



2017 Budget Analysis

(Unaudited)

Quarterly Financial Review

July 1 - September 30, 2017

Quarterly Financial Review September 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 third 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

THIRD QUARTER RESULTS SUMMARY

Revenue

Revenue for the 2017 third quarter totaled \$372.4 million, which comprised 27.0 percent of the \$1,380 million annual budget. Toll and evasion recovery revenue totaled \$366.3 million, miscellaneous income totaled \$1.4 million, concessions revenue totaled \$620 thousand and investment income totaled \$4.1 million.

Revenue through September 30, 2017, totaled \$1,047.4 million and comprised 75.9 percent of the \$1,380 million annual revenue budget. Toll and evasion recovery revenue totaled \$1,029.6 million, miscellaneous income totaled \$6.6 million, concessions revenue totaled \$1.7 million and investment income totaled \$9.5 million.

Expenditures

The Illinois Tollway's 2017 third quarter operating expenditures totaled \$78.3 million, which was 23.3 percent of the \$336.3 million annual maintenance and operations budget.

Operating expenditures through September 30, 2017, totaled \$236.8 million, which comprised 70.4 percent of the \$336.3 million annual maintenance and operations budget.

The Tollway's 2017 third quarter debt service transfers totaled \$94.7 million or \$6.5 million less than the budgeted amount. The third quarter debt service transfers were 23.4 percent of the \$405 million annual debt service transfers budget.

Capital program expenditures for the third quarter totaled \$191.5 million and were \$40.8 million less than projected. These capital expenditures included \$192.8 million for the *Move Illinois* Program and the Congestion-Relief Program projects. Other adjustments and reimbursements made during the quarter reduced expenditures by \$1.3 million.

Capital program expenditures through September 30, 2017, totaled \$595.2 million, which comprised 61.9 percent of the \$961.3 million annual capital program budget. These capital expenditures included \$604.2 million for the *Move Illinois* Program and the Congestion-Relief Program expenses. Intergovernmental agreements and fiber optic agreement reimbursements for work performed in prior periods and other adjustments reduced capital expenditures by \$8.9 million.

REVENUE SUMMARY

Budget vs. Unaudited Actual

Third Quarter 2017

(\$ thousands)

	3rd Qtr		Variance	
	Budget	Actual	\$	%
Toll Revenue and Evasion Recovery	\$360,981	\$366,279	\$5,299	1.5%
Concessions	750	620	(130)	-17.3%
Investment Income	1,500	4,066	2,566	171.1%
Miscellaneous	1,250	1,437	187	15.0%
Total Revenue	\$364,481	\$372,403	\$7,922	2.2%

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

Percent of Annual Budget Realized (Unaudited)

Year-To-Date September 30, 2017

(\$ thousands)

	2017	YTD	% Budget
	Budget	Actual	Realized
Toll Revenue and Evasion Recovery	\$1,366,000	\$1,029,562	75.4%
Concessions	3,000	1,731	57.7%
Investment Income	6,000	9,516	158.6%
Miscellaneous	5,000	6,593	131.9%
Total Revenue	\$1,380,000	\$1,047,402	75.9%

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

Third Quarter Analysis

Revenue for the 2017 third quarter totaled \$372.4 million, \$7.9 million more than budgeted for the period. The third quarter revenue was 27.0 percent of the \$1,380 million annual revenue budget.

Toll and evasion recovery revenue totaled \$366 million, \$5.3 million more than budget.

Toll transactions for all vehicle classes grew 4.4 percent from the third quarter 2016 and were 0.5 percent more than projected for the quarter. Passenger car transactions grew 4.6 percent from third quarter 2016 and were 0.1 percent more than projected for the quarter. Third quarter commercial vehicle transactions grew 3.3 percent from third quarter 2016 and were 3.2 percent more than projected.

Investment income totaled \$4.1 million, or \$2.6 million more than budget. Concessions revenue totaled \$130 thousand less than budget. Miscellaneous income totaled \$1.4 million, or \$187 thousand more than budget.

MAINTENANCE AND OPERATIONS SUMMARY

Budget vs. Unaudited Actual Third Quarter 2017

(\$ thousands)

	3rd Qtr		Variance	
	Budget	Actual	\$	%
Payroll and Related Costs	\$41,897	\$40,628	\$1,269	3.0%
Group Insurance	9,715	8,865	850	8.7%
Contractual Services	19,254	21,165	(1,911)	-9.9%
Materials/Operational Supplies/Other Expenses	1,109	931	178	16.1%
Utilities	2,021	1,608	413	20.4%
All Other Insurance	2,912	(354)	3,266	112.2%
Parts and Fuel	2,066	1,179	887	42.9%
Equipment/Office Rental and Maintenance	5,820	4,659	1,161	20.0%
Other Miscellaneous Expenses	217	225	(9)	-4.1%
Recovery of Expenses	(576)	(584)	9	1.5%
Total Maintenance and Operations Expenditures	\$84,433	\$78,320	\$6,113	7.2%

Note: Numbers may not add to totals due to rounding

Year-To-Date September 30, 2017

(\$ thousands)

	YTD		% Budget
	Budget	Actual	Realized
Payroll and Related Costs	\$166,066	\$119,376	71.9%
Group Insurance	38,832	26,673	68.7%
Contractual Services	72,918	56,235	77.1%
Materials/Operational Supplies/Other Expenses	7,717	3,289	42.6%
Utilities	8,304	6,151	74.1%
All Other Insurance	11,646	4,823	41.4%
Parts and Fuel	6,672	3,822	57.3%
Equipment/Office Rental and Maintenance	25,408	17,358	68.3%
Other Miscellaneous Expenses	958	707	73.9%
Recovery of Expenses	(2,260)	(1,634)	72.3%
Total Maintenance and Operations Expenditures	\$336,261	\$236,801	70.4%

Note: Numbers may not add to totals due to rounding

Analysis

The Tollway's 2017 operating expenditures totaled \$78.3 million, representing a favorable variance of \$6.1 million. The third quarter expenditures were 23.3 percent of the \$336.3 million annual maintenance and operations budget.

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

Payroll and related costs for the third quarter totaled \$40.6 million, \$1.3 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 \$8.9 million, \$850 thousand less than budget due lower than anticipated vacancies filled in the third quarter.

Contractual services for the third quarter totaled \$21.2 million, \$1.9 million more than budget. The unfavorable variance is mainly attributed to increase in calls minutes, due to new back office system and increased summer call volume.

Materials/operational supplies/other expenses totaled \$931 thousand and \$178 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 \$1.6 million, \$413 thousand less than budget. This favorable variance was in natural gas/electricity category where usage was lower than anticipated due to a mild summer.

All other insurance expenses totaled (\$354) thousand, \$3.3 million under third 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 workers comp fund actuarial review which reduced required funding.

Parts and fuel expenses totaled \$1.2 million, \$887 thousand less than third quarter budget, due to lower than anticipated fuel prices and a reduced need to replace older parts.

Equipment/office rental and maintenance expenditures totaled \$4.7 million, \$1.2 million less than the budgeted amount. This variance is mainly due to timing for lane maintenance and back office system maintenance expense.

Other Miscellaneous Expenses totaled \$225 thousand, \$9 thousand more than budget. This cost category includes travel, training, dues, books, subscriptions, uniforms and accessories.

Recovery of expenses totaled \$584 thousand, a \$9 thousand favorable 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 budget 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 sinking fund 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 September 30, 2017, with comparisons to budget.

Budget vs. Actual (Unaudited) (\$ thousands) (#s may not add due to rounding)

	Budget	Actual	Variance	
			\$	%
Debt Service Transfers – 1 st Qtr	\$101,689	\$99,622	\$2,067	2.0%
Debt Service Transfers – 2 nd Qtr	\$101,117	\$97,277	\$3,840	3.8%
Debt Service Transfers – 3 rd Qtr	\$101,117	\$94,659	\$6,458	6.4%
Debt Service Transfers - YTD Sep 30, 2017	\$303,923	\$291,558	\$12,366	4.1%

% of Budget Realized (Unaudited) (\$ thousands)

	Annual Budget	YTD Actual	Realized
Debt Service Transfers	\$405,041	\$291,558	72.0%

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 \$12.4 million favorable variance during the nine months ended September 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 September 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 September 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	(\$34,488)
2007 SERIES A-1	Goldman Sachs Bank USA	175,000	3.9720%	SIFMA	7/1/2030	(\$34,456)
2007 SERIES A-1 TOTAL		\$350,000				(\$68,945)
2007 SERIES A-2	Bank of America, N.A.	262,500	3.9925%	SIFMA	7/1/2030	(\$51,520)
2007 SERIES A-2	Wells Fargo Bank*	87,500	3.9925%	SIFMA	7/1/2030	(\$17,661)
2007 SERIES A-2 TOTAL		\$350,000				(\$69,182)
2008 SERIES A-1	The Bank of New York	191,550	3.7740%	SIFMA	1/1/2031	(\$33,470)
2008 SERIES A-1	Deutsche Bank AG, NY Branch	191,550	3.7740%	SIFMA	1/1/2031	(\$33,521)
2008 SERIES A-1 TOTAL		\$383,100				(\$66,991)
2008 SERIES A-2	Bank of America, N.A.**	95,775	3.7640%	SIFMA	1/1/2031	(\$16,649)
2008 SERIES A-2 TOTAL		\$95,775				(\$16,649)
TOTAL		\$1,178,875				(\$221,766)

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 and includes anticipated capital investments totaling an estimated \$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	315.9	374.5
Other Emerging Projects	0.8	0.5	17.3
Move Illinois and CRP Subtotal	\$1,182.6	\$1,119.2	\$961.3
Other Capital Projects	64.0	64.6	0.0
Capital Program Subtotal	\$1,246.6	\$1,183.8	\$961.3
Agreement Reimbursements and	-		-
Other Miscellaneous Adjustments	-	(31.4)	-
Total Capital Program	\$1,246.6	\$1,152.3	\$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 and congestion relief 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 that will be constructed under *Move Illinois*.

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 and 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 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 advance 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 I-490 Interchange 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 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 I-490 Tollway as part of 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

Analysis

Capital program expenditures are reported on an accrual basis. For the quarter ending September 30, 2017, unaudited capital program expenditures totaled \$191.5 million. This amount included expenses paid during the third quarter, as well as \$119.9 million of work completed during the quarter and/or in prior periods for which payments have not been made as of September 30, 2017. The intergovernmental agreement reimbursements and other adjustments made during the quarter reduced expenditures by \$1.3 million.

The third quarter expenditures for *Move Illinois* and CRP were \$40.8 million less than projected, primarily due to scheduling changes, procurement delays and the timing of intergovernmental agreements.

CAPITAL PROGRAM
Projection vs. Unaudited Actual
Third Quarter 2017
(\$ thousands)

	3rd Qtr		Variance	
	Projection	Actual	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$10,206	\$11,739	(\$1,534)	-15.0%
Reagan Memorial Tollway (I-88)	8,906	5,154	3,752	42.1%
Jane Addams Memorial Tollway (I-90)	22,401	32,110	(9,709)	-43.3%
Veterans Memorial Tollway (I-355)	3,204	1,877	1,327	41.4%
Systemwide Improvements	89,979	64,579	25,400	28.2%
Tri-State Tollway (I-294)/I-57 Interchange	435	204	231	53.1%
Elgin O'Hare Western Access	92,525	76,535	15,991	17.3%
Other Emerging Projects	4,675	646	4,029	86.2%
Move Illinois and CRP Subtotal	\$232,330	\$192,844	\$39,486	17.0%
Agreement Reimbursements and Other Adjustments	-	(1,313)	1,313	N/A
Total Capital Program Expenditures	\$232,330	\$191,531	\$40,799	17.6%

CORRIDOR

2017 Third Quarter Expenditures

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

\$11.7 million

In April, 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. In the third quarter, master plan and design activities continued.

Expenditures for the corridor during the third quarter were \$1.5 million more than projected. Increased spending on the master plan and design contracts this quarter that offset underspending earlier in the year as well as right of way acquisitions contributed to the variance.

Reagan Memorial Tollway (I-88)

\$5.2 million

During the third quarter, construction close-out activities were performed between U.S. Route 30 and Illinois Route 251 on the west end of the corridor. Design work between Illinois Route 251 and Illinois Route 56 was ongoing.

Expenditures for the corridor during the third quarter were \$3.8 million less than projected, mainly due to \$5.2 million of underspending on I-88 roadway resurfacing during the closeout process. This was partially offset by increased spending on bridge removal between Illinois Route 251 and Illinois Route 56.

Jane Addams Memorial Tollway (I-90)

\$32.1 million

During the third 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.

Roadside completion improvements between Elgin Toll Plaza and the Kennedy Expressway began in the third quarter. 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. SmartRoad implementation work was completed and the system was activated on the Jane Addams Memorial Tollway.

Third quarter expenditures were \$9.7 million higher than projections, due primarily to the timing of the contract closeout process as well as utility relocation payments.

Veterans Memorial Tollway (I-355)

\$1.9 million

During the third quarter, design efforts continued between I-55 and Army Trail Road.

Third quarter expenditures were \$1.3 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 schedule options.

Systemwide

\$64.6 million

During the third quarter, work on various pavement, bridge and ramp repair contracts continued, including pavement and bridge preservation on the Tri-State Tollway and reconstruction of the Rockford (M-7) and Marengo (M-6) maintenance facilities.

Third quarter expenditures were \$25.4 million less than projected, mainly due to a \$8.5 million underspend in pavement, bridge and ramp repairs as a result of delayed professional engineering services procurement, reassessment of required repairs and a resulting cancelled project, a \$13.5 million underspend in Business Systems and IT, and a \$6.2 million underspend in toll plaza modifications. This was partially offset by accelerated spending on the Rockford (M-7) maintenance facility reconstruction and other bridge and pavement repairs, as well as \$5.5 million in accelerated spending on other capital projects.

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

\$204 thousand

Surveying upon request was ongoing.

Expenditures for the corridor during the third quarter were \$231 thousand less than projected.

Elgin O'Hare Western Access Project

\$76.5 million

During the third quarter of 2017, mainline road and bridge construction continued along the new Illinois Route 390 Tollway extending from the I-290 Interchange east to Illinois Route 83 in support of on-time open to tolling of the second tolling segment from Illinois Route 53 to Illinois Route 83 in November 2017. Roadway 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 bridge construction work at Prospect Bridge and Illinois Route 390 Tollway Bridge over Illinois Route 83. Ongoing construction also included toll plaza building and electrical conduit work, power installation, fiber optic installation and site testing for the Intelligent Transportation Systems (ITS) and the contract completion of the I-290 Interchange.

The third quarter actual spending was \$16.0 million less than projection. The contributing factors are timing differences in intergovernmental agreement payment to Chicago Department of Aviation for advance earthwork and in federal funding expenditure applied to CMAQ projects, slower design progression associated with the timing of right-of-way acquisition and utility accruals.

Other Emerging Projects

\$646 thousand

Feasibility studies continued in the third 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 a change to a phased approach and a late start in the phase I study versus the original plan.

Financial Summaries

Quarterly Financial Review September 30, 2017

ILLINOIS TOLLWAY				
BUDGET vs. UNAUDITED ACTUAL				
Third Quarter Ending September 30 2017				
	3rd Qtr		Variance	
	Budget	Actual	\$	%
REVENUE				
Toll Revenue and Evasion Recovery	\$360,980,568	\$366,279,070	\$5,298,502	1.5%
Concessions	750,000	620,252	(129,748)	-17.3%
Investment Income	1,500,000	4,066,182	2,566,182	171.1%
Miscellaneous	1,250,000	1,437,320	187,320	15.0%
Total Revenue	\$364,480,568	\$372,402,824	\$7,922,256	2.2%
Maintenance and Operations (M and O) Expenditures				
Payroll and Related Costs	\$41,896,863	\$40,627,565	\$1,269,298	3.0%
Group Insurance	9,714,732	8,864,928	849,804	8.7%
Contractual Services	19,254,206	21,165,141	(1,910,935)	-9.9%
Materials/Operational Supplies/Other Expenses	1,109,149	930,821	178,328	16.1%
Utilities	2,020,562	1,607,923	412,639	20.4%
All Other Insurance	2,911,501	(354,319)	3,265,820	112.2%
Parts and Fuel	2,065,595	1,178,665	886,930	42.9%
Equipment/Office Rental and Maintenance	5,819,870	4,658,528	1,161,342	20.0%
Other Miscellaneous Expenses	216,656	225,452	(8,796)	-4.1%
Recovery of Expenses	(575,800)	(584,490)	8,690	1.5%
Total Maintenance and Operations Expenditures	\$84,433,334	\$78,320,214	\$6,113,120	7.2%
Net Revenue				
Revenue Less M and O Expenditures	\$280,047,234	\$294,082,610	\$14,035,376	5.0%
Debt Service Transfers				
Existing Debt	\$97,367,070	\$94,658,592	\$2,708,478	2.8%
New Debt	3,750,000	-	3,750,000	N/A
Total Debt Service Transfers	\$101,117,070	\$94,658,592	\$6,458,478	6.4%
Net Revenue Less Debt Service Transfers	\$178,930,164	\$199,424,018	\$20,493,854	11.5%

Quarterly Financial Review September 30, 2017

ILLINOIS TOLLWAY				
PROJECTION vs. UNAUDITED ACTUAL				
Third Quarter Ending September 30 2017				
	3rd Qtr		Variance	
	Projection	Actual	\$	%
Capital Program				
Tri-State Tollway (I-94/I-294/I-80)	\$10,205,538	\$11,739,285	(\$1,533,747)	-15.0%
Reagan Memorial Tollway (I-88)	8,905,724	5,154,211	3,751,513	42.1%
Jane Addams Memorial Tollway (I-90)	22,401,432	32,110,278	(9,708,846)	-43.3%
Veterans Memorial Tollway (I-355)	3,203,833	1,876,983	1,326,850	41.4%
Systemwide Improvements	89,978,971	64,578,966	25,400,005	28.2%
Tri-State Tollway (I-294)/I-57 Interchange	434,812	203,736	231,076	53.1%
Elgin O'Hare Western Access	92,525,284	76,534,670	15,990,614	17.3%
Other Emerging Projects	4,674,753	646,157	4,028,596	86.2%
Move Illinois and CRP Subtotal	\$232,330,347	\$192,844,285	\$39,486,062	17.0%
Agreement Reimbursements and Other Adjustments	-	(1,312,923)	1,312,923	N/A
Total Capital Program Expenditures	\$232,330,347	\$191,531,362	\$40,798,985	17.6%

Quarterly Financial Review September 30, 2017

ILLINOIS TOLLWAY					
BUDGET vs. UNAUDITED ACTUAL					
Year-To-Date September 30, 2017					
		YTD		Variance	
	Budget	Actual	\$	%	
REVENUE					
Toll Revenue and Evasion Recovery	\$1,024,382,529	\$1,029,561,748	\$5,179,219	0.5%	
Concessions	2,250,000	1,730,536	(519,464)	-23.1%	
Investment Income	4,500,000	9,516,190	5,016,190	111.5%	
Miscellaneous	3,750,000	6,593,475	2,843,475	75.8%	
Total Revenue	\$1,034,882,529	\$1,047,401,950	\$12,519,421	1.2%	
Maintenance and Operations (M and O) Expenditures					
Payroll and Related Costs	\$122,972,417	\$119,375,537	\$3,596,880	2.9%	
Group Insurance	29,117,192	26,673,436	2,443,756	8.4%	
Contractual Services	53,495,109	56,235,079	(2,739,970)	-5.1%	
Materials/Operational Supplies/Other Expenses	3,777,035	3,289,158	487,877	12.9%	
Utilities	5,992,013	6,150,677	(158,664)	-2.6%	
All Other Insurance	8,734,497	4,823,463	3,911,034	44.8%	
Parts and Fuel	4,824,998	3,822,474	1,002,524	20.8%	
Equipment/Office Rental and Maintenance	19,181,069	17,357,994	1,823,075	9.5%	
Other Miscellaneous Expenses	718,010	707,285	10,725	1.5%	
Recovery of Expenses	(1,645,700)	(1,633,936)	(11,764)	-0.7%	
Total Maintenance and Operations Expenditures	\$247,166,640	\$236,801,167	\$10,365,473	4.2%	
Net Revenue					
Revenue Less M and O Expenditures	\$787,715,889	\$810,600,783	\$22,884,894	2.9%	
Debt Service Transfers					
Existing Debt	\$292,673,398	\$291,557,864	\$1,115,534	0.4%	
New Debt	11,250,000	-	11,250,000	N/A	
Total Debt Service Transfers	\$303,923,398	\$291,557,864	\$12,365,534	4.1%	
Net Revenue Less Debt Service (Coverage)	\$483,792,491	\$519,042,919	\$35,250,428	7.3%	

Quarterly Financial Review September 30, 2017

ILLINOIS TOLLWAY				
PROJECTION vs. UNAUDITED ACTUAL				
Year-To-Date September 30, 2017				
	YTD		Variance	
	Projection	Actual	\$	%
Capital Program				
Tri-State Tollway (I-94/I-294/I-80)	\$34,631,566	\$24,043,746	\$10,587,820	30.6%
Reagan Memorial Tollway (I-88)	34,962,270	21,334,716	13,627,554	39.0%
Jane Addams Memorial Tollway (I-90)	159,740,174	131,360,896	28,379,278	17.8%
Veterans Memorial Tollway (I-355)	12,349,679	5,768,673	6,581,006	53.3%
Systemwide Improvements	203,548,499	147,974,912	55,573,587	27.3%
Tri-State Tollway (I-294)/I-57 Interchange	1,290,257	721,807	568,450	44.1%
Elgin O'Hare Western Access	296,505,765	272,173,283	24,332,482	8.2%
Other Emerging Projects	12,580,448	799,590	11,780,858	93.6%
Move Illinois and CRP Subtotal	\$755,608,658	\$604,177,623	\$151,431,035	20.0%
Agreement Reimbursements and Other Adjustments	-	(8,985,730)	8,985,730	N/A
Total Capital Program Expenditures	\$755,608,658	\$595,191,893	\$160,416,765	21.2%

Quarterly Financial Review September 30, 2017

ILLINOIS TOLLWAY			
Percent of Annual Budget Realized (UNAUDITED)			
Year-To-Date September 30, 2017			
	YTD		% Budget
	Budget	Actual	Realized
REVENUE			
Toll Revenue and Evasion Recovery	\$1,366,000,000	\$1,029,561,748	75.4%
Concessions	3,000,000	1,730,536	57.7%
Investment Income	6,000,000	9,516,190	158.6%
Miscellaneous	5,000,000	6,593,475	131.9%
Total Revenue	\$1,380,000,000	\$1,047,401,950	75.9%
Maintenance and Operations (M and O) Expenditures			
Payroll and Related Costs	\$166,066,171	\$119,375,537	71.9%
Group Insurance	38,831,924	26,673,436	68.7%
Contractual Services	72,918,215	56,235,079	77.1%
Materials/Operational Supplies/Other Expenses	7,716,536	3,289,158	42.6%
Utilities	8,303,780	6,150,677	74.1%
All Other Insurance	11,646,000	4,823,463	41.4%
Parts and Fuel	6,671,748	3,822,474	57.3%
Equipment/Office Rental and Maintenance	25,408,464	17,357,994	68.3%
Other Miscellaneous Expenses	957,710	707,285	73.9%
Recovery of Expenses	(2,259,500)	(1,633,936)	72.3%
Total Maintenance and Operations Expenditures	\$336,261,048	\$236,801,167	70.4%
Net Revenue			
Revenue Less M and O Expenditures	\$1,043,738,952	\$810,600,783	77.7%
Debt Service Transfers			
Existing Debt	\$390,040,635	\$291,557,864	74.8%
New Debt	15,000,000	-	0.0%
Total Debt Service Transfers	\$405,040,635	\$291,557,864	72.0%
Net Revenue Less Debt Service Transfers	\$638,698,317	\$519,042,919	81.3%

Quarterly Financial Review September 30, 2017

ILLINOIS TOLLWAY			
Percent of Projection Realized (UNAUDITED)			
Year-To-Date September 30, 2017			
	2017 Projection	YTD Actual	% Projection Realized
Capital Program			
Tri-State Tollway (I-94/I-294/I-80)	\$56,470,183	\$24,043,746	42.6%
Reagan Memorial Tollway (I-88)	38,436,267	21,334,716	55.5%
Jane Addams Memorial Tollway (I-90)	165,263,083	131,360,896	79.5%
Veterans Memorial Tollway (I-355)	12,349,679	5,768,673	46.7%
Systemwide Improvements	294,976,703	147,974,912	50.2%
Tri-State Tollway (I-294)/I-57 Interchange	2,078,556	721,807	34.7%
Elgin O'Hare Western Access	374,453,545	272,173,283	72.7%
Other Emerging Projects	17,255,202	799,590	4.6%
Move Illinois and CRP Subtotal	\$961,283,218	\$604,177,623	62.9%
Agreement Reimbursements and Other Adjustments	-	(8,985,730)	N/A
Total Capital Program Expenditures	\$961,283,218	\$595,191,893	61.9%

Quarterly Financial Review September 30, 2017

ILLINOIS TOLLWAY				
2017 Actual vs. 2016 Unaudited Actual				
Third Quarter Ending September 30 2017				
	3rd Qtr		Variance	
	2016	2017	\$	%
REVENUE				
Toll Revenue and Evasion Recovery	\$342,921,371	\$366,279,070	\$23,357,699	6.8%
Concessions	609,354	620,252	10,898	1.8%
Investment Income	1,156,675	4,066,182	2,909,507	251.5%
Miscellaneous	2,642,081	1,437,320	(1,204,761)	-45.6%
Total Revenue	\$347,329,481	\$372,402,824	\$25,073,343	7.2%
Maintenance and Operations (M and O) Expenditures				
Payroll and Related Costs	\$39,183,956	\$40,627,565	(\$1,443,609)	-3.7%
Group Insurance	8,438,226	8,864,928	(\$426,702)	-5.1%
Contractual Services	18,504,512	21,165,141	(\$2,660,629)	-14.4%
Materials/Operational Supplies/Other Expenses	1,055,615	930,821	\$124,794	11.8%
Utilities	1,801,133	1,607,923	\$193,210	10.7%
All Other Insurance	(1,274,676)	(354,319)	(\$920,357)	72.2%
Parts and Fuel	2,024,681	1,178,665	\$846,016	41.8%
Equipment/Office Rental and Maintenance	5,557,229	4,658,528	\$898,701	16.2%
Other Miscellaneous Expenses	232,356	225,452	\$6,903	3.0%
Recovery of Expenses	(697,633)	(584,490)	(\$113,143)	-16.2%
Total Maintenance and Operations Expenditures	\$74,825,398	\$78,320,214	(\$3,494,816)	-4.7%
Net Revenue				
Revenue Less M and O Expenditures	\$272,504,083	\$294,082,610	\$21,578,527	7.9%
Debt Service Transfers				
Existing Debt	\$75,738,220	\$94,658,592	(\$18,920,372)	-25.0%
New Debt	2,708,333	-	2,708,333	N/A
Total Debt Service Transfers	\$78,446,553	\$94,658,592	(\$16,212,039)	-20.7%
Net Revenue Less Debt Service Transfers	\$194,057,530	\$199,424,018	\$5,366,488	2.8%

Quarterly Financial Review September 30, 2017

ILLINOIS TOLLWAY				
2017 Actual vs. 2016 Unaudited Actual				
Third Quarter Ending September 30 2017				
	3rd Qtr		Variance	
	2016	2017	\$	%
Capital Program				
Tri-State Tollway (I-94/I-294/I-80)	\$12,302,252	\$11,739,285	\$562,967	4.6%
Reagan Memorial Tollway (I-88)	38,455,591	5,154,211	33,301,380	86.6%
Jane Addams Memorial Tollway (I-90)	198,431,459	32,110,278	166,321,182	83.8%
Veterans Memorial Tollway (I-355)	3,052,969	1,876,983	1,175,987	38.5%
Systemwide Improvements	47,121,139	64,578,966	(17,457,828)	-37.0%
Tri-State Tollway (I-294)/I-57 Interchange	442,283	203,736	238,547	53.9%
Elgin O'Hare Western Access	91,932,914	76,534,670	15,398,244	16.7%
Other Emerging Projects	190,756	646,157	(455,401)	N/A
Move Illinois and CRP Subtotal	\$391,929,363	\$192,844,285	\$199,085,078	50.8%
Agreement Reimbursements and Other Adjustments	(3,245,770)	(1,312,923)	(1,932,848)	N/A
Total Capital Program Expenditures	\$388,683,593	\$191,531,362	\$197,152,230	50.7%

Quarterly Financial Review September 30, 2017

ILLINOIS TOLLWAY				
2017 Actual vs. 2016 Unaudited Actual				
Year-To-Date September 30, 2017				
	YTD		Variance	
	2016	2017	\$	%
REVENUE				
Toll Revenue and Evasion Recovery	\$965,033,693	\$1,029,561,748	\$64,528,055	6.7%
Concessions	1,691,256	1,730,536	39,280	2.3%
Investment Income	3,550,502	9,516,190	5,965,688	168.0%
Miscellaneous	4,572,956	6,593,475	2,020,519	44.2%
Total Revenue	\$974,848,408	\$1,047,401,950	\$72,553,542	7.4%
Maintenance and Operations (M and O) Expenditures				
Payroll and Related Costs	\$119,796,588	\$119,375,537	\$421,051	0.4%
Group Insurance	25,242,219	26,673,436	(1,431,218)	-5.7%
Contractual Services	49,364,795	56,235,079	(6,870,284)	-13.9%
Materials/Operational Supplies/Other Expenses	3,774,896	3,289,158	485,738	12.9%
Utilities	5,442,146	6,150,677	(708,531)	-13.0%
All Other Insurance	4,080,044	4,823,463	(743,418)	-18.2%
Parts and Fuel	3,658,629	3,822,474	(163,845)	-4.5%
Equipment/Office Rental and Maintenance	15,265,379	17,357,994	(2,092,615)	-13.7%
Other Miscellaneous Expenses	650,381	707,285	(56,904)	-8.7%
Recovery of Expenses	(2,021,751)	(1,633,936)	(387,815)	-19.2%
Total Maintenance and Operations Expenditures	\$225,253,326	\$236,801,167	(\$11,547,841)	-5.1%
Net Revenue				
Revenue Less M and O Expenditures	\$749,595,081	\$810,600,783	\$61,005,702	8.1%
Debt Service Transfers				
Existing Debt	\$297,499,170	\$291,557,864	\$5,941,305	2.0%
New Debt	2,708,333	-	2,708,333	
Total Debt Service Transfers	\$300,207,503	\$291,557,864	\$8,649,639	2.9%
Net Revenue Less Debt Service (Coverage)	\$449,387,578	\$519,042,919	\$69,655,340	15.5%

Quarterly Financial Review September 30, 2017

ILLINOIS TOLLWAY				
2017 Actual vs. 2016 Unaudited Actual				
Year-To-Date September 30, 2017				
	2016	2017	\$	Variance %
Capital Program				
Tri-State Tollway (I-94/I-294/I-80)	\$34,072,158	\$24,043,746	\$10,028,412	29.4%
Reagan Memorial Tollway (I-88)	62,227,074	21,334,716	40,892,358	65.7%
Jane Addams Memorial Tollway (I-90)	457,366,843	131,360,896	326,005,947	71.3%
Veterans Memorial Tollway (I-355)	3,126,529	5,768,673	(2,642,144)	-84.5%
Systemwide Improvements	125,175,637	147,974,912	(22,799,275)	-18.2%
Tri-State Tollway (I-294)/I-57 Interchange	1,605,910	721,807	884,103	55.1%
Elgin O'Hare Western Access	222,021,955	272,173,283	(50,151,327)	-22.6%
Other Emerging Projects	443,364	799,590	(356,226)	-80.3%
Move Illinois & CRP Subtotal	\$906,039,470	\$604,177,623	\$301,861,848	33.3%
Agreement Reimbursements and Other Adjustments	(29,677,294)	(8,985,730)	(20,691,564)	69.7%
Total Capital Program Expenditures	\$876,362,177	\$595,191,893	\$281,170,284	32.1%