



2018 Budget Analysis

(Preliminary and Unaudited)

Quarterly Financial Review

July 1 - September 30, 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 third 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

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

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

THIRD QUARTER RESULTS SUMMARY 2018

Revenue

Revenue for 2018 third quarter totaled \$383.2 million, which comprised 26.4 percent of the \$1,450 million annual budget. Toll and evasion recovery revenue totaled \$369.4 million, miscellaneous income totaled \$4.3 million, concessions revenue totaled \$573 thousand and investment income totaled \$8.8 million.

Revenue through September 30, 2018 totaled \$1,101.7 million, which comprised 76 percent of the \$1,450 million annual budget. Toll and evasion recovery revenue totaled \$1,068.4 million, miscellaneous income totaled \$8.3 million, concessions revenue totaled \$1.7 million and investment income totaled \$23.4 million.

Expenditures

The Illinois Tollway's 2018 third quarter operating expenditures totaled \$80.1 million, which was 22.7 percent of the \$353 million annual maintenance and operations budget. Operating expenditures through September 30, 2018, totaled \$250.7 million, or 71.1 percent of the \$352.8 million annual maintenance and operations budget.

The Tollway's 2018 third quarter debt service transfers totaled \$100.4 million or \$1.9 million less than the budgeted amount. The third quarter debt service transfers were 24.3 percent of the \$413 million annual debt service transfers budget.

Capital program expenditures for the third quarter totaled \$316.1 million and were \$21.5 million less than projected. These capital expenditures included \$318.3 million for *Move Illinois* Program and Congestion-Relief Program projects. Other adjustments and reimbursements made during the quarter reduced expenditures by \$2.2 million.

Capital program expenditures through September 30, 2018, totaled \$649.2 million, which comprised 54.8 percent of the \$1,184 million annual capital program budget. These capital expenditures included \$659.5 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 \$10.3 million.

REVENUE SUMMARY

REVENUE
Budget vs. Unaudited Actual
Third Quarter 2018
(\$ thousands)

	3rd Qtr		Variance	
	Budget	Actual	\$	%
Toll Revenue and Evasion Recovery	\$377,315	\$369,437	(\$7,878)	(2.1%)
Concessions	500	573	73	14.5%
Investment Income	3,000	8,826	5,826	194.2%
Miscellaneous	1,500	4,333	2,833	188.9%
Total Revenue	\$382,315	\$383,168	\$853	0.2%

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

REVENUE
Percent of Annual Budget Realized (Unaudited)
Year-To-Date September 30, 2018
(\$ thousands)

	2018	YTD	% Budget
	Budget	Actual	Realized
Toll Revenue and Evasion Recovery	\$1,430,000	\$1,068,367	74.7%
Concessions	2,000	1,675	83.7%
Investment Income	12,000	23,362	194.7%
Miscellaneous	6,000	8,297	138.3%
Total Revenue	\$1,450,000	\$1,101,701	76.0%

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

Third Quarter Analysis

Revenue for the 2018 third quarter totaled \$383.2 million, \$853 thousand more than budgeted for the period. The third quarter revenue was 26.4 percent of the \$1,450 million annual revenue budget.

Toll and evasion recovery revenue totaled \$369.4 million, \$7.9 million less than budget.

Toll transactions for all vehicle classes declined 0.1 percent from the third quarter 2017 and were 5.3 percent less than projected for the quarter. Passenger car transactions declined 0.7 percent from third quarter 2017 and were 5.8 percent less than projected for the quarter. Third quarter commercial vehicle transactions grew 4.7 percent from third quarter 2017 and were 1.8 percent less than projected.

Investment income totaled \$8.8 million, \$5.8 million more than budget. Concessions revenue totaled \$573 thousand, or \$73 thousand more than budget. Miscellaneous income totaled \$4.3 million, or \$2.8 million more than budget.

MAINTENANCE AND OPERATIONS SUMMARY

Maintenance and Operations

Budget vs. Unaudited Actual

Third Quarter 2018

(\$ thousands)

	3rd Qtr		Variance	
	Budget	Actual	\$	%
Payroll and Related Costs	\$41,356	\$40,882	\$474	1.1%
Group Insurance	9,995	9,628	367	3.7%
Contractual Services	22,723	21,097	1,626	7.2%
Materials/Operational Supplies/Other Expenses	874	224	650	74.4%
Utilities	2,018	2,576	(557)	(27.6%)
All Other Insurance	2,926	61	2,865	97.9%
Parts and Fuel	1,357	1,406	(49)	(3.6%)
Equipment/Office Rental and Maintenance	7,625	4,647	2,977	39.0%
Other Miscellaneous Expenses	239	104	135	56.3%
Recovery of Expenses	(548)	(576)	28	5.2%
Total Maintenance and Operations Expenditures	\$88,566	\$80,050	\$8,516	9.6%

Note: Numbers may not add to totals due to rounding

Year-To-Date September 30, 2018

(\$ thousands)

	YTD		% Budget
	Budget	Actual	Realized
Payroll and Related Costs	\$167,200	\$122,458	73.2%
Group Insurance	39,807	28,508	71.6%
Contractual Services	85,519	62,134	72.7%
Materials/Operational Supplies/Other Expenses	6,561	3,571	54.4%
Utilities	8,236	7,176	87.1%
All Other Insurance	11,473	5,354	46.7%
Parts and Fuel	6,021	4,252	70.6%
Equipment/Office Rental and Maintenance	29,189	18,393	63.0%
Other Miscellaneous Expenses	994	623	62.7%
Recovery of Expenses	(2,251)	(1,802)	80.1%
Total Maintenance and Operations Expenditures	\$352,750	\$250,666	71.1%

Note: Numbers may not add to totals due to rounding

Analysis

The Tollway's third quarter operating expenditures in 2018 totaled \$80.1 million, representing a favorable variance of \$8.5 million. The third quarter expenditures were 22.7 percent of the \$353 million annual maintenance and operations budget.

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

Payroll and related costs for the third quarter totaled \$40.9 million, \$474 thousand less than budget. This favorable variance is mainly attributed to unfilled vacant positions, both in the salaries and wages area, as well as an adjustment approved by the State Employees Retirement System for previous year contributions.

Group insurance expenses totaled \$9.6 million, \$367 thousand less than budget. The variance is due to more vacancies than anticipated and lower costs for HMO as it is now self-insured.

Contractual services for the third quarter totaled \$21.1 million, \$1.6 million less than budget. The favorable variance is attributed to contracts that are either not being renewed or starting later than anticipated in Engineering and Diversity Departments.

Materials/operational supplies/other expenses totaled \$224 thousand, \$650 thousand less than budget. This variance is mainly due to less spending for operational materials. Material expenses typically increases in fourth quarter due to weather changes.

Utilities expenses, which include electricity, natural gas, water and telephone, totaled \$2.6 million, \$557 thousand more than budget. This unfavorable variance was due to timing of electric and telephone billing.

All other insurance expenses totaled \$61 thousand, \$2.9 million less than budget. This category includes expenses for property and liability insurance, as well as amounts allocated to the workers' compensation claim fund. The favorable variance was due to a \$2.1 million claim adjustment for prior year's claims per actuary.

Parts and fuel expenses totaled \$1.4 million, \$50 thousand more than budget. This unfavorable variance is partially due the timing of needs for winter parts and fuel.

Equipment/office rental and maintenance expenditures totaled \$4.6 million, \$3 million less than the budgeted amount. This variance is mainly due to timing of maintenance renewals for IT Oracle licensing support and software support for back-office system maintenance expenses. Typically increases in the fourth quarter.

Other Miscellaneous Expenses totaled \$104 thousand, \$135 thousand less than budget. This cost category includes travel, training, dues, books, subscriptions, uniforms and accessories.

Recovery of expenses totaled \$576 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 Trust 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 and nine month year-to-date periods ended September 30, 2018, with comparisons to budget.

Budget vs. Actual (Unaudited)

(\$ thousands)

	Budget	Actual	Variance	
			\$	%
Debt Service Transfers – 1 st Qtr	\$103,773	\$104,898	(\$1,125)	(1.1%)
Debt Service Transfers – 2 nd Qtr	\$102,765	\$100,879	\$1,886	1.8%
Debt Service Transfers – 3 rd Qtr	\$102,245	\$100,392	\$1,852	1.8%
Debt Service Transfers - YTD Sep 30, 2018	\$308,782	\$306,169	\$2,613	0.8%

% of Budget Realized (Unaudited)

(\$ thousands)

	Annual	YTD	Realized
	Budget	Actual	
Debt Service Transfers	\$413,310	\$306,169	74.1%

Analysis

For the full year 2018, the Tollway budgeted \$413.3 million for transfers from the Revenue Fund 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. Year-to-date results for the nine months ended September 30, 2018 are 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 September 28, 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 Swap Portfolio as of September 28, 2018 (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	(\$23,371)
2007 SERIES A-1	Goldman Sachs Bank USA	175,000	3.9720%	SIFMA	7/1/2030	(\$23,371)
2007 SERIES A-1 TOTAL		\$350,000				(\$46,741)
2007 SERIES A-2	Bank of America, N.A.	262,500	3.9925%	SIFMA	7/1/2030	(\$35,486)
2007 SERIES A-2	Wells Fargo Bank*	87,500	3.9925%	SIFMA	7/1/2030	(\$11,829)
2007 SERIES A-2 TOTAL		\$350,000				(\$47,315)
2008 SERIES A-1	The Bank of New York	191,550	3.7740%	SIFMA	1/1/2031	(\$22,081)
2008 SERIES A-1	Deutsche Bank AG, NY Branch	191,550	3.7740%	SIFMA	1/1/2031	(\$22,081)
2008 SERIES A-1 TOTAL		\$383,100				(\$44,161)
2008 SERIES A-2	Bank of America, N.A.**	95,775	3.7640%	SIFMA	1/1/2031	(\$10,966)
2008 SERIES A-2 TOTAL		\$95,775				(\$10,966)
TOTAL		\$1,178,875				(\$149,184)

Estimated swap valuations provided by 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 swap agreement termination(s), 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	239.5	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
Move Illinois and CRP Subtotal	\$914.0	\$801.3	\$1,183.7
Agreement Reimbursements and	-	-	-
Other Miscellaneous Adjustments	-	(9.8)	-
Total Capital Program	\$914.0	\$791.5	\$1,183.7

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 the Tri-State Tollway. Design 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

\$323.5 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 I-490 Interchange, continued design of the I-490 Tollway from I-294 to Franklin Avenue/Green Street and design of the I-490/I-90 Interchange. Construction scheduled in 2018 includes extension of the new Illinois Route 390 Tollway between Illinois Route 83 and York Road, continued construction at the Illinois Route 19 Interchange, continued advance work at the I-490 Interchange and on the western side of O'Hare International Airport, and advance work at the I-490/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* 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

Third Quarter 2018

(\$ thousands)

	3rd Qtr		Variance	
	Projection	Actual	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$64,791	\$76,344	(\$11,553)	(17.8%)
Reagan Memorial Tollway (I-88)	57,717	58,566	(848)	(1.5%)
Jane Addams Memorial Tollway (I-90)	5,532	17,318	(11,786)	(213.1%)
Veterans Memorial Tollway (I-355)	12,077	28,136	(16,059)	(133.0%)
Systemwide Improvements	95,588	84,435	11,153	11.7%
Tri-State Tollway (I-294)/I-57 Interchange	-	129	(129)	-
Elgin O'Hare Western Access	99,419	50,870	48,549	48.8%
Other Emerging Projects	2,455	2,489	(34)	(1.4%)
Move Illinois and CRP Subtotal	\$337,580	\$318,287	\$19,293	5.7%
Agreement Reimbursements and Other Adjustments	-	(2,173)	2,173	-
Total Capital Program Expenditures	\$337,580	\$316,114	\$21,466	6.4%

Analysis

Capital program expenditures are reported on an accrual basis. For the quarter ending September 30, 2018, unaudited capital program expenditures totaled \$316.1 million. This amount included expenses paid during the third quarter, as well as \$200.5 million of work completed during the quarter and/or in prior periods for which payments have not been made as of September 30, 2018. The intergovernmental agreement reimbursements and other adjustments made during the quarter reduced expenditures by \$2.2 million.

The third quarter expenditures for *Move Illinois* and CRP were \$21.5 million less than projected, primarily due to scheduling changes resulting from timing of right-of-way acquisitions on Elgin O'Hare Western Access Project. Advanced construction work on Tri-State Tollway and Veterans Memorial Tollway helped to offset some of the shortfall in spending.

CORRIDOR

2018 Third Quarter Expenditures

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

\$76.3 million

During the third quarter, design development and Phase II engineering continued on the Central Tri-State, as well as roadway and bridge rehabilitation between the O'Hare Oasis and Balmoral Avenue. Roadway rehabilitation and widening at toll plazas 35, 36 and 39 was also ongoing. Utility relocations continued in advance of the Mile Long Bridge reconstruction planned for 2019. On the Edens Spur, roadway and bridge reconstruction began between Pfingsten Road and the Union Pacific Railroad.

Expenditures for the third quarter of 2018 were \$11.6 million higher than projected, primarily due to advancing construction work on the Edens Spur and Central Tri State.

Reagan Memorial Tollway (I-88)

\$58.6 million

During the third quarter, roadway reconstruction continued between York Road and I-290. Roadway and bridge rehabilitation between Annie Glidden Road and Illinois Route 251 was ongoing.

Expenditures for the corridor were \$0.8 million higher than the projection.

Jane Addams Memorial Tollway (I-90)

\$17.3 million

During the third quarter, roadside completion improvements between Elgin Toll Plaza and the Kennedy Expressway continued, as did work on Barrington Road Interchange.

Third quarter expenditures were \$11.8 million higher than expected, primarily due to the timing of utility expenditures and the timing of project closeouts.

Veterans Memorial Tollway (I-355)

\$28.1 million

During the third quarter, resurfacing between I-55 and Army Trail Road was ongoing.

Expenditures in the third quarter were \$16.1 million higher than projected, primarily due to advancing construction work between I-55 and Army Trail Road.

Systemwide Improvements

\$84.4 million

During the third quarter, work on various pavement, bridge and ramp repair contracts continued, including preservation on I-355 between I-80 and I-55. Pavement and structural preservation began on I-88 between IL Route 59 and York Road and I-294 between Balmoral Avenue and Lake Cook Road, as did site improvements at the Downers Grove (M-14) maintenance facility and the construction of the EO-6 building at the Marengo (M-6) maintenance facility.

Expenditures in the third quarter were \$11.2 million less than projected, primarily due to delays in starting construction of the Elgin O'Hare (M-16) maintenance facility and construction of the Lee Street exit ramp, which were partially offset by advancing structural and pavement preservation on I-88 between IL Route 59 and York Road and I-294 between Balmoral Avenue and Lake Cook Road. Lower than planned spending in the quarter on Fleet and Information Technology projects contributed to the shortfall.

Elgin O'Hare Western Access Project

\$50.9 million

2018 spending on the Elgin O'Hare Western Access project has been significantly impacted by delays associated with the railroad right-of-way risk resolution. During the 3rd quarter, EOWA design development and Phase II Engineering continued for both the North and South Leg

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portions of I-490, including the I-490 South Leg connecting the I-294 Tri-State Tollway. Ongoing construction included completion and punch list activities for the IL 390 from Arlington Heights Road to IL 83 including landscaping work. Work began on the CD roads and ramp bridges along the North Leg associated with the I-90 Interchange. Advance work continued to progress along the South Leg associated with the I-490 South Leg and I-294 System Tie-in, including earth work, retaining wall and fiber optics.

Third quarter actual spending was \$48.5 million less than projections due primarily to the unresolved railroad issues that continued to impact right-of-way expenditures. Resolution of railroad right-of-way is needed to advance utility relocations before construction can begin along the planned I-490 corridor, including the Western Access Interchange that connects the recently completed IL 390 segment.

Other Emerging Projects

\$2.5 million

Feasibility studies continued in the third quarter for the Tri-County Access Project environmental impact statement Lake County.

Expenditures for this corridor were \$34 thousand less than projected.

Financial Summaries

Quarterly Financial Review September 30, 2018

ILLINOIS TOLLWAY				
BUDGET vs. UNAUDITED ACTUAL				
Third Quarter Ending September 30, 2018				
	3rd Qtr		Variance	
	Budget	Actual	\$	%
REVENUE				
Toll Revenue and Evasion Recovery	\$377,314,946	\$369,437,334	(\$7,877,612)	(2.1%)
Concessions	500,000	572,550	72,550	14.5%
Investment Income	3,000,000	8,825,623	5,825,623	194.2%
Miscellaneous	1,500,000	4,332,848	2,832,848	188.9%
Total Revenue	\$382,314,946	\$383,168,356	\$853,409	0.2%
Maintenance and Operations (M and O) Expenditures				
Payroll and Related Costs	\$41,356,408	\$40,882,288	\$474,120	1.1%
Group Insurance	9,995,000	9,628,198	366,802	3.7%
Contractual Services	22,723,285	21,096,961	1,626,324	7.2%
Materials/Operational Supplies/Other Expenses	874,417	223,983	650,434	74.4%
Utilities	2,018,380	2,575,800	(557,420)	(27.6%)
All Other Insurance	2,925,985	60,690	2,865,295	97.9%
Parts and Fuel	1,356,835	1,406,332	(49,497)	(3.6%)
Equipment/Office Rental and Maintenance	7,624,705	4,647,480	2,977,225	39.0%
Other Miscellaneous Expenses	238,930	104,375	134,555	56.3%
Recovery of Expenses	(548,050)	(576,296)	28,246	5.2%
Total Maintenance and Operations Expenditures	\$88,565,895	\$80,049,812	\$8,516,083	9.6%
Net Revenue				
Revenue Less M and O Expenditures	\$293,749,051	\$303,118,544	\$9,369,492	3.2%
Debt Service Transfers				
Existing Debt	\$102,244,520	\$100,392,372	\$1,852,148	1.8%
New Debt	-	-	-	-
Total Debt Service Transfers	\$102,244,520	\$100,392,372	\$1,852,148	1.8%
Net Revenue Less Debt Service Transfers	\$191,504,532	\$202,726,172	\$11,221,640	5.9%

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ILLINOIS TOLLWAY				
PROJECTION vs. UNAUDITED ACTUAL				
Third Quarter Ending September 30, 2018				
	3rd Qtr		Variance	
	Projection	Actual	\$	%
Capital Program				
Tri-State Tollway (I-94/I-294/I-80)	\$64,790,809	76,344,232	(\$11,553,423)	(17.8%)
Reagan Memorial Tollway (I-88)	57,717,427	58,565,721	(848,294)	(1.5%)
Jane Addams Memorial Tollway (I-90)	5,531,899	17,318,296	(11,786,397)	(213.1%)
Veterans Memorial Tollway (I-355)	12,077,311	28,136,143	(16,058,832)	(133.0%)
Systemwide Improvements	95,587,941	84,434,625	11,153,316	11.7%
Tri-State Tollway (I-294)/I-57 Interchange	-	128,869	(128,869)	-
Elgin O'Hare Western Access	99,419,453	50,870,477	48,548,976	48.8%
Other Emerging Projects	2,455,356	2,489,068	(33,712)	(1.4%)
Move Illinois and CRP Subtotal	\$337,580,196	\$318,287,432	\$19,292,764	5.7%
Agreement Reimbursements and Other Adjustments	-	(2,173,347)	2,173,347	-
Total Capital Program Expenditures	\$337,580,196	\$316,114,085	\$21,466,111	6.4%

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ILLINOIS TOLLWAY					
BUDGET vs. UNAUDITED ACTUAL					
Year-To-Date September 30, 2018					
		YTD		Variance	
	Budget	Actual	\$	%	
REVENUE					
Toll Revenue and Evasion Recovery	\$1,074,221,260	\$1,068,366,806	(\$5,854,454)	(0.5%)	
Concessions	1,500,000	1,674,809	174,809	11.7%	
Investment Income	9,000,000	23,362,226	14,362,226	159.6%	
Miscellaneous	4,500,000	8,297,161	3,797,161	84.4%	
Total Revenue	\$1,089,221,260	\$1,101,701,002	\$12,479,742	1.1%	
Maintenance and Operations (M and O) Expenditures					
Payroll and Related Costs	\$125,378,454	\$122,457,592	\$2,920,862	2.3%	
Group Insurance	29,910,000	28,507,827	1,402,173	4.7%	
Contractual Services	61,658,920	62,133,803	(474,883)	(0.8%)	
Materials/Operational Supplies/Other Expenses	4,426,356	3,570,689	855,667	19.3%	
Utilities	6,012,405	7,175,557	(1,163,152)	(19.3%)	
All Other Insurance	8,545,985	5,353,970	3,192,015	37.4%	
Parts and Fuel	4,180,795	4,251,850	(71,055)	(1.7%)	
Equipment/Office Rental and Maintenance	20,788,694	18,393,215	2,395,479	11.5%	
Other Miscellaneous Expenses	713,850	623,390	90,460	12.7%	
Recovery of Expenses	(1,615,025)	(1,801,746)	186,721	11.6%	
Total Maintenance and Operations Expenditures	\$260,000,434	\$250,666,146	\$9,334,288	3.6%	
Net Revenue					
Revenue Less M and O Expenditures	\$829,220,826	\$851,034,856	\$21,814,029	2.6%	
Debt Service Transfers					
Existing Debt	\$308,782,496	\$306,169,340	\$2,613,156	0.8%	
New Debt	-	-	-	-	
Total Debt Service Transfers	\$308,782,496	\$306,169,340	\$2,613,156	0.8%	
Net Revenue Less Debt Service (Coverage)					
Net Revenue Less Debt Service (Coverage)	\$520,438,331	\$544,865,516	\$24,427,185	4.7%	

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ILLINOIS TOLLWAY				
PROJECTION vs. UNAUDITED ACTUAL				
Year-To-Date September 30, 2018				
	YTD		Variance	
	Projection	Actual	\$	%
Capital Program				
Tri-State Tollway (I-94/I-294/I-80)	\$177,735,169	139,219,161	\$38,516,008	21.7%
Reagan Memorial Tollway (I-88)	119,636,668	120,066,707	(430,040)	(0.4%)
Jane Addams Memorial Tollway (I-90)	20,741,174	36,254,881	(15,513,707)	(74.8%)
Veterans Memorial Tollway (I-355)	18,888,481	50,647,383	(31,758,902)	(168.1%)
Systemwide Improvements	245,976,016	209,453,664	36,522,352	14.8%
Tri-State Tollway (I-294)/I-57 Interchange	-	268,055	(268,055)	-
Elgin O'Hare Western Access	278,830,645	97,581,589	181,249,056	65.0%
Other Emerging Projects	7,286,003	6,034,952	1,251,050	17.2%
Move Illinois and CRP Subtotal	\$869,094,156	\$659,526,392	\$209,567,764	24.1%
Agreement Reimbursements and Other Adjustments	-	(10,285,779)	10,285,779	-
Total Capital Program Expenditures	\$869,094,156	\$649,240,613	\$219,853,543	25.3%

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ILLINOIS TOLLWAY			
Percent of Annual Budget Realized (UNAUDITED)			
Year-To-Date September 30, 2018			
		YTD	% Budget
	Budget	Actual	Realized
REVENUE			
Toll Revenue and Evasion Recovery	\$1,430,000,000	\$1,068,366,806	74.7%
Concessions	2,000,000	1,674,809	83.7%
Investment Income	12,000,000	23,362,226	194.7%
Miscellaneous	6,000,000	8,297,161	138.3%
Total Revenue	\$1,450,000,000	\$1,101,701,002	76.0%
Maintenance and Operations (M and O) Expenditures			
Payroll and Related Costs	\$167,200,130	\$122,457,592	73.2%
Group Insurance	39,807,482	28,507,827	71.6%
Contractual Services	85,519,374	62,133,803	72.7%
Materials/Operational Supplies/Other Expenses	6,560,610	3,570,689	54.4%
Utilities	8,236,480	7,175,557	87.1%
All Other Insurance	11,472,585	5,353,970	46.7%
Parts and Fuel	6,021,347	4,251,850	70.6%
Equipment/Office Rental and Maintenance	29,188,524	18,393,215	63.0%
Other Miscellaneous Expenses	994,046	623,390	62.7%
Recovery of Expenses	(2,250,500)	(1,801,746)	80.1%
Total Maintenance and Operations Expenditures	\$352,750,078	\$250,666,146	71.1%
Net Revenue			
Revenue Less M and O Expenditures	\$1,097,249,922	\$851,034,856	77.6%
Debt Service Transfers			
Existing Debt	\$410,185,328	\$306,169,340	74.6%
New Debt	3,125,000	-	-
Total Debt Service Transfers	\$413,310,328	\$306,169,340	74.1%
Net Revenue Less Debt Service Transfers	\$683,939,594	\$544,865,516	79.7%

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ILLINOIS TOLLWAY			
Percent of Projection Realized (UNAUDITED)			
Year-To-Date September 30, 2018			
	2018	YTD	% Projection
	Projection	Actual	Realized
Capital Program			
Tri-State Tollway (I-94/I-294/I-80)	\$238,095,948	139,219,161	58.5%
Reagan Memorial Tollway (I-88)	174,959,160	120,066,707	68.6%
Jane Addams Memorial Tollway (I-90)	24,438,535	36,254,881	148.4%
Veterans Memorial Tollway (I-355)	35,116,384	50,647,383	144.2%
Systemwide Improvements	325,477,926	209,453,664	64.4%
Tri-State Tollway (I-294)/I-57 Interchange	-	268,055	-
Elgin O'Hare Western Access	375,912,046	97,581,589	26.0%
Other Emerging Projects	9,735,920	6,034,952	62.0%
Move Illinois and CRP Subtotal	\$1,183,735,919	\$659,526,392	55.7%
Agreement Reimbursements and Other Adjustments	-	(10,285,779)	-
Total Capital Program Expenditures	\$1,183,735,919	\$649,240,613	54.8%

Quarterly Financial Review September 30, 2018

ILLINOS TOLLWAY				
2018 Unaudited Actual vs. 2017 Actual				
Third Quarter Ending September 30, 2018				
	3rd Qtr		Variance	
	2017	2018	\$	%
REVENUE				
Toll Revenue and Evasion Recovery	\$366,279,070	\$369,437,334	\$3,158,264	0.9%
Concessions	620,252	572,550	(47,702)	(7.7%)
Investment Income	4,066,182	8,825,623	4,759,442	117.0%
Miscellaneous	1,437,320	4,332,848	2,895,528	201.5%
Total Revenue	\$372,402,824	\$383,168,356	\$10,765,532	2.9%
Maintenance and Operations (M and O) Expenditures				
Payroll and Related Costs	\$40,627,565	\$40,882,288	(\$254,723)	(0.6%)
Group Insurance	8,864,928	9,628,198	(763,270)	(8.6%)
Contractual Services	21,165,141	21,096,961	68,180	0.3%
Materials/Operational Supplies/Other Expenses	930,821	223,983	706,838	75.9%
Utilities	1,607,923	2,575,800	(967,877)	(60.2%)
All Other Insurance	(354,319)	60,690	(415,009)	117.1%
Parts and Fuel	1,178,665	1,406,332	(227,667)	(19.3%)
Equipment/Office Rental and Maintenance	4,658,528	4,647,480	11,048	0.2%
Other Miscellaneous Expenses	225,452	104,375	121,077	53.7%
Recovery of Expenses	(584,490)	(576,296)	(8,194)	(1.4%)
Total Maintenance and Operations Expenditures	\$78,320,214	\$80,049,812	(\$1,729,598)	(2.2%)
Net Revenue				
Revenue Less M and O Expenditures	\$294,082,610	\$303,118,544	\$9,035,934	3.1%
Debt Service Transfers				
Existing Debt	\$94,658,592	\$100,392,372	(\$5,733,780)	(6.1%)
New Debt	-	-	-	-
Total Debt Service Transfers	\$94,658,592	\$100,392,372	(\$5,733,780)	(6.1%)
Net Revenue Less Debt Service Transfers	\$199,424,018	\$202,726,172	\$3,302,154	1.7%

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ILLINOIS TOLLWAY				
2018 Unaudited Actual vs. 2017 Actual				
Third Quarter Ending September 30, 2018				
	3rd Qtr		Variance	
	2017	2018	\$	%
Capital Program				
Tri-State Tollway (I-94/I-294/I-80)	\$11,739,285	\$76,344,232	(\$64,604,947)	(550.3%)
Reagan Memorial Tollway (I-88)	5,154,211	58,565,721	(53,411,510)	(1036.3%)
Jane Addams Memorial Tollway (I-90)	32,110,278	17,318,296	14,791,982	46.1%
Veterans Memorial Tollway (I-355)	1,876,983	28,136,143	(26,259,160)	(1399.0%)
Systemwide Improvements	64,578,966	84,434,625	(19,855,659)	(30.7%)
Tri-State Tollway (I-294)/I-57 Interchange	203,736	128,869	74,866	36.7%
Elgin O'Hare Western Access	76,534,670	50,870,477	25,664,192	33.5%
Other Emerging Projects	646,157	2,489,068	(1,842,911)	-
Move Illinois and CRP Subtotal	\$192,844,285	\$318,287,432	(\$125,443,147)	(65.0%)
Agreement Reimbursements and Other Adjustments	(1,312,923)	(2,173,347)	860,424	65.5%
Total Capital Program Expenditures	\$191,531,362	\$316,114,085	(\$124,582,723)	(65.0%)

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ILLINOIS TOLLWAY					
2018 Unaudited Actual vs. 2017 Actual					
Year-To-Date September 30, 2018					
		YTD		Variance	
	2017	2018	\$	%	
REVENUE					
Toll Revenue and Evasion Recovery	\$1,029,561,748	\$1,068,366,806	\$38,805,058		3.8%
Concessions	1,730,536	1,674,809	(55,727)		(3.2%)
Investment Income	9,516,190	23,362,226	13,846,036		145.5%
Miscellaneous	6,593,475	8,297,161	1,703,686		25.8%
Total Revenue	\$1,047,401,950	\$1,101,701,002	\$54,299,052		5.2%
Maintenance and Operations (M and O) Expenditures					
Payroll and Related Costs	\$119,375,537	\$122,457,592	(\$3,082,055)		(2.6%)
Group Insurance	\$26,673,436	28,507,827	(1,834,391)		(6.9%)
Contractual Services	\$56,235,079	62,133,803	(5,898,724)		(10.5%)
Materials/Operational Supplies/Other Expenses	\$3,289,158	3,570,689	(281,531)		(8.6%)
Utilities	\$6,150,677	7,175,557	(1,024,880)		(16.7%)
All Other Insurance	\$4,823,463	5,353,970	(530,507)		(11.0%)
Parts and Fuel	\$3,822,474	4,251,850	(429,376)		(11.2%)
Equipment/Office Rental and Maintenance	\$17,357,994	18,393,215	(1,035,221)		(6.0%)
Other Miscellaneous Expenses	\$707,285	623,390	83,895		11.9%
Recovery of Expenses	(\$1,633,936)	(1,801,746)	167,810		10.3%
Total Maintenance and Operations Expenditures	\$236,801,167	\$250,666,146	(\$13,864,979)		(5.9%)
Net Revenue					
Revenue Less M and O Expenditures	\$810,600,783	\$851,034,856	\$40,434,073		5.0%
Debt Service Transfers					
Existing Debt	\$291,557,864	\$306,169,340	(\$14,611,476)		(5.0%)
New Debt	-	-	-		-
Total Debt Service Transfers	\$291,557,864	\$306,169,340	(\$14,611,476)		(5.0%)
Net Revenue Less Debt Service (Coverage)					
	\$519,042,919	\$544,865,516	\$25,822,597		5.0%

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ILLINOIS TOLLWAY				
2018 Unaudited Actual vs. 2017 Actual				
Year-To-Date September 30, 2018				
	2017	2018	Variance	
			\$	%
Capital Program				
Tri-State Tollway (I-94/I-294/I-80)	\$24,043,746	\$139,219,161	(\$115,175,414)	(479.0%)
Reagan Memorial Tollway (I-88)	21,334,716	120,066,707	(98,731,992)	(462.8%)
Jane Addams Memorial Tollway (I-90)	131,360,896	36,254,881	95,106,015	72.4%
Veterans Memorial Tollway (I-355)	5,768,673	50,647,383	(44,878,709)	(778.0%)
Systemwide Improvements	147,974,912	209,453,664	(61,478,752)	(41.5%)
Tri-State Tollway (I-294)/I-57 Interchange	721,807	268,055	453,752	62.9%
Elgin O'Hare Western Access	272,173,283	97,581,589	174,591,693	64.1%
Other Emerging Projects	799,590	6,034,952	(5,235,362)	-
Move Illinois & CRP Subtotal	\$604,177,623	\$659,526,392	(\$55,348,769)	(9.2%)
Agreement Reimbursements and Other Adjustments	(8,985,730)	(10,285,779)	1,300,049	(14.5%)
Total Capital Program Expenditures	\$595,191,893	\$649,240,613	(\$54,048,720)	(9.1%)