



2018 Budget Analysis

*(Preliminary and Unaudited)*

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Quarterly Financial Review

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January 1 - March 31, 2018

*Quarterly Financial Review March 31, 2018*

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## **INTRODUCTION**

In December 2017, the Tollway Board of Directors adopted the annual budget for 2018. 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 first quarter of fiscal year 2018. The purpose of this analysis is to assess the actual financial performance of the Tollway relative to the 2018 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 2018 Budget, approved by the Board of Directors in December 2017, included the maintenance and operations budget, debt service transfers and capital budget in support of the seventh year of the *Move Illinois* Program.

### Budgeted Revenue 2018

The 2018 revenue was estimated at \$1,450 million, including \$1,430 million from toll revenue and evasion recovery, \$12.0 million from investment income and \$8.0 million from concessions revenue and miscellaneous income.

The Tollway's 2018 Budget allocated \$353 million for maintenance and operations expenses, \$413 million for debt service transfers and \$684 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).

### 2018 Revenue Sources and Allocations

<b>SOURCES OF REVENUE</b>		(\$ millions)
	<b>2018 Budget</b>	
Toll Revenue and Evasion Recovery	\$1,430	
Investment Income	12	
Concessions Revenue and Miscellaneous Income	8	
<b>Total Revenue</b>	<b>\$1,450</b>	

<b>ALLOCATIONS OF REVENUE</b>		(\$ millions)
	<b>2018 Budget</b>	
Maintenance and Operations	\$353	
Debt Service Transfers	413	
Deposits to Renewal/Replacement and Improvement	684	
<b>Total Allocations</b>	<b>\$1,450</b>	

## **FIRST QUARTER RESULTS SUMMARY 2018**

### **Revenue**

Revenue for 2018 first quarter totaled \$341.2 million, which comprised 23.5 percent of the \$1,450 million annual budget. Toll and evasion recovery revenue totaled \$332.8 million, miscellaneous income totaled \$1.7 million, concessions revenue totaled \$532 thousand and investment income totaled \$6.2 million.

### **Expenditures**

The Illinois Tollway's 2018 first quarter operating expenditures totaled \$85.0 million, which was 24.1 percent of the \$353 million annual maintenance and operations budget.

The Tollway's 2018 first quarter debt service transfers totaled \$104.9 million or \$1.1 million more than the budgeted amount. The first quarter debt service transfers were 25.4 percent of the \$413 million annual debt service transfers budget.

Capital program expenditures through March 31, 2018, totaled \$113.4 million, which comprised 9.6 percent of the \$1,184 million annual capital program budget. These capital expenditures included \$120 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 \$6.5 million.

## REVENUE SUMMARY

**Budget vs. Unaudited Actual**  
**First Quarter 2018**  
(\$ thousands)

	1st Qtr		Variance	
	Budget	Actual	\$	%
Toll Revenue and Evasion Recovery	\$328,103	\$332,765	\$4,662	1.4%
Concessions	500	532	32	6.4%
Investment Income	3,000	6,180	3,180	106.0%
Miscellaneous	1,500	1,738	238	15.9%
<b>Total Revenue</b>	<b>\$333,103</b>	<b>\$341,215</b>	<b>\$8,112</b>	<b>2.4%</b>

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

**Percent of Annual Budget Realized (Unaudited)**  
**Year-To-Date March 31, 2018**  
(\$ thousands)

	2018	YTD	% Budget
	Budget	Actual	Realized
Toll Revenue and Evasion Recovery	\$1,430,000	\$332,765	23.3%
Concessions	2,000	532	26.6%
Investment Income	12,000	6,180	51.5%
Miscellaneous	6,000	1,738	29.0%
<b>Total Revenue</b>	<b>\$1,450,000</b>	<b>\$341,215</b>	<b>23.5%</b>

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

### First Quarter Analysis

Revenue for the 2018 first quarter totaled \$341.2 million, \$8.1 million more than budgeted for the period. The first quarter revenue was 23.5 percent of the \$1,450 million annual revenue budget.

Toll and evasion recovery revenue totaled \$332.8 million, \$4.7 million more than budget.

Toll transactions for all vehicle classes grew 3.2 percent from the first quarter 2017 and were 3.1 percent less than projected for the quarter. Passenger car transactions grew 2.7 percent from first quarter 2017 and were 3.6 percent less than projected for the quarter. First quarter commercial vehicle transactions grew 6.8 percent from first quarter 2017 and were 0.5 percent more than projected.

Investment income totaled \$6.2 million, \$3.2 million more than budget. Concessions revenue totaled \$532 thousand, or \$32 thousand more than budget. Miscellaneous income totaled \$1.7 million, or \$238 thousand more than budget.

**MAINTENANCE AND OPERATIONS SUMMARY**

**Budget vs. Unaudited Actual  
First Quarter 2018  
(\$ thousands)**

	1st Qtr		Variance	
	Budget	Actual	\$	%
Payroll and Related Costs	\$42,666	\$41,761	\$905	2.1%
Group Insurance	9,890	9,398	492	5.0%
Contractual Services	18,604	19,707	(1,103)	-5.9%
Materials/Operational Supplies/Other Expenses	2,082	2,042	40	1.9%
Utilities	2,121	2,334	(213)	-10.0%
All Other Insurance	2,785	2,759	26	0.9%
Parts and Fuel	1,562	1,340	222	14.2%
Equipment/Office Rental and Maintenance	6,502	6,016	487	7.5%
Other Miscellaneous Expenses	274	282	(9)	-3.2%
Recovery of Expenses	(516)	(614)	98	19.0%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$85,970</b>	<b>\$85,025</b>	<b>\$944</b>	<b>1.1%</b>

Note: Numbers may not add to totals due to rounding

**Year-To-Date March 31, 2018  
(\$ thousands)**

	YTD		% Budget
	Budget	Actual	Realized
Payroll and Related Costs	\$167,200	\$41,761	25.0%
Group Insurance	39,807	9,398	23.6%
Contractual Services	85,520	19,707	23.0%
Materials/Operational Supplies/Other Expenses	6,560	2,042	31.1%
Utilities	8,236	2,334	28.3%
All Other Insurance	11,473	2,759	24.1%
Parts and Fuel	6,021	1,340	22.3%
Equipment/Office Rental and Maintenance	29,189	6,016	20.6%
Other Miscellaneous Expenses	994	282	28.4%
Recovery of Expenses	(2,251)	(614)	27.3%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$352,750</b>	<b>\$85,025</b>	<b>24.1%</b>

Note: Numbers may not add to totals due to rounding

## **Analysis**

The Tollway's 2018 operating expenditures totaled \$85.0 million, representing a favorable variance of \$0.9 million. The first quarter expenditures were 24.1 percent of the \$353 million annual maintenance and operations budget.

The variances to the 2018 budget during the first quarter are explained below:

**Payroll and related costs** for the first quarter totaled \$41.8 million, \$905 thousand less than budget. This favorable variance is mainly attributed to unfilled vacant positions, both in the salaries and wages area, as well as SERS end of year adjustment.

**Group insurance expenses** totaled \$9.4 million, \$492 thousand less than budget. The variance is due to more vacancies than anticipated.

**Contractual services** for the first quarter totaled \$19.7 million, \$1.1 million more than budget. The unfavorable variance is attributed to an increase in calls minutes, increased violation processing and toll surcharges, in addition contract rates increased and credit card transactions increased.

**Materials/operational supplies/other expenses** totaled \$2 million, \$40 thousand less than budget. This variance is mainly due to less spending for winter operational materials as the Chicago area experienced a milder snow fall.

**Utilities expenses**, which include electricity, natural gas, water and telephone, totaled \$2.3 million, \$213 thousand more than budget. This unfavorable variance was in natural gas category where usage was higher than anticipated due to a frigid winter.

**All other insurance** expenses totaled \$2.8 million, \$26 thousand less than budget. This category includes expenses for property and liability insurance, as well as amounts allocated to the workers' compensation claim fund.

**Parts and fuel** expenses totaled \$1.3 million, \$222 thousand less than budget. This favorable variance is partially due the timing of needs for winter parts.

**Equipment/office rental and maintenance** expenditures totaled \$6 million, \$487 thousand less than the budgeted amount. This variance is mainly due to timing of maintenance renewals for IT licensing support and a reduction in software support for back-office system.

**Other Miscellaneous Expenses** totaled \$282 thousand, \$9 thousand more than budget. This cost category includes travel, training, dues, books, subscriptions, uniforms and accessories.

**Recovery of expenses** totaled \$614 thousand; this category includes reimbursement for emergency services (ambulances and/or fire departments) or damage to Tollway property caused by others.



**Budget Transfers**

Budget to actual comparisons in this analysis are based on the 2018 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 2017.

## 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 March 31, 2018, with comparisons to budget.

### Budget vs. Actual (Unaudited)

(\$ thousands)

	Budget	Actual	Variance	
			\$	%
Debt Service Transfers – 1 <sup>st</sup> Qtr	\$103,773	\$104,898	(\$1,125)	(1.1%)

### % of Budget Realized (Unaudited)

(\$ thousands)

	Annual	YTD	Realized
	Budget	Actual	
Debt Service Transfers	\$413,310	\$104,898	25.4%

## Analysis

For the full year 2018, the Tollway budgeted \$413.3 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 first quarter unaudited results show a small unfavorable variance of (\$1.1 million), or (1.1%). The primary contributor to this unfavorable variance is related to the timing of monthly transfers for debt service for the Series 2007A and 2008A variable rate bonds. Apart from this timing difference, the effect of which is expected to reverse in the second quarter, results were materially in line with budget.

## 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 March 30, 2018. The four swap agreements associated with 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 associated with 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						
Estimated Valuation of Swap Portfolio as of March 29, 2018						
(Note: Valuations are net of accrued interest on hand.)						
(\$ 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	(\$26,637)
2007 SERIES A-1	Goldman Sachs Bank USA	175,000	3.9720%	SIFMA	7/1/2030	(\$26,637)
<b>2007 SERIES A-1 TOTAL</b>		<b>\$350,000</b>				<b>(\$53,275)</b>
2007 SERIES A-2	Bank of America, N.A.	262,500	3.9925%	SIFMA	7/1/2030	(\$40,409)
2007 SERIES A-2	Wells Fargo Bank*	87,500	3.9925%	SIFMA	7/1/2030	(\$13,470)
<b>2007 SERIES A-2 TOTAL</b>		<b>\$350,000</b>				<b>(\$53,879)</b>
2008 SERIES A-1	The Bank of New York Mellon	190,600	3.7740%	SIFMA	1/1/2031	(\$25,495)
2008 SERIES A-1	Deutsche Bank AG, NY Branch	190,600	3.7740%	SIFMA	1/1/2031	(\$25,495)
<b>2008 SERIES A-1 TOTAL</b>		<b>\$381,200</b>				<b>(\$50,991)</b>
2008 SERIES A-2	Bank of America, N.A.**	95,300	3.7640%	SIFMA	1/1/2031	(\$12,670)
<b>2008 SERIES A-2 TOTAL</b>		<b>\$95,300</b>				<b>(\$12,670)</b>
<b>TOTAL</b>		<b>\$1,176,500</b>				<b>(\$170,815)</b>

Estimated swap valuations based on valuations provided by The PFM Group, Tollway Swap Advisor.

\* 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 Dec 2008; swap novated to Bank of America, N.A. in Oct 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 2018

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 2018 Capital Budget allocated \$1,181.8 million to fund the seventh year of the *Move Illinois* Program.

The other major capital program is the Congestion-Relief Program (CRP). The 12-year Congestion-Relief Program began in 2005 and is currently estimated to cost \$5.7 billion. This program ended in 2016 and projects awarded by end of 2016 are expected to be completed by 2018. The fiscal year 2018 Capital Budget allocates \$2.0 million to fund the final projects.

**CAPITAL PROGRAM**  
**2017 Estimate and Expenditures; 2018 Approved Budget**  
 (\$ millions)

	2017 October Estimate	2017 Expenditure	2018 Budget
Tri-State Tollway (I-94/I-294/I-80)	\$63.2	\$44.4	\$238.1
Reagan Memorial Tollway (I-88)	35.4	27.4	175.0
Jane Addams Memorial Tollway (I-90)	205.6	160.7	24.4
Veterans Memorial Tollway (I-355)	10.3	7.7	35.1
Systemwide Improvements	257.6	237.5	325.5
I-294/I-57 Interchange	3.9	0.9	0.0
Elgin O'Hare Western Access	333.0	318.2	375.9
Other Emerging Projects	4.9	2.5	9.7
<b>Move Illinois and CRP Subtotal</b>	<b>\$914.0</b>	<b>\$799.2</b>	<b>\$1,183.7</b>
Agreement Reimbursements and	-		-
Other Miscellaneous Adjustments	-	(9.9)	-
<b>Total Capital Program</b>	<b>\$914.0</b>	<b>\$789.3</b>	<b>\$1,183.7</b>

## Allocation of Capital Budget 2018

### CORRIDOR

### 2018 Budget

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

**\$238.1 million**

The 2018 *Move Illinois* budget allocates \$238.1 million for Tri-State Tollway. Design efforts will continue for roadway reconstruction and widening between 95th Street and Balmoral Avenue, with planned expenditures of \$72.5 million. Approximately \$7.1 million will be spent on continuing design services for reconstruction of the Mile Long Bridge over the Des Plaines River and the BNSF Railroad Bridge over I-294. Prior to the start of bridge construction scheduled for 2019 and advanced mainline construction planned for 2022, right-of-way acquisition of \$42.4 million is anticipated to occur in 2018 along with \$34 million in utility relocations. Design will continue for Edens Spur reconstruction, with construction planned to begin in 2018.

#### **Reagan Memorial Tollway (I-88)**

**\$175.0 million**

The 2018 *Move Illinois* budget allocates \$175 million for work on this corridor in 2018, which includes \$132 million for pavement rehabilitation between Illinois Route 251 and Illinois Route 56, \$27.7 million for roadway reconstruction between York Road and I-290 and \$13.5 million for reconstruction of the connector ramp between the Tri-State Tollway (I-294) and I-88.

#### **Jane Addams Memorial Tollway (I-90)**

**\$24.4 million**

The *Move Illinois* Program budget allocates \$24.4 million for work on the I-90 corridor in 2018 to support various roadway completion projects including fiber optic removal, grading, tree planting, landscaping and right-of-way fence installation throughout the corridor.

#### **Veterans Memorial Tollway (I-355)**

**\$35.1 million**

The *Move Illinois* Program capital budget allocates approximately \$35.1 million in 2018 for improvements on I-355, which includes \$33.4 million to complete the design and the start of resurfacing from I-55 to Army Trail Road, and roadway widening between Illinois Route 56 and Illinois Route 38.

#### **Systemwide**

**\$325.5 million**

The *Move Illinois* Program capital budget allocates \$323.5 million on systemwide improvements including \$80.9 million for bridge, pavement and safety improvements and \$70.5 million for toll collection and information technology related projects. Design for interchange improvements on the Reagan Memorial Tollway (I-88) at Illinois Route 47 will begin in 2018. Reconstruction of the Bradley Road Bridge over I-94 and the 159th Street Bridge over the Tri-State Tollway (I-294) will begin in 2018.

Tollway maintenance facility upgrades will continue in 2018 with more than \$59.3 million in improvements planned. Reconstruction will be completed at the Rockford (M-7) maintenance site and the Marengo (M-6) maintenance site in 2018, and construction is scheduled to begin on a new maintenance site for the Illinois Route 390 Tollway.

In addition, nearly \$75.7 million is budgeted for non-roadway projects and approximately \$26.3 million will be spent on program support activities, including project management services, materials engineering services, utility relocations, support staff and land acquisition support services.

**Elgin O'Hare Western Access Project**

**\$375.9 million**

The *Move Illinois* Program 2018 budget for this corridor is \$375.9 million. Included in the capital budget are design development for the Western Access Interchange, continued design of the I-490 Tollway from I-294 to Franklin Avenue / Green Street, and design of the I-490/ I-90 System Interchange. Construction in 2018 includes extension of the new Illinois Route 390 Tollway between Illinois Route 83 and York Road, continued construction at the IL-19 Interchange, continued advance work at the Western Access Interchange and on the western side of O'Hare International Airport, and advance work at the I-490 and I-294 Interchange. Right-of-way acquisitions and utility relocations will also continue in support of the new I-490 Tollway project.

**Other Emerging Projects**

**\$9.7 million**

The *Move Illinois* Program includes \$9.7 million in 2018 for various emerging projects.

**Program Update**

The Tollway is currently working to advance work scheduled in the *Move Illinois* capital program, originally scheduled to occur later in the program. The agency is taking advantage of the current competitive construction bidding environment and working with industry to advance certain projects. This accelerated work is expected to remain within the established 2018 budget and more importantly, will deliver improved mobility and safety to Tollway customers sooner.

## Capital Program Expenditures

### Projection vs. Unaudited Actual First Quarter 2018

(\$ thousands)

	1st Qtr		Variance	
	Projection	Actual	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$53,988	\$24,994	\$28,993	53.7%
Reagan Memorial Tollway (I-88)	11,753	14,266	(2,513)	-21.4%
Jane Addams Memorial Tollway (I-90)	9,249	7,945	1,304	14.1%
Veterans Memorial Tollway (I-355)	4,042	2,351	1,691	41.8%
Systemwide Improvements	70,699	40,392	30,307	42.9%
Tri-State Tollway (I-294)/I-57 Interchange	-	110	(110)	N/A
Elgin O'Hare Western Access	87,052	28,192	58,860	67.6%
Other Emerging Projects	2,402	1,707	695	28.9%
<b>Move Illinois and CRP Subtotal</b>	<b>\$239,184</b>	<b>\$119,957</b>	<b>\$119,227</b>	<b>49.8%</b>
Agreement Reimbursements and Other Adjustments	-	(6,544)	6,544	N/A
<b>Total Capital Program Expenditures</b>	<b>\$239,184</b>	<b>\$113,413</b>	<b>\$125,771</b>	<b>52.6%</b>

## Analysis

Capital program expenditures are reported on an accrual basis. For the quarter ending March 31, 2018, unaudited capital program expenditures totaled \$120.0 million. The intergovernmental agreement reimbursements and other adjustments made during the quarter reduced expenditures by \$6.5 million.

The first quarter expenditures for *Move Illinois* and CRP were \$119 million less than projected, primarily due to scheduling changes resulting from timing of ROW acquisitions and slower than projected spending on Systemwide projects.

**CORRIDOR**

**2018 First Quarter Expenditures**

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

**\$25.0 million**

During the first quarter, master plan and design work for the Central Tri-State from 95<sup>th</sup> Street to Balmoral Avenue and design work for the Edens Spur were ongoing.

Expenditures for the first quarter of 2018 were \$29 million less than anticipated. The main contributors were timing differences related to \$9M in right-of-way expenditures less than projected as well as \$8.2 million associated with the timing of utility relocation expenditures. Spending on the EOWA tie-in project was \$7.8 million less than planned due to changes in the phasing of construction packages and delays associated with right-of-way acquisition. This was partially offset by master plan expenditures that were \$1.9 million more than projected due to an extended completion date and a subsequent delayed start to design activities.

**Reagan Memorial Tollway (I-88)**

**\$14.3 million**

During the first quarter, construction continued between York Road and I-290. Roadway and bridge rehabilitation began between Annie Glidden Road and Illinois Route 251. Design on the connector ramp to the Tri-State Tollway (I-294) continued to progress.

Expenditures for the corridor were \$2.5 million more than the projection, mainly due to early mobilization on projects between Annie Glidden Road and Illinois Route 251.

**Jane Addams Memorial Tollway (I-90)**

**\$7.9 million**

During the first 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 continued in the first quarter, as did work on Barrington Road Interchange. Fence replacement and signing between Mill Road and Randall Road was ongoing.

First quarter expenditures were \$1.3 million lower than expected, due primarily to the timing of fiber optic maintenance and relocations. The remaining projects that are substantially complete are expected to be closed out by June 2018.

**Veterans Memorial Tollway (I-355)**

**\$2.4 million**

During the first quarter, design efforts for resurfacing and repairs continued between I-55 and Army Trail Road.

Expenditures for this corridor in 2017 were \$1.7 million less than projected, primarily due to the timing of utility relocations and lower than expected design spending between Butterfield Road and Army Trail Road.

**Systemwide Improvements**

**\$40.4 million**

During the first quarter, work on various pavement, bridge and ramp repair contracts continued, including pavement and bridge preservation on the Tri-State Tollway (I-94/I-294) and reconstruction of the Rockford (M-7) and Marengo (M-6) maintenance facilities.



Expenditures in the first quarter were \$30.3 million less than projected, due to a \$9 million underspend in pavement, bridge and ramp repairs primarily as a result of the timing of expenditures on Tri-State pavement and bridge preservation as well as contract repackaging on systemwide fencing and site improvement projects. Slower than projected spending on Fleet, VES cameras and Information Technology projects resulted in \$21 million underspending in the 1<sup>st</sup> quarter but overall these projects are on track to meet 2018 projections.

**Elgin O’Hare Western Access Project**

**\$28.2 million**

EOWA first quarter construction expenditures consisted of remaining roadside completion, punch list and closeout work along the second toll segment of the Illinois Route 390 Tollway. Planning and design remained ongoing for various portions of the future I-490 Tollway, specifically at the tie-in locations with I-90 on the north side and I-294 on the south.

First quarter actual spending was \$58.9 million less than projection. The main contributors were right-of-way (ROW) expenditures that were \$47.0 million less than projected due to pending acquisitions and agreements, and timing differences for utility relocations that were \$6.7 million lower than originally planned.

**Other Emerging Projects**

**\$1.7 million**

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 \$0.7 million less than projected due to a phased approach on the phase I study contract.

## Financial Summaries

Quarterly Financial Review March 31, 2018

ILLINOIS TOLLWAY				
BUDGET vs. UNAUDITED ACTUAL				
First Quarter Ending March 31, 2018				
	Budget	1st Qtr Actual	Variance \$	%
<b>REVENUE</b>				
Toll Revenue and Evasion Recovery	\$328,102,968	\$332,764,894	\$4,661,925	1.4%
Concessions	500,000	531,779	31,779	6.4%
Investment Income	3,000,000	6,179,769	3,179,769	106.0%
Miscellaneous	1,500,000	1,738,376	238,376	15.9%
<b>Total Revenue</b>	<b>\$333,102,968</b>	<b>\$341,214,818</b>	<b>\$8,111,850</b>	<b>2.4%</b>
<b>Maintenance and Operations (M and O) Expenditures</b>				
Payroll and Related Costs	\$42,665,639	\$41,760,803	\$904,836	2.1%
Group Insurance	9,890,000	9,397,870	492,130	5.0%
Contractual Services	18,603,626	19,707,102	(1,103,476)	-5.9%
Materials/Operational Supplies/Other Expenses	2,082,437	2,042,073	40,364	1.9%
Utilities	2,121,110	2,334,184	(213,074)	-10.0%
All Other Insurance	2,785,000	2,759,379	25,621	0.9%
Parts and Fuel	1,561,852	1,340,019	221,833	14.2%
Equipment/Office Rental and Maintenance	6,502,405	6,015,647	486,758	7.5%
Other Miscellaneous Expenses	273,546	282,303	(8,757)	-3.2%
Recovery of Expenses	(515,984)	(614,105)	98,121	19.0%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$85,969,631</b>	<b>\$85,025,276</b>	<b>\$944,355</b>	<b>1.1%</b>
<b>Net Revenue</b>				
<b>Revenue Less M and O Expenditures</b>	<b>\$247,133,337</b>	<b>\$256,189,542</b>	<b>\$9,056,205</b>	<b>3.7%</b>
<b>Debt Service Transfers</b>				
Existing Debt	\$103,772,623	\$104,897,515	(\$1,124,892)	-1.1%
New Debt	-	-	-	N/A
<b>Total Debt Service Transfers</b>	<b>\$103,772,623</b>	<b>\$104,897,515</b>	<b>(\$1,124,892)</b>	<b>-1.1%</b>
<b>Net Revenue Less Debt Service Transfers</b>	<b>\$143,360,714</b>	<b>\$151,292,027</b>	<b>\$7,931,313</b>	<b>5.5%</b>

Quarterly Financial Review March 31, 2018

ILLINOIS TOLLWAY				
PROJECTION vs. UNAUDITED ACTUAL				
First Quarter Ending March 31, 2018				
( )	1st Qtr		Variance	
	Projection	Actual	\$	%
<b>Capital Program <sup>1</sup></b>				
Tri-State Tollway (I-94/I-294/I-80)	\$53,987,511	\$24,994,016	\$28,993,495	53.7%
Reagan Memorial Tollway (I-88)	11,753,028	14,266,201	(2,513,173)	-21.4%
Jane Addams Memorial Tollway (I-90)	9,248,849	7,945,119	1,303,730	14.1%
Veterans Memorial Tollway (I-355)	4,041,582	2,351,022	1,690,560	41.8%
Systemwide Improvements	70,698,769	40,391,974	30,306,796	42.9%
Tri-State Tollway (I-294)/I-57 Interchange	-	109,811	(109,811)	N/A
Elgin O'Hare Western Access	87,051,928	28,191,527	58,860,401	67.6%
Other Emerging Projects	2,401,979	1,707,360	694,618	28.9%
<b>Move Illinois and CRP Subtotal</b>	<b>\$239,183,648</b>	<b>\$119,957,030</b>	<b>\$119,226,617</b>	<b>49.8%</b>
Agreement Reimbursements and Other Adjustments	-	(6,544,475)	6,544,475	N/A
<b>Total Capital Program Expenditures</b>	<b>\$239,183,648</b>	<b>\$113,412,555</b>	<b>\$125,771,093</b>	<b>52.6%</b>

Quarterly Financial Review March 31, 2018

<b>ILLINOIS TOLLWAY</b>			
<b>Percent of Annual Budget Realized (UNAUDITED)</b>			
<b>Year-To-Date March 31, 2018</b>			
	YTD		% Budget
	Budget	Actual	Realized
<b>REVENUE</b>			
Toll Revenue and Evasion Recovery	\$1,430,000,000	\$332,764,894	23.3%
Concessions	2,000,000	531,779	26.6%
Investment Income	12,000,000	6,179,769	51.5%
Miscellaneous	6,000,000	1,738,376	29.0%
<b>Total Revenue</b>	<b>\$1,450,000,000</b>	<b>\$341,214,818</b>	<b>23.5%</b>
<b>Maintenance and Operations (M and O) Expenditures</b>			
Payroll and Related Costs	\$167,200,130	\$41,760,803	25.0%
Group Insurance	39,807,482	9,397,870	23.6%
Contractual Services	85,520,374	19,707,102	23.0%
Materials/Operational Supplies/Other Expenses	6,559,610	2,042,073	31.1%
Utilities	8,236,480	2,334,184	28.3%
All Other Insurance	11,472,585	2,759,379	24.1%
Parts and Fuel	6,021,347	1,340,019	22.3%
Equipment/Office Rental and Maintenance	29,188,524	6,015,647	20.6%
Other Miscellaneous Expenses	994,046	282,303	28.4%
Recovery of Expenses	(2,250,500)	(614,105)	27.3%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$352,750,078</b>	<b>\$85,025,276</b>	<b>24.1%</b>
<b>Net Revenue</b>			
<b>Revenue Less M and O Expenditures</b>	<b>\$1,097,249,922</b>	<b>\$256,189,542</b>	<b>23.3%</b>
<b>Debt Service Transfers</b>			
Existing Debt	\$410,185,328	\$104,897,515	25.6%
New Debt	3,125,000	-	N/A
<b>Total Debt Service Transfers</b>	<b>\$413,310,328</b>	<b>\$104,897,515</b>	<b>25.4%</b>
<b>Net Revenue Less Debt Service Transfers</b>	<b>\$683,939,594</b>	<b>\$151,292,027</b>	<b>22.1%</b>

Quarterly Financial Review March 31, 2018

ILLINOIS TOLLWAY			
Percent of Projection Realized (UNAUDITED)			
Year-To-Date March 31, 2018			
	2018 Projection	YTD Actual	% Projection Realized
<b>Capital Program</b>			
Tri-State Tollway (I-94/I-294/I-80)	\$238,095,948	\$24,994,016	10.5%
Reagan Memorial Tollway (I-88)	174,959,160	14,266,201	8.2%
Jane Addams Memorial Tollway (I-90)	24,438,535	7,945,119	32.5%
Veterans Memorial Tollway (I-355)	35,116,384	2,351,022	6.7%
Systemwide Improvements	325,477,926	40,391,974	12.4%
Tri-State Tollway (I-294)/I-57 Interchange	-	109,811	N/A
Elgin O'Hare Western Access	375,912,046	28,191,527	7.5%
Other Emerging Projects	9,735,920	1,707,360	17.5%
<b>Move Illinois and CRP Subtotal</b>	<b>\$1,183,735,919</b>	<b>\$119,957,030</b>	<b>10.1%</b>
Agreement Reimbursements and Other Adjustments	-	(6,544,475)	N/A
<b>Total Capital Program Expenditures</b>	<b>\$1,183,735,919</b>	<b>\$113,412,555</b>	<b>9.6%</b>

Quarterly Financial Review March 31, 2018

ILLINOIS TOLLWAY				
2018 Unaudited Actual vs. 2017 Actual				
First Quarter Ending March 31, 2018				
	1st Qtr		Variance	
	2017	2018	\$	%
<b>REVENUE</b>				
Toll Revenue and Evasion Recovery	\$310,267,950	\$332,764,894	\$22,496,944	7.3%
Concessions	515,076	531,779	16,703	3.2%
Investment Income	2,283,767	6,179,769	3,896,002	170.6%
Miscellaneous	2,036,683	1,738,376	(298,307)	-14.6%
<b>Total Revenue</b>	<b>\$315,103,476</b>	<b>\$341,214,818</b>	<b>\$26,111,342</b>	<b>8.3%</b>
<b>Maintenance and Operations (M and O) Expenditures</b>				
Payroll and Related Costs	\$40,318,800	\$41,760,803	(\$1,442,004)	-3.6%
Group Insurance	9,786,848	9,397,870	388,978	4.0%
Contractual Services	16,781,454	19,707,102	(2,925,648)	-17.4%
Materials/Operational Supplies/Other Expenses	921,290	2,042,073	(1,120,784)	-121.7%
Utilities	1,979,334	2,334,184	(354,850)	-17.9%
All Other Insurance	2,661,270	2,759,379	(98,109)	-3.7%
Parts and Fuel	1,383,037	1,340,019	43,018	3.1%
Equipment/Office Rental and Maintenance	7,002,024	6,015,647	986,377	14.1%
Other Miscellaneous Expenses	300,314	282,303	18,011	6.0%
Recovery of Expenses	(486,707)	(614,105)	127,397	26.2%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$80,647,662</b>	<b>\$85,025,276</b>	<b>(\$4,377,614)</b>	<b>-5.4%</b>
<b>Net Revenue</b>				
<b>Revenue Less M and O Expenditures</b>	<b>\$234,455,814</b>	<b>\$256,189,542</b>	<b>\$21,733,728</b>	<b>9.3%</b>
<b>Debt Service Transfers</b>				
Existing Debt	\$99,622,180	104,897,515.36	(\$5,275,335)	-5.3%
New Debt	-	-	-	N/A
<b>Total Debt Service Transfers</b>	<b>\$99,622,180</b>	<b>\$104,897,515</b>	<b>(\$5,275,335)</b>	<b>-5.3%</b>
<b>Net Revenue Less Debt Service Transfers</b>	<b>\$134,833,634</b>	<b>\$151,292,027</b>	<b>\$16,458,393</b>	<b>12.2%</b>

Quarterly Financial Review March 31, 2018

ILLINOIS TOLLWAY				
2018 Unaudited Actual vs. 2017 Actual				
First Quarter Ending March 31, 2018				
	1st Qtr		Variance	
	2017	2018	\$	%
<b>Capital Program</b>				
Tri-State Tollway (I-94/I-294/I-80)	\$5,303,409	\$24,994,016	(\$19,690,607)	N/A
Reagan Memorial Tollway (I-88)	4,585,397	14,266,201	(9,680,804)	-211.1%
Jane Addams Memorial Tollway (I-90)	40,469,329	7,945,119	32,524,210	80.4%
Veterans Memorial Tollway (I-355)	2,540,256	2,351,022	189,233	7.4%
Systemwide Improvements	32,155,664	40,391,974	(8,236,309)	-25.6%
Tri-State Tollway (I-294)/I-57 Interchange	288,363	109,811	178,552	61.9%
Elgin O'Hare Western Access	56,358,405	28,191,527	28,166,878	50.0%
Other Emerging Projects	94,887	1,707,360	(1,612,474)	N/A
<b>Move Illinois and CRP Subtotal</b>	<b>\$141,795,710</b>	<b>\$119,957,030</b>	<b>\$21,838,679</b>	<b>15.4%</b>
Agreement Reimbursements and Other Adjustments	(4,382,029)	(6,544,475)	(2,162,446)	-49.3%
<b>Total Capital Program Expenditures</b>	<b>\$137,413,681</b>	<b>\$113,412,555</b>	<b>\$19,676,233</b>	<b>14.3%</b>