and increased summer call volumes.

Materials/operational supplies/other expenses totaled \$1.4 million and \$189 thousand less than budget. This variance is mainly due to less spending for operational materials.

Utilities expenses, which include electricity, natural gas, water and telephone, totaled \$2.6 million, \$535 more than budget. The unfavorable variance is mainly attributed to telephone support, an increase in call minutes and increased call volume.

All other insurance expenses totaled \$2.5 million, \$395 thousand less than the second quarter budget. This category includes expenses for property and liability insurance, as well as amounts allocated to the workers' compensation claim fund. The favorable variance is mainly attributable to fewer property and liability claims.

Parts and fuel expenses totaled \$1.3 million, \$79 thousand less than second quarter budget, very close to the second quarter budget.

Equipment/office rental and maintenance expenditures totaled \$5.7 million, \$544 thousand less than the budgeted amount. This variance is mainly due to timing for lane maintenance and back office system maintenance expenses.

Other Miscellaneous Expenses totaled \$182 thousand, \$29 thousand less than budget. This cost category includes travel, training, dues, books, subscriptions, uniforms and accessories.

Recovery of expenses totaled \$563 thousand, a \$12 thousand unfavorable variance in comparison to budget. This category includes reimbursement for services (ambulances and/or fire trucks) or damage to Tollway property caused by others.

Budget Transfers

Budget to actual comparisons in this analysis are based on the 2017 maintenance and operations budget adopted by the Tollway Board. During the year, management approves transfers from accounts that incur surpluses to those requiring additional funds due to shortfalls. These transfers approved by management, do not change the total dollar amount of the maintenance and operations budget approved by the Board in December 2016.

DEBT SERVICE SUMMARY

For annual budgeting and quarterly reporting purposes, debt service consists of the sum of monthly transfers from the Revenue Account to the Trustee-held Debt Service Account, in accordance with the Indenture, to provide for payment of:

- (i) interest due on outstanding bonds;
- (ii) the retirement of bond principal at maturity or redemption;
- (iii) net payments on interest rate exchange (“swap”) agreements; and
- (iv) costs of bond credit/liquidity agreements, bond remarketing agreements, and bond ratings.

Following are the unaudited results of the transfers for debt service for the quarter ended June 30, 2017, with comparisons to budget.

| Budget vs. Actual (Unaudited) | | | | |
|--|-----------|-----------|----------|------|
| (\$ thousands) (#s may not add due to rounding) | | | | |
| | Budget | Actual | Variance | |
| | | | \$ | % |
| Debt Service Transfers – 1st Qtr | \$101,689 | \$99,622 | \$2,067 | 2.0% |
| Debt Service Transfers – 2nd Qtr | \$101,117 | \$97,277 | \$3,840 | 3.8% |
| Debt Service Transfers - YTD Jun 30, 2017 | \$202,806 | \$196,899 | \$5,907 | 2.9% |

| % of Budget Realized (Unaudited) | | | |
|---|---------------|------------|----------|
| (\$ thousands) | | | |
| | Annual Budget | YTD Actual | Realized |
| Debt Service Transfers | \$405,041 | \$196,899 | 48.6% |

Analysis

For 2017 the Tollway budgeted \$405.0 million for transfers from the Revenue Account to the Debt Service Account to provide for the payments described above. That budgeted amount assumes an additional source of funds of \$15.1 million from federal subsidies associated with the Tollway’s Series 2009A and Series 2009B Build America Bonds.

The primary contributor to the \$5.9 million favorable variance during the six months ended June 30, 2017, is a bond issuance budgeted for the beginning of the year which is now expected to be issued in the fourth quarter.

DERIVATIVES

The Tollway employed the use of interest rate exchange (swap) agreements and forward-starting interest rate exchange agreements (forward agreements) to hedge against increases in interest rates by providing synthetic fixed rates associated with the Tollway's variable rate bonds. The following chart presents the Tollway's swap portfolio as of quarter-end June 30, 2017. The four swap agreements related to the Series 2007A Bonds were originally entered into as forward agreements in September 2005 and became effective upon the closing of the Series 2007A Bonds on November 1, 2007. The three swap agreements related to the Series 2008A Bonds were originally entered into in December 2007 and became effective upon the closing of the Series 2008A Bonds on February 7, 2008.

| The Illinois State Toll Highway Authority Swap Portfolio as of June 30, 2017 (Note: Valuations are net of accrued interest) (\$ thousands) | | | | | | |
|---|-----------------------------|--------------------|-----------------|---------------------|----------|--------------------|
| Series | Counterparty | Notional Amount | Fixed Rate Paid | Variable Rate Rec'd | Maturity | Valuation |
| 2007 SERIES A-1 | Citibank N.A., New York | 175,000 | 3.9720% | SIFMA | 7/1/2030 | (\$35,017) |
| 2007 SERIES A-1 | Goldman Sachs Bank USA | 175,000 | 3.9720% | SIFMA | 7/1/2030 | (\$35,017) |
| 2007 SERIES A-1 TOTAL | | \$350,000 | | | | (\$70,034) |
| 2007 SERIES A-2 | Bank of America, N.A. | 262,500 | 3.9925% | SIFMA | 7/1/2030 | (\$53,102) |
| 2007 SERIES A-2 | Wells Fargo Bank* | 87,500 | 3.9925% | SIFMA | 7/1/2030 | (\$17,877) |
| 2007 SERIES A-2 TOTAL | | \$350,000 | | | | (\$70,979) |
| 2008 SERIES A-1 | The Bank of New York | 191,550 | 3.7740% | SIFMA | 1/1/2031 | (\$34,056) |
| 2008 SERIES A-1 | Deutsche Bank AG, NY Branch | 191,550 | 3.7740% | SIFMA | 1/1/2031 | (\$34,158) |
| 2008 SERIES A-1 TOTAL | | \$383,100 | | | | (\$68,215) |
| 2008 SERIES A-2 | Bank of America, N.A.** | 95,775 | 3.7640% | SIFMA | 1/1/2031 | (\$16,965) |
| 2008 SERIES A-2 TOTAL | | \$95,775 | | | | (\$16,965) |
| TOTAL | | \$1,178,875 | | | | (\$226,193) |

Estimated swap valuations based on valuations provided by the counterparties.

* Originally Wachovia Bank, N.A.; acquired by Wells Fargo in December 2008; name changed in March 2010.

** Originally Merrill Lynch Capital Services, Inc.; Bank of America acquired Merrill Lynch in December 2008; swap novated to Bank of America, N.A. in October 2011.

Mark-to-market valuations of the Tollway's swap agreements typically decline in value (from the Tollway's perspective) when interest rates decline and increase in value when interest rates increase. To the extent any negative valuation of the Tollway's derivatives were to become realized by a swap agreement termination, it is possible (although not certain) that such a realized loss might be mitigated by a lower cost of capital expected to be available in that lower-interest rate market.

CAPITAL PROGRAM SUMMARY

Capital Budget 2017

The majority of the expenditures for the capital program are for major capital renewal or repair projects and for improvements to the system. Variances from year to year are due to the schedule of work and the differing values for projects included in the overall capital program.

The capital budget is comprised of two major programs. The *Move Illinois: The Illinois Tollway Driving the Future*, capital program was approved by the Board of Directors on August 25, 2011. The *Move Illinois* Program is a 15-year program which extends from 2012 through 2026. In April 2017, the Board of Directors agreed to expand the original reconstruction of the Central Tri-State Tollway by \$2.1 billion and bring the estimated capital investments in the *Move Illinois* program to \$14 billion. The fiscal year 2017 Capital Budget allocates \$915.5 million to fund the sixth year of the *Move Illinois* Program.

The other major capital program is the Congestion-Relief Program (CRP). The 12-year Congestion-Relief Program, which began in 2005, has been substantially completed in 2016 and is currently estimated at \$5.7 billion. The fiscal year 2017 Capital Budget allocates \$45.8 million to complete CRP projects.

CAPITAL PROGRAM
2016 Estimate and Expenditures; 2017 Approved Budget
(\$ millions)

| | 2016 October Estimate | 2016 Expenditure | 2017 Budget |
|---------------------------------------|-----------------------------|---------------------|----------------|
| Tri-State Tollway (I-94/I-294/I-80) | \$58.2 | \$39.7 | \$56.5 |
| Reagan Memorial Tollway (I-88) | 81.1 | 83.5 | 38.4 |
| Jane Addams Memorial Tollway (I-90) | 560.3 | 547.7 | 165.3 |
| Veterans Memorial Tollway (I-355) | 10.2 | 7.9 | 12.3 |
| Systemwide Improvements | 130.3 | 122.3 | 295.0 |
| I-294/I-57 Interchange | 4.0 | 1.7 | 2.1 |
| Elgin O'Hare Western Access | 337.8 | 322.3 | 374.5 |
| Other Emerging Projects | 0.8 | 0.5 | 17.3 |
| Move Illinois and CRP Subtotal | \$1,182.6 | \$1,125.6 | \$961.3 |
| Other Capital Projects | 64.0 | 64.6 | 0.0 |
| Capital Program Subtotal | \$1,246.6 | \$1,190.2 | \$961.3 |
| Agreement Reimbursements and | - | | - |
| Other Miscellaneous Adjustments | - | (31.4) | - |
| Total Capital Program | \$1,246.6 | \$1,158.8 | \$961.3 |

1. Starting in 2017 the "Other" Capital Projects Budget are included under Systemwide in Move Illinois. New request in 2017 is \$62 million.

Note: Numbers may not add to totals due to rounding.

Allocation of Capital Budget 2017

CORRIDOR

2017 Budget

Tri-State Tollway (I-94/I-294/I-80)

\$56.5 million

The *Move Illinois* Program capital budget for the Tri-State Tollway corridor is \$55.2 million in 2017. This is primarily for design services for reconstruction of I-294 from 95th Street to Balmoral Avenue, as well as design services for reconstruction of the Mile Long Bridge over the Des Plaines River and the BNSF Railroad Bridge over I-294.

The CRP budget for the Tri-State Tollway corridor is \$1.3 million to complete the right-of-way acquisitions for the second phase of the new I-294/I-57 Interchange.

Reagan Memorial Tollway (I-88)

\$38.4 million

The 2017 *Move Illinois* budget allocates \$9.4 million for work on this corridor in 2017. The design for roadway reconstruction between Annie Glidden Road and Illinois Route 56 and remaining design work on ramp connecting I-88 to I-294 will continue during 2017.

The CRP budget for this corridor is \$29 million for continuing roadway and bridge rehabilitation work between U.S. Route 30 and U.S. Route 52 that is planned to be complete in 2017.

Jane Addams Memorial Tollway (I-90)

\$165.3 million

The *Move Illinois* Program budget allocates \$162.8 million for work on the I-90 corridor in 2017. On the east section from the Elgin Toll Plaza (Plaza 9) to the Tri-State Tollway (I-294), reconstruction and widening of inside lanes along with reconstruction of the outside lanes has been completed and projects will be closed out in 2017.

In addition, construction funds will be provided to complete several multi-year projects including work to close out reconstruction of the Fox River Bridge and interchange improvements Illinois Route 25 and Barrington Road, as well as reconstruction of the Illinois Route 23 Bridge. The installation of ITS elements will continue. Right-of-way acquisition, utility and fiber optic relocations will also be completed. Landscaping and roadside work will be continued for both the west and east sections of I-90.

The CRP budget of \$2.4 million for this corridor is required for bridge reconstruction and improvements west of Des Plaines River Road to the Kennedy Expressway and reconstruction of local crossroad bridges on Tripp Road and Spring Center Road.

Veterans Memorial Tollway (I-355)

\$12.3 million

The *Move Illinois* Program capital budget allocates \$10.9 million for work on this corridor in 2017. That will primarily be spent in support of the design between I-55 and Army Trail Road, which is scheduled for construction in 2018.

The \$1.4 million CRP budget is for the completion of southbound resurfacing and widening work between 71st and 75th streets.

Systemwide

\$295 million

The *Move Illinois* Program capital budget allocates \$283 million on systemwide improvements including bridge, pavement and safety improvements; toll collection and IT related projects; and maintenance facility upgrades such as salt dome repairs and replacements, pavement improvements and reconstruction of maintenance buildings. Interchange improvements are planned to be complete on the Reagan Memorial Tollway (I-88) at Farnsworth Avenue. Additionally, funds will be spent on program support activities, including support staff, project management, materials, utility relocations, engineering and land acquisition support services.

The CRP budget allocates \$11.6 million for systemwide improvements including pavement improvements to ensure the integrity of the system, bridge improvements, program management and other related projects.

Tri-State Tollway (I-294/I-57) Interchange

\$2.1 million

\$2.1 million is allocated towards this corridor in 2017 to complete land acquisition and advanced utility work.

Elgin O'Hare Western Access Project

\$374.5 million

The *Move Illinois* Program 2017 budget for this corridor is \$374.5 million. In 2017, the Tollway will complete construction of the eastern section of the Illinois Route 390 Tollway to Illinois Route 83, including the I-290 Interchange. Roadway and bridge construction will be active from Park Boulevard to the Illinois Route 83 Interchange and advance earthwork for the Illinois Route 390 Interchange at the I-490 Tollway will be completed. Completion of the new I-290 Interchange featuring two flyover ramp bridges and ramps connecting westbound I-290 to Illinois 390 and eastbound I-290 to eastbound Illinois Route 390 will also be achieved in 2017. Toll plazas and ITS work from I-290 to Illinois Route 83 are also under construction and remains on track for scheduled completion in support of opening all mainline lanes and ramps from I-290 to Illinois Route 83 to tolling in the fall.

The EOWA Project includes completion of the new Elmhurst Road Interchange on the Jane Addams Memorial Tollway which features the new diverging diamond interchange and the reconstruction and widening of Elmhurst Road along with separate improvements to the intersection of Elmhurst Road and Oakton Street. Ongoing construction will include the I-490 Interchange advanced earthwork, the O'Hare site preparation and Franklin Park drainage improvement. Right-of-way acquisitions and utility relocation activities will continue to support construction of the EOWA Project.

Other Emerging Projects

\$17.3 million

The 2017 Budget includes \$17.3 million for various emerging projects and planning studies that include the following; tree initiative project, explore truck parking opportunities at the oases and areas in and outside of Tollway right-of-way and environmental studies.

Capital Program Expenditures

CAPITAL PROGRAM
Projection vs. Unaudited Actual
Second Quarter 2017

(\$ thousands)

| | 2nd Qtr | | Variance | |
|--|------------------|------------------|------------------|--------------|
| | Projection | Actual | \$ | % |
| Tri-State Tollway (I-94/I-294/I-80) | \$6,496 | \$7,001 | (\$505) | -7.8% |
| Reagan Memorial Tollway (I-88) | 11,365 | 11,595 | (230) | -2.0% |
| Jane Addams Memorial Tollway (I-90) | 52,812 | 58,781 | (5,969) | -11.3% |
| Veterans Memorial Tollway (I-355) | 3,887 | 1,351 | 2,536 | 65.2% |
| Systemwide Improvements | 68,334 | 51,292 | 17,042 | 24.9% |
| Tri-State Tollway (I-294)/I-57 Interchange | 430 | 230 | 200 | 46.6% |
| Elgin O'Hare Western Access | 112,338 | 139,280 | (26,942) | -24.0% |
| Other Emerging Projects | 4,700 | 59 | 4,642 | 98.8% |
| Move Illinois and CRP Subtotal | \$260,363 | \$269,589 | (\$9,225) | -3.5% |
| Agreement Reimbursements and Other Adjustments | - | (3,342) | 3,342 | N/A |
| Total Capital Program Expenditures | \$260,363 | \$266,247 | (\$5,883) | -2.3% |

Analysis

Capital program expenditures are reported on an accrual basis. For the quarter ending June 30, 2017, unaudited capital program expenditures totaled \$266.2 million. This amount included expenses paid during the second quarter, as well as \$117 million of work completed during the quarter and/or in prior periods for which payments have not been made as of June 30, 2017. The intergovernmental agreement reimbursements and other adjustments made during the quarter reduced expenditures by \$3.3 million.

The second quarter expenditures for *Move Illinois* and CRP were \$5.9 million more than projected, primarily due to timing differences in right of way payments offset by reimbursements from intergovernmental agreements.

CORRIDOR

2017 Second Quarter Expenditures

Tri-State Tollway (I-94/I-294/I-80)

\$7.0 million

During the second quarter, the Illinois Tollway agreed to move forward with planning for a \$4 billion widening and reconstruction project on the Central Tri-State Tollway (I-294) between Balmoral Avenue and 95th Street. Master plan and design activities continued.

Expenditures for the corridor during the second quarter were \$504 thousand more than projected. Increased spending on the master plan and design contracts this quarter was offset by delays in the start of the design corridor manager and fiber optic management contracts.

Reagan Memorial Tollway (I-88)

\$11.6 million

During the second quarter, construction close-out activities were performed between U.S. Route 30 to Illinois Route 251 on the west end of the corridor. Design work between Annie Glidden Road and Illinois Route 56 continued.

Expenditures for the corridor during the second quarter were \$229 thousand more than projected.

Jane Addams Memorial Tollway (I-90)

\$58.8 million

During the second quarter, closeout activities continued for roadway reconstruction and widening, as well as reconstruction of interchanges and bridges between Elgin Toll Plaza and the Kennedy Expressway.

Fence replacement and signing between Mill Road and Randall Road, as well as bridge reconstruction on Illinois Route 23 was ongoing.

Work on Barrington Road Interchange continued, including construction of a new exit ramp and a pedestrian overpass bridge for a new Pace Park-n-Ride station. Work continued on Smart Road implementation.

Second quarter expenditures were \$6 million higher than projections, due primarily to the timing of close out activities.

Veterans Memorial Tollway (I-355)

\$1.4 million

During the second quarter, the design continued between I-55 and Army Trail Road and construction closeout progressed for the south bound 71st Street to 75th Street resurfacing and widening project.

Expenditures were \$2.5 million less than projected and can be attributed to slower design progression than expected between I-55 and Army Trail Road as the Tollway considered implementation options.

Systemwide **\$51.3 million**

During the second quarter, work on various pavement, bridge and ramp repair contracts continued, including noisewall repair and construction on the Tri-State Tollway and reconstruction of the M-7 maintenance facility in Rockford.

Second quarter expenditures were \$17 million less than projected, mainly due to a \$6.6 million underspend in pavement, bridge and ramp repairs as a result of delayed professional engineering services contract procurement, reassessment of required repairs and a resulting cancelled project, a \$3.9 million underspend in Business Systems and IT, and a \$4.6 million underspend in toll plaza modifications. This was partially offset by accelerated spending on the M-7 maintenance facility reconstruction and other bridge and pavement repairs.

Tri-State Tollway (I-294/I-57) Interchange **\$230 thousand**

Surveying upon request was ongoing.

Expenditures for the corridor during the second quarter were \$200 thousand less than projected.

Elgin O'Hare Western Access Project **\$139.3 million**

The second quarter of 2017 saw continued mainline road and bridge construction along the new Illinois Route 390 Tollway extending from the I-290 Interchange east to Illinois Route 83. Construction activities included earthwork excavation and embankment, installation of aggregate base, installation of retaining walls, mainline system paving, mainline striping and signage installation, as well as on-going construction of cashless toll plazas along Illinois Route 390. The I-290 Interchange is expected to complete in early third quarter of this year followed by the opening of the second tolling segment extending from Illinois Route 53 to Illinois Route 83 on November 1, 2017.

The second quarter actual spending was \$26.9 million over projection. The contributing factors are timing differences in right-of-way actual expenditures and an intergovernmental agreement payment to Chicago Department of Aviation for advance earthwork.

Other Emerging Projects **\$59 thousand**

Feasibility studies continued in the first quarter for the possible extension of Illinois Route 53 north of Lake Cook Road.

Expenditures for this corridor were \$4.6 million less than projected due to delayed procurement and a reduction in the phase I design contract value.

Financial Summaries

Quarterly Financial Review June 30, 2017

| ILLINOIS TOLLWAY | | | | |
|--|----------------------|----------------------|---------------------|-------------|
| BUDGET vs. UNAUDITED ACTUAL | | | | |
| Second Quarter Ending June 30 2017 | | | | |
| | 2nd Qtr | | Variance | |
| | Budget | Actual | \$ | % |
| REVENUE | | | | |
| Toll Revenue and Evasion Recovery | 352,369,750 | 353,014,728 | \$644,979 | 0.2% |
| Concessions | 750,000 | 595,208 | (154,792) | -20.6% |
| Investment Income | 1,500,000 | 3,166,241 | 1,666,241 | 111.1% |
| Miscellaneous | 1,250,000 | 3,119,473 | 1,869,473 | 149.6% |
| Total Revenue | \$355,869,750 | \$359,895,650 | \$4,025,900 | 1.1% |
| Maintenance and Operations (M and O) Expenditures | | | | |
| Payroll and Related Costs | \$ 40,105,185 | \$ 38,429,173 | \$1,676,012 | 4.2% |
| Group Insurance | 9,672,731 | 8,021,660 | 1,651,071 | 17.1% |
| Contractual Services | 17,407,971 | 18,288,483 | (880,512) | -5.1% |
| Materials/Operational Supplies/Other Expenses | 1,626,098 | 1,437,048 | 189,050 | 11.6% |
| Utilities | 2,028,460 | 2,563,421 | (534,961) | -26.4% |
| All Other Insurance | 2,911,499 | 2,516,512 | 394,987 | 13.6% |
| Parts and Fuel | 1,339,865 | 1,260,772 | 79,093 | 5.9% |
| Equipment/Office Rental and Maintenance | 6,241,541 | 5,697,443 | 544,098 | 8.7% |
| Other Miscellaneous Expenses | 210,854 | 181,519 | 29,335 | 13.9% |
| Recovery of Expenses | (574,700) | (562,739) | (11,961) | -2.1% |
| Total Maintenance and Operations Expenditures | \$80,969,504 | \$77,833,291 | \$3,136,213 | 3.9% |
| Net Revenue | | | | |
| Revenue Less M and O Expenditures | \$274,900,246 | \$282,062,359 | \$7,162,114 | 2.6% |
| Debt Service Transfers | | | | |
| Existing Debt | 97,367,069.99 | \$97,277,092 | \$89,978 | 0.1% |
| New Debt | 3,750,000 | - | 3,750,000 | 100.0% |
| Total Debt Service Transfers | \$101,117,070 | \$97,277,092 | \$3,839,978 | 3.8% |
| Net Revenue Less Debt Service Transfers | \$173,783,176 | \$184,785,267 | \$11,002,091 | 6.3% |

Quarterly Financial Review June 30, 2017

| ILLINOIS TOLLWAY | | | | |
|---|----------------------|-----------------------|----------------------|--------------|
| PROJECTION vs. UNAUDITED ACTUAL | | | | |
| Second Quarter Ending June 30 2017 | | | | |
| | 2nd Qtr | | Variance | |
| | Projection | Actual ⁽²⁾ | \$ | % |
| Capital Program ⁽¹⁾ | | | | |
| Tri-State Tollway (I-94/I-294/I-80) | 6,496,117 | 7,001,052 | (\$504,935) | -7.8% |
| Reagan Memorial Tollway (I-88) | 11,365,485 | 11,595,108 | (229,623) | -2.0% |
| Jane Addams Memorial Tollway (I-90) | 52,812,368 | 58,781,289 | (5,968,921) | -11.3% |
| Veterans Memorial Tollway (I-355) | 3,887,317 | 1,351,435 | 2,535,882 | 65.2% |
| Systemwide Improvements | 68,333,921 | 51,291,526 | 17,042,395 | 24.9% |
| Tri-State Tollway (I-294)/I-57 Interchange | 430,086 | 229,708 | 200,378 | 46.6% |
| Elgin O'Hare Western Access | 112,337,931 | 139,280,208 | (26,942,277) | -24.0% |
| Other Emerging Projects | 4,700,236 | 58,546 | 4,641,690 | 98.8% |
| Move Illinois and CRP Subtotal | \$260,363,461 | \$269,588,872 | (\$9,225,411) | -3.5% |
| Agreement Reimbursements and Other Adjustments ⁽³⁾ | - | (3,342,023) | 3,342,023 | N/A |
| Total Capital Program Expenditures | \$260,363,461 | \$266,246,849 | (\$5,883,388) | -2.3% |

⁽¹⁾ Capital Program expenses are financed by funds available in the Renewal/ Replacement and Improvement accounts.

⁽²⁾ Capital Program Actual included accrued expenses for which payments have not been made as of June 30, 2017.

⁽³⁾ Intergovernmental and Fiber Optic Agreement Reimbursements were for work performed in prior periods.

Quarterly Financial Review June 30, 2017

| ILLINOIS TOLLWAY | | | | | |
|--|----------------------|----------------------|---------------------|-------------|--|
| BUDGET vs. UNAUDITED ACTUAL | | | | | |
| Year-To-Date June 30, 2017 | | | | | |
| | Budget | YTD | | Variance | |
| | | Actual | \$ | % | |
| REVENUE | | | | | |
| Toll Revenue and Evasion Recovery | \$663,401,961 | \$663,282,678 | (\$119,283) | 0.0% | |
| Concessions | 1,500,000 | 1,110,284 | (389,716) | -26.0% | |
| Investment Income | 3,000,000 | 5,450,008 | 2,450,008 | 81.7% | |
| Miscellaneous | 2,500,000 | 5,156,155 | 2,656,155 | 106.2% | |
| Total Revenue | \$670,401,961 | \$674,999,126 | \$4,597,165 | 0.7% | |
| Maintenance and Operations (M and O) Expenditures | | | | | |
| Payroll and Related Costs | \$81,075,554 | \$78,747,972 | \$2,327,582 | 2.9% | |
| Group Insurance | 19,402,460 | 17,808,508 | 1,593,952 | 8.2% | |
| Contractual Services | 34,240,903 | 35,069,937 | (829,034) | -2.4% | |
| Materials/Operational Supplies/Other Expenses | 2,667,886 | 2,358,337 | 309,549 | 11.6% | |
| Utilities | 3,971,451 | 4,542,754 | (571,303) | -14.4% | |
| All Other Insurance | 5,822,996 | 5,177,781 | 645,215 | 11.1% | |
| Parts and Fuel | 2,759,403 | 2,643,809 | 115,594 | 4.2% | |
| Equipment/Office Rental and Maintenance | 13,361,199 | 12,699,467 | 661,732 | 5.0% | |
| Other Miscellaneous Expenses | 501,354 | 481,833 | 19,521 | 3.9% | |
| Recovery of Expenses | (1,069,900) | (1,049,446) | (20,454) | -1.9% | |
| Total Maintenance and Operations Expenditures | \$162,733,306 | \$158,480,953 | \$4,252,353 | 2.6% | |
| Net Revenue | | | | | |
| Revenue Less M and O Expenditures | \$507,668,655 | \$516,518,173 | \$8,849,518 | 1.7% | |
| Debt Service Transfers | | | | | |
| Existing Debt | \$195,306,328 | \$196,899,272 | (\$1,592,944) | -0.8% | |
| New Debt | 7,500,000 | - | 7,500,000 | 100.0% | |
| Total Debt Service Transfers | \$202,806,328 | \$196,899,272 | \$5,907,056 | 2.9% | |
| Net Revenue Less Debt Service (Coverage) | \$304,862,327 | \$319,618,901 | \$14,756,574 | 4.8% | |

Quarterly Financial Review June 30, 2017

| ILLINOIS TOLLWAY | | | | |
|---|----------------------|-----------------------|----------------------|--------------|
| PROJECTION vs. UNAUDITED ACTUAL | | | | |
| Year-To-Date June 30, 2017 | | | | |
| | YTD | | Variance | |
| | Projection | Actual ⁽²⁾ | \$ | % |
| Capital Program ⁽¹⁾ | | | | |
| Tri-State Tollway (I-94/I-294/I-80) | 24,426,028 | 12,304,461 | \$12,121,567 | 49.6% |
| Reagan Memorial Tollway (I-88) | 26,056,546 | 16,180,505 | 9,876,041 | 37.9% |
| Jane Addams Memorial Tollway (I-90) | 137,338,742 | 99,250,618 | 38,088,124 | 27.7% |
| Veterans Memorial Tollway (I-355) | 9,145,846 | 3,891,691 | 5,254,155 | 57.4% |
| Systemwide Improvements | 113,569,528 | 83,447,190 | 30,122,338 | 26.5% |
| Tri-State Tollway (I-294)/I-57 Interchange | 855,445 | 518,071 | 337,374 | 39.4% |
| Elgin O'Hare Western Access | 203,980,481 | 195,638,613 | 8,341,868 | 4.1% |
| Other Emerging Projects | 7,905,695 | 153,433 | 7,752,262 | 98.1% |
| Move Illinois and CRP Subtotal | 523,278,311 | 411,384,582 | \$111,893,729 | 21.4% |
| Agreement Reimbursements and Other Adjustments ⁽³⁾ | - | (7,724,052) | 7,724,052 | N/A |
| Total Capital Program Expenditures | \$523,278,311 | 403,660,530 | \$119,617,781 | 22.9% |

⁽¹⁾ Capital Program expenses are financed by funds available in the Renewal/ Replacement and Improvement accounts.

⁽²⁾ Capital Program Actual included accrued expenses for which payments have not been made as of June 30, 2017.

⁽³⁾ Intergovernmental and Fiber Optic Agreement Reimbursements were for work performed in prior periods.

Quarterly Financial Review June 30, 2017

| ILLINOIS TOLLWAY | | | |
|--|------------------------|----------------------|--------------|
| Percent of Annual Budget Realized (UNAUDITED) | | | |
| Year-To-Date June 30, 2017 | | | |
| | YTD | | % Budget |
| | Budget | Actual | Realized |
| REVENUE | | | |
| Toll Revenue and Evasion Recovery | \$1,366,000,000 | \$663,282,678 | 48.6% |
| Concessions | 3,000,000 | 1,110,284 | 37.0% |
| Investment Income | 6,000,000 | 5,450,008 | 90.8% |
| Miscellaneous | 5,000,000 | 5,156,155 | 103.1% |
| Total Revenue | \$1,380,000,000 | \$674,999,126 | 48.9% |
| Maintenance and Operations (M and O) Expenditures | | | |
| Payroll and Related Costs | \$166,066,171 | \$78,747,972 | 47.4% |
| Group Insurance | 38,831,924 | 17,808,508 | 45.9% |
| Contractual Services | 72,918,215 | 35,069,937 | 48.1% |
| Materials/Operational Supplies/Other Expenses | 7,716,536 | 2,358,337 | 30.6% |
| Utilities | 8,303,780 | 4,542,754 | 54.7% |
| All Other Insurance | 11,646,000 | 5,177,781 | 44.5% |
| Parts and Fuel | 6,671,748 | 2,643,809 | 39.6% |
| Equipment/Office Rental and Maintenance | 25,408,464 | 12,699,467 | 50.0% |
| Other Miscellaneous Expenses | 957,710 | 481,833 | 50.3% |
| Recovery of Expenses | (2,259,500) | (1,049,446) | 46.4% |
| Total Maintenance and Operations Expenditures | \$336,261,048 | \$158,480,953 | 47.1% |
| Net Revenue | | | |
| Revenue Less M and O Expenditures | \$1,043,738,952 | \$516,518,173 | 49.5% |
| Debt Service Transfers | | | |
| Existing Debt | \$390,040,635 | \$196,899,272 | 50.5% |
| New Debt | 15,000,000 | - | 0.0% |
| Total Debt Service Transfers | \$405,040,635 | \$196,899,272 | 48.6% |
| Net Revenue Less Debt Service Transfers | \$638,698,317 | \$319,618,901 | 50.0% |

Quarterly Financial Review June 30, 2017

| ILLINOIS TOLLWAY | | | |
|---|----------------------|------------------------------|--------------------------|
| Percent of Projection Realized (UNAUDITED) | | | |
| Year-To-Date June 30, 2017 | | | |
| | 2017 Projection | YTD Actual ⁽²⁾ | % Projection Realized |
| Capital Program ⁽¹⁾ | | | |
| Tri-State Tollway (I-94/I-294/I-80) | 56,470,183 | 12,304,461 | 21.8% |
| Reagan Memorial Tollway (I-88) | 38,436,267 | 16,180,505 | 42.1% |
| Jane Addams Memorial Tollway (I-90) | 165,263,083 | 99,250,618 | 60.1% |
| Veterans Memorial Tollway (I-355) | 12,349,679 | 3,891,691 | 31.5% |
| Systemwide Improvements | 294,976,703 | 83,447,190 | 28.3% |
| Tri-State Tollway (I-294)/I-57 Interchange | 2,078,556 | 518,071 | 24.9% |
| Elgin O'Hare Western Access | 374,453,545 | 195,638,613 | 52.2% |
| Other Emerging Projects | 17,255,202 | 153,433 | 0.9% |
| Move Illinois and CRP Subtotal | \$961,283,218 | \$411,384,582 | 42.8% |
| Agreement Reimbursements and Other Adjustments ⁽³⁾ | - | (7,724,052) | N/A |
| Total Capital Program Expenditures | \$961,283,218 | \$403,660,530 | 42.0% |

⁽¹⁾ Capital Program expenses are financed by funds available in the Renewal/ Replacement and Improvement accounts.

⁽²⁾ Capital Program Actual included accrued expenses for which payments have not been made as of June 30, 2017.

⁽³⁾ Intergovernmental and Fiber Optic Agreement Reimbursements were for work performed in prior periods.

Quarterly Financial Review June 30, 2017

| ILLINOIS TOLLWAY | | | | |
|--|----------------------|----------------------|----------------------|--------------|
| 2017 Actual vs. 2016 Unaudited Actual | | | | |
| Second Quarter Ending June 30 2017 | | | | |
| | 2nd Qtr | | Variance | |
| | 2016 | 2017 | \$ | % |
| REVENUE | | | | |
| Toll Revenue and Evasion Recovery | \$326,320,217 | \$353,014,728 | \$26,694,511 | 8.2% |
| Concessions | 572,710 | 595,208 | 22,497 | 3.9% |
| Investment Income | 1,141,015 | 3,166,241 | 2,025,227 | 177.5% |
| Miscellaneous | 847,135 | 3,119,473 | 2,272,338 | 268.2% |
| Total Revenue | \$328,881,077 | \$359,895,650 | \$31,014,573 | 9.4% |
| Maintenance and Operations (M and O) Expenditures | | | | |
| Payroll and Related Costs | \$38,796,696 | \$38,429,173 | \$367,523 | 0.9% |
| Group Insurance | 8,442,385 | 8,021,660 | \$420,725 | 5.0% |
| Contractual Services | 15,460,713 | 18,288,483 | (\$2,827,770) | -18.3% |
| Materials/Operational Supplies/Other Expenses | 1,056,540 | 1,437,048 | (\$380,508) | -36.0% |
| Utilities | 1,820,485 | 2,563,421 | (\$742,936) | -40.8% |
| All Other Insurance | 2,603,775 | 2,516,512 | \$87,264 | 3.4% |
| Parts and Fuel | 681,852 | 1,260,772 | (\$578,920) | -84.9% |
| Equipment/Office Rental and Maintenance | 4,378,103 | 5,697,443 | (\$1,319,340) | -30.1% |
| Other Miscellaneous Expenses | 179,149 | 181,519 | (\$2,370) | -1.3% |
| Recovery of Expenses | (716,825) | (562,739) | (\$154,086) | -21.5% |
| Total Maintenance and Operations Expenditures | \$72,702,874 | \$77,833,291 | (\$5,130,417) | -7.1% |
| Net Revenue | | | | |
| Revenue Less M and O Expenditures | \$256,178,204 | \$282,062,359 | \$25,884,156 | 10.1% |
| Debt Service Transfers | | | | |
| Existing Debt | \$130,277,145 | \$99,622,180 | \$30,654,965 | 23.5% |
| New Debt | - | - | - | N/A |
| Total Debt Service Transfers | \$130,277,145 | \$99,622,180 | \$30,654,965 | 23.5% |
| Net Revenue Less Debt Service Transfers | \$125,901,059 | \$182,440,179 | \$56,539,120 | 44.9% |

Quarterly Financial Review June 30, 2017

| ILLINOIS TOLLWAY | | | | |
|---|--------------------|----------------------|---------------------|-----------|
| 2017 Actual vs. 2016 Unaudited Actual | | | | |
| Second Quarter Ending June 30 2017 | | | | |
| | 2nd Qtr | | Variance | |
| | 2016 | 2017 ⁽²⁾ | \$ | % |
| Capital Program ⁽¹⁾ | | | | |
| Tri-State Tollway (I-94/I-294/I-80) | 10,530,798 | 7,001,052 | \$3,529,746 | 34% |
| Reagan Memorial Tollway (I-88) | 19,628,139 | 11,595,108 | 8,033,031 | 41% |
| Jane Addams Memorial Tollway (I-90) | 148,448,752 | 58,781,289 | 89,667,463 | 60% |
| Veterans Memorial Tollway (I-355) | 7,645 | 1,351,435 | (1,343,791) | N/A |
| Systemwide Improvements | 46,343,860 | 51,291,526 | (4,947,665) | -11% |
| Tri-State Tollway (I-294)/I-57 Interchange | 356,011 | 229,708 | 126,303 | 35% |
| Elgin O'Hare Western Access | 68,535,819 | 139,280,208 | (70,744,389) | -103% |
| Other Emerging Projects | 88,315 | 58,546 | 29,769 | 34% |
| Move Illinois and CRP Subtotal | 293,939,339 | \$269,588,872 | \$24,350,467 | 8% |
| Agreement Reimbursements and Other Adjustments ⁽³⁾ | (12,496,506) | (3,342,023) | (9,154,483) | -73% |
| Total Capital Program Expenditures | 281,442,833 | 266,246,849 | 15,195,984 | 5% |

⁽¹⁾ Capital Program expenses are financed by funds available in the Renewal/ Replacement and Improvement accounts.

⁽²⁾ Capital Program Actual included accrued expenses for which payments have not been made as of June 30, 2017.

⁽³⁾ Intergovernmental and Fiber Optic Agreement Reimbursements were for work performed in prior periods.

Quarterly Financial Review June 30, 2017

| ILLINOIS TOLLWAY | | | | |
|--|----------------------|----------------------|----------------------|--------------|
| 2017 Actual vs. 2016 Unaudited Actual | | | | |
| Year-To-Date June 30, 2017 | | | | |
| | YTD | | Variance | |
| | 2016 | 2017 | \$ | % |
| REVENUE | | | | |
| Toll Revenue and Evasion Recovery | \$622,112,322 | \$663,282,678 | \$41,170,356 | 6.6% |
| Concessions | 1,081,903 | 1,110,284 | 28,382 | 2.6% |
| Investment Income | 2,393,827 | 5,450,008 | 3,056,181 | 127.7% |
| Miscellaneous | 1,930,875 | 5,156,155 | 3,225,280 | 167.0% |
| Total Revenue | \$627,518,927 | \$674,999,126 | \$47,480,199 | 7.6% |
| Maintenance and Operations (M and O) Expenditures | | | | |
| Payroll and Related Costs | \$80,612,633 | \$78,747,972 | \$1,864,660 | 2.3% |
| Group Insurance | 16,803,993 | 17,808,508 | (1,004,515) | -6.0% |
| Contractual Services | 30,860,283 | 35,069,937 | (4,209,655) | -13.6% |
| Materials/Operational Supplies/Other Expenses | 2,719,281 | 2,358,337 | 360,944 | 13.3% |
| Utilities | 3,641,013 | 4,542,754 | (901,741) | -24.8% |
| All Other Insurance | 5,354,720 | 5,177,781 | 176,938 | 3.3% |
| Parts and Fuel | 1,633,948 | 2,643,809 | (1,009,861) | -61.8% |
| Equipment/Office Rental and Maintenance | 9,708,151 | 12,699,467 | (2,991,316) | -30.8% |
| Other Miscellaneous Expenses | 418,026 | 481,833 | (63,807) | -15.3% |
| Recovery of Expenses | (1,324,118) | (1,049,446) | (274,672) | -20.7% |
| Total Maintenance and Operations Expenditures | \$150,427,929 | \$158,480,953 | (\$8,053,024) | -5.4% |
| Net Revenue | | | | |
| Revenue Less M and O Expenditures | \$477,090,999 | \$516,518,173 | \$39,427,175 | 8.3% |
| Debt Service Transfers | | | | |
| Existing Debt | \$221,760,950 | \$196,899,272 | \$24,861,678 | 11.2% |
| New Debt | - | - | - | |
| Total Debt Service Transfers | \$221,760,950 | \$196,899,272 | \$24,861,678 | 11.2% |
| Net Revenue Less Debt Service (Coverage) | \$255,330,049 | \$319,618,901 | \$64,288,852 | 25.2% |

Quarterly Financial Review June 30, 2017

| ILLINOIS TOLLWAY | | | | |
|---|--------------------|----------------------|----------------------|------------|
| 2017 Actual vs. 2016 Unaudited Actual | | | | |
| Year-To-Date June 30, 2017 | | | | |
| | 2016 | 2017 ⁽²⁾ | Variance | |
| | | | \$ | % |
| Capital Program ⁽¹⁾ | | | | |
| Tri-State Tollway (I-94/I-294/I-80) | 21,769,906 | 12,304,461 | \$9,465,445 | 43% |
| Reagan Memorial Tollway (I-88) | 23,771,484 | 16,180,505 | 7,590,979 | 32% |
| Jane Addams Memorial Tollway (I-90) | 258,935,383 | 99,250,618 | 159,684,765 | 62% |
| Veterans Memorial Tollway (I-355) | 73,560 | 3,891,691 | (3,818,131) | N/A |
| Systemwide Improvements | 78,054,449 | 83,447,190 | (5,392,741) | -7% |
| Tri-State Tollway (I-294)/I-57 Interchange | 1,163,677 | 518,071 | 645,605 | 55% |
| Elgin O'Hare Western Access | 130,089,042 | 195,638,613 | (65,549,571) | -50% |
| Other Emerging Projects | 252,608 | 153,433 | 99,175 | 39% |
| Move Illinois & CRP Subtotal | 514,110,108 | \$411,384,582 | \$102,725,526 | 20% |
| Agreement Reimbursements and Other Adjustments ⁽³⁾ | (26,431,523) | (7,724,052) | (18,707,471) | -71% |
| Total Capital Program Expenditures | 487,678,585 | \$403,660,530 | \$83,834,553 | 17% |

⁽¹⁾ Capital Program expenses are financed by funds available in the Renewal/ Replacement and Improvement accounts.

⁽²⁾ Capital Program Actual included accrued expenses for which payments have not been made as of June 30, 2017.

⁽³⁾ Intergovernmental and Fiber Optic Agreement Reimbursements were for work performed in prior periods.