



2019 Budget Analysis

(Preliminary and Unaudited)

Quarterly Financial Review

April 1 - June 30, 2019

Quarterly Financial Review June 30, 2019

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INTRODUCTION

In December 2018, the Tollway Board of Directors adopted the annual budget for 2019. To monitor performance against this budget, each quarter the Finance Department reviews and compares actual revenue and expenditures of the Tollway to the budget and presents the resulting analysis in this quarterly report to the Finance, Administration and Operations Committee and the Tollway Board.

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

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

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

This report provides an analysis of actual revenue and expenditures through the second quarter of fiscal year 2019. The purpose of this analysis is to assess the actual financial performance of the Tollway relative to the 2019 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, toll revenue generated through a toll rate increase for passenger vehicles in 2012 and previously approved increases for commercial vehicles beginning in 2015. The 2019 Budget, approved by the Board of Directors in December 2018, included the maintenance and operations budget, debt service transfers and capital budget in support of the eighth year of the *Move Illinois* Program.

Budgeted Revenue 2019

The 2019 revenue was estimated at \$1,510 million, including \$1,470 million from toll revenue and evasion recovery, \$30 million from investment income and \$10 million from concessions and miscellaneous revenue.

The Tollway's 2019 Budget allocated \$365 million for maintenance and operations expenses, \$441 million for debt service transfers and \$704 million for the *Move Illinois* and Congestion-Relief Programs including non-roadway capital investments (deposits to the renewal/ replacement and improvement accounts).

2019 Revenue Sources and Allocations

SOURCES OF REVENUE

(\$ millions)	2019 Budget
Toll Revenue and Evasion Recovery	\$1,470
Investment Income	30
Concessions Revenue and Miscellaneous Income	10
Total Revenue	\$1,510

ALLOCATIONS OF REVENUE

(\$ millions)	2019 Budget
Maintenance and Operations	\$365
Debt Service Transfers	441
Deposits to Renewal/Replacement and Improvement	704
Total Allocations	\$1,510

The estimated revenue for 2019 was revised down to \$1,495 million in the official statement for Toll Highway Senior Revenue Bonds, 2019 Series A, dated June 25, 2019. Toll Revenue and Evasion Recovery was revised down by \$20 million and investment income was increased by \$5 million. The 2nd quarter results in this QFR are compared to the original budget.

SECOND QUARTER RESULTS SUMMARY 2019

Revenue

Revenue for 2019 second quarter totaled \$387.7 million, which comprised 25.7 percent of the \$1,510 million annual budget. Toll and evasion recovery revenue totaled \$374.7 million, miscellaneous revenue totaled \$2.2 million, concessions revenue totaled \$447 thousand and investment income totaled \$10.4 million.

Revenue for June 30, 2019 totaled \$736.1 million, which comprised 48.7 percent of the \$1,510 million annual budget. Toll and evasion recovery revenue totaled \$711.3 million, miscellaneous revenue totaled \$4.0 million, concessions revenue totaled \$853 thousand and investment income totaled \$19.9 million.

Expenditures

The Illinois Tollway's 2019 second quarter operating expenditures totaled \$85.3 million, which was 23.3 percent of the \$365.4 million annual maintenance and operations budget. Operating expenditures through June 30, 2019, totaled \$174.2 million, or 47.7 percent of the \$365.4 million annual maintenance and operations budget.

The Tollway's 2019 second quarter debt service transfers totaled \$102.8 million or \$4.9 million less than the budgeted amount. The second quarter debt service transfers were 23.3 percent of the \$441 million annual debt service transfers budget.

Capital program expenditures for the second quarter totaled \$260.8 million and were \$94.3 million less than projected. These capital expenditures included \$261.6 million for *Move Illinois* Program and Congestion-Relief Program projects. Other adjustments and reimbursements made during the quarter reduced expenditures by \$0.8 million.

Capital program expenditures through June 30, 2019, totaled \$408.9 million, which comprised 29.1 percent of the \$1,407 million annual capital program budget. These capital expenditures included \$410.3 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 \$1.4 million.

Capital expenditures of \$504 thousand for CRP are included in the amounts shown above that have been paid through June 2019. As previously stated the CRP program is complete and final balances of approximately \$1 million will be paid out in 2019.

REVENUE SUMMARY

Budget vs. Unaudited Actual Second Quarter 2019

(\$ thousands)

(\$ thousands)	2nd Qtr		Variance	
	Budget	Actual	\$	%
Toll Revenue and Evasion Recovery	\$381,417	\$374,685	(\$6,732)	(1.8%)
Concessions	500	447	(53)	(10.7%)
Investment Income	7,500	10,372	2,872	38.3%
Miscellaneous	2,000	2,170	170	8.5%
Total Revenue	\$391,417	\$387,674	(\$3,743)	(1.0%)

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

Percent of Annual Budget Realized (Unaudited) Year-To-Date June 30, 2019

(\$ thousands)

(\$ thousands)	2019	YTD	% Budget
	Budget	Actual	Realized
Toll Revenue and Evasion Recovery	\$1,470,000	\$711,329	48.4%
Concessions	2,000	853	42.7%
Investment Income	30,000	19,910	66.4%
Miscellaneous	8,000	3,980	49.8%
Total Revenue	\$1,510,000	\$736,072	48.7%

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

Second Quarter Analysis

Revenue for the 2019 second quarter totaled \$387.7 million, \$3.7 million less than budgeted for the period. The second quarter revenue was 25.7 percent of the \$1,510 million annual revenue budget.

Toll and evasion recovery revenue totaled \$374.7 million, \$6.7 million less than budget.

Toll transactions for all vehicle classes increased 0.2 percent from the second quarter 2018 and were 1.9 percent less than projected for the quarter. Passenger car transactions increased 0.2 percent from second quarter 2018 and were 1.9 percent less than projected for the quarter. Second quarter commercial vehicle transactions grew 0.8 percent from second quarter 2018 and were 2.0 percent less than projected.

Investment income totaled \$10.4 million, \$2.9 million more than budget. Concessions revenue totaled \$447 thousand, or \$53 thousand less than budget. Miscellaneous income totaled \$2.2 million, or \$170 thousand more than budget.

MAINTENANCE AND OPERATIONS SUMMARY

**Maintenance and Operations
Budget vs. Unaudited Actual
Second Quarter 2019**

(\$ thousands)

(\$ thousands)	2nd Qtr		Variance	
	Budget	Actual	\$	%
Payroll and Related Costs	\$41,327	\$41,961	(\$633)	(1.5%)
Group Insurance	10,050	7,109	2,940	29.3%
Contractual Services	24,322	20,669	3,654	15.0%
Materials/Operational Supplies/Other Expenses	1,045	513	532	50.9%
Utilities	2,140	2,540	(400)	(18.7%)
All Other Insurance	2,860	3,259	(399)	(14.0%)
Parts and Fuel	1,536	2,249	(713)	(46.4%)
Equipment/Office Rental and Maintenance	6,842	7,354	(512)	(7.5%)
Other Miscellaneous Expenses	237	139	99	41.7%
Recovery of Expenses	(551)	(490)	(61)	(11.1%)
Total Maintenance and Operations Expenditures	\$89,809	\$85,303	\$4,506	5.0%

Note: Numbers may not add to totals due to rounding

**Percent of Annual Budget Realized (Unaudited)
Year-To-Date June 30, 2019**

(\$ thousands)

(\$ thousands)	YTD		% Budget Realized
	Budget	Actual	
Payroll and Related Costs	\$168,293	\$86,322	51.3%
Group Insurance	39,418	15,572	39.5%
Contractual Services	96,717	42,993	44.5%
Materials/Operational Supplies/Other Expenses	7,501	4,113	54.8%
Utilities	8,895	4,201	47.2%
All Other Insurance	11,626	5,586	48.0%
Parts and Fuel	6,893	4,219	61.2%
Equipment/Office Rental and Maintenance	27,215	11,790	43.3%
Other Miscellaneous Expenses	1,067	337	31.6%
Recovery of Expenses	(2,251)	(980)	43.5%
Total Maintenance and Operations Expenditures	\$365,374	\$174,153	47.7%

Note: Numbers may not add to totals due to rounding

Analysis

The Tollway's 2019 second quarter operating expenditures totaled \$85.3 million, representing a favorable variance of \$4.5 million. The second quarter expenditures were 23.3 percent of the \$365.4 million annual maintenance and operations budget.

The variances to the 2019 budget during the second quarter are explained below:

Payroll and related costs for the second quarter totaled \$42 million, \$0.6 million more than budget. This unfavorable variance is mainly due to additional hours needed for weather-related incidents.

Group insurance expenses totaled \$7.1 million, \$2.9 million less than budget. The variance is due to more vacancies than anticipated and lower cost of coverage for employees that have recently changed plans.

Contractual services for the second quarter totaled \$20.7 million, \$3.7 million less than budget. The favorable variance is due to contracts starting later than anticipated. These contracts are expected to start in the 3rd and 4th quarters.

Materials/operational supplies/other expenses totaled \$513 thousand, \$532 thousand less than budget. This variance is mainly due to less spending for winter operational materials.

Utilities expenses, which include electricity, natural gas, water and telephone, totaled \$2.5 million, \$400 thousand more than budget. This unfavorable variance was due to an increase in customer service center calls in the second quarter based on increased summer call volumes.

All other insurance expenses totaled \$3.2 million, \$399 thousand more 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 \$2.2 million, \$713 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 \$7.4 million, \$512 thousand more than the budgeted amount. More equipment was received in the 2nd quarter than expected, on target year to date.

Other Miscellaneous Expenses totaled \$139 thousand, \$99 thousand less than budget. This cost category includes travel, training, dues, books, subscriptions, uniforms and accessories.

Recovery of expenses totaled \$490 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 2019 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 2018.

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 June 30, 2019, with comparisons to budget.

Budget vs. Actual (Unaudited)

(\$ thousands)

	Budget	Actual	Variance	
			\$	%
Debt Service Transfers – 1 st Qtr	\$107,677	\$91,257	\$16,420	15.2%
Debt Service Transfers – 2 nd Qtr	\$107,631	\$102,763	\$4,868	4.5%
Debt Service Transfers - YTD Jun 30, 2019	\$215,308	\$194,020	\$21,288	9.9%

% of Budget Realized (Unaudited)

(\$ thousands)

	Annual Budget	YTD Actual	Realized
Debt Service Transfers	\$440,700	\$194,020	44.0%

Analysis

For the full year 2019, the Tollway budgeted \$440.7 million for transfers from the Revenue Account to the Debt Service Account to provide for the payments described above. That budgeted amount assumed an additional source of funds of \$14.9 million from federal subsidies associated with the Tollway’s Series 2009A and Series 2009B Build America Bonds.

Transfers of revenues for debt service for the six months ended June 30, 2019 were \$194.0 million, compared to a budgeted amount of \$215.3 million, resulting in a favorable variance of \$21.3 million (9.9 percent).

The \$16.4 million portion of favorable variance that occurred in the first quarter was primarily attributable to: \$7.1 million of excess investment earnings transferred from the Debt Reserve Account; \$4.8 million of revenues transferred in December 2018 (instead of January 2019) in

advance of a refunding of certain bonds on January 10, 2019; and \$3.7 million of budgeted interest expense on new bonds that was unnecessary because such new bonds were not issued until July 2019, due to lower-than-expected capital spending. Such delayed issuance of new bonds was also the primary contributor to the \$4.9 million portion of favorable variance that occurred in the second quarter, accounting for \$3.8 million of that favorable variance. Other factors contributing to favorable variance were certain timing considerations related to the afore-mentioned refunding and reduced liquidity expenses for variable rate bonds.

DERIVATIVES

The Tollway employed the use of interest rate exchange (swap) agreements and forward-starting interest rate exchange agreements (forward agreements) to hedge against increases in interest rates by providing synthetic fixed rates associated with the Tollway's variable rate bonds. The following chart presents the Tollway's swap portfolio as of quarter-end June 28, 2019. The three swap agreements currently 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 two swap agreements currently 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 June 28, 2019 (Note: Valuations are net of accrued interest.) (\$ thousands)						
Associated Bond Series	Counterparty	Notional Amount	Fixed Rate Paid	Var. Rate Rec'd	Maturity	Valuation
2007A-1	Citibank N.A., New York	175,000	3.9720%	SIFMA	7/1/2030	(\$35,925)
2007A-1	Goldman Sachs Bank USA	175,000	3.9720%	SIFMA	7/1/2030	(\$35,925)
2007A-2d	Wells Fargo Bank *	87,500	3.9925%	SIFMA	7/1/2030	(\$18,103)
2008A-1b	The Bank of New York Mellec	189,600	3.7740%	SIFMA	1/1/2031	(\$35,043)
2008A-2	Bank of America, N.A.**	94,800	3.7640%	SIFMA	1/1/2031	(\$17,449)
TOTAL		\$721,900				(\$142,446)

Estimated swap valuations based on valuations provided by the Tollway's swap advisor (PFM Swap Advisors).

* 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 2019

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. On April 27, 2017, the Board of Directors approved expansion of this program to \$14 billion. 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 2019 Capital Budget allocated \$1,407.2 million to fund the eighth 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. The projects awarded by end of 2016 are expected to be completed by 2018 and residual payments/final balances of approximately \$1 million will be paid in 2019.

CAPITAL PROGRAM
2018 Estimate and Expenditures; 2019 Approved Budget
(\$ millions)

(\$ millions)	2018 October Estimate	2018 Expenditure	2019 Budget
Tri-State Tollway (I-94/I-294/I-80)	\$266.2	\$226.9	\$444.7
Reagan Memorial Tollway (I-88)	166.3	153.1	66.6
Jane Addams Memorial Tollway (I-90)	43.4	38.8	12.6
Veterans Memorial Tollway (I-355)	103.1	85.5	23.7
Systemwide Improvements	350.1	278.2	397.6
I-294/I-57 Interchange	0.4	0.3	28.0
Elgin O'Hare Western Access	248.1	143.1	423.3
Other Emerging Projects	9.4	8.3	10.7
Move Illinois and CRP Subtotal	\$1,187.0	\$934.1	\$1,407.2
Agreement Reimbursements and	-	-	-
Other Miscellaneous Adjustments	(7.17)	(6.1)	-
Total Capital Program	\$1,187.0	\$928.1	\$1,407.2

Allocation of Capital Budget 2019

CORRIDOR

2019 Budget

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

\$444.7 million

The 2019 *Move Illinois* budget allocates \$444.7 million for Tri-State Tollway. Design efforts will continue for roadway reconstruction and widening between 95th Street and Balmoral Avenue, with planned expenditures of \$71.0 million. Approximately \$44.5 million has been allocated to begin construction activities on the Mile Long Bridge over the Des Plaines River and the BNSF Railway Bridge over I-294. Prior to the start of bridge construction scheduled for 2019 and advanced mainline construction anticipated for 2022, right-of-way acquisition of \$103.7 million is anticipated to occur in 2019 along with \$30.1 million in utility relocations. \$45.6 million has been allocated towards the ongoing Edens Spur reconstruction.

Reagan Memorial Tollway (I-88)

\$66.6 million

The 2019 *Move Illinois* budget allocates \$66.6 million for work on this corridor in 2019, which includes \$31 million for pavement rehabilitation between Illinois Route 251 and Illinois Route 56, \$15.9 million for roadway reconstruction between York Road and I-290 and \$14.0 million for reconstruction of the connector ramp between the Tri-State Tollway (I-294) and I-88.

Jane Addams Memorial Tollway (I-90)

\$12.6 million

The *Move Illinois* Program budget allocates \$12.6 million for work on the I-90 corridor in 2019 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)

\$23.7 million

The *Move Illinois* Program capital budget allocates approximately \$23.7 million in 2019 for improvements on I-355, which includes \$23.2 million to complete the resurfacing from I-55 to Army Trail Road, and roadway widening between Illinois Route 56 and Illinois Route 38.

Systemwide

\$397.6 million

The *Move Illinois* Program capital budget allocates \$397.6 million on systemwide improvements including \$119.1 million for bridge, pavement and safety improvements and \$58.9 million for toll collection and information technology related projects. More than \$42.9 million has been allocated for construction of interchange improvements on the Reagan Memorial Tollway (I-88) at Illinois Route 47 and on the Jane Adams Tollway (I-90) at Illinois Route 23, which both will begin in 2019. Reconstruction of the Bradley Road Bridge over I-94 and the 159th Street Bridge over the Tri-State Tollway (I-294) will be complete in 2019.

Tollway maintenance facility upgrades will continue in 2019 with more than \$35 million in improvements planned. Building renovations at the Hillside (M-2) maintenance site will begin, as will construction of an annex building for the Downers Grove (M-14) maintenance site.

In addition, nearly \$82.3 million is budgeted for non-roadway projects and approximately \$38 million will be spent on program support activities, including project management services, materials engineering services, utility relocations, support staff and land acquisition support services.

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

\$28.0 million

The *Move Illinois* Program includes construction of a new interchange at the Tri-State Tollway (I-294) and I-57. The first phase of construction was completed in October 2014, allowing movements from northbound I-57 to I-294 and from I-294 to southbound I-57, as well as a new access at 147th Street. The second phase of interchange construction will begin in 2019, with \$28 million estimated to be spent by the Tollway for ongoing design, as well as median construction and the start of ramp construction work.

Elgin O'Hare Western Access Project

\$423.3 million

The *Move Illinois* Program 2019 budget for this corridor is \$423.3 million. Included in the capital budget are design development for the Illinois Route 390/I-490 Interchange, continued design of the new I-490 Tollway from I-294 to Franklin Avenue/Green Street and design of the I-490/I-90 System Interchange. Construction in 2019 includes the work on the I-490 Interchange, continued construction at the Illinois Route 19 Interchange, construction at the I-490/I-294 Interchange and construction work at the I-490/I-90 Interchange. Right-of-way acquisitions and utility relocations will also continue in support of the new I-490 Tollway. Also, continued advance work on the western side of O'Hare International Airport.

Other Emerging Projects

\$10.7 million

The *Move Illinois* Program includes \$10.7 million in 2019 for various emerging projects.

Capital Program Expenditures

Projection vs. Unaudited Actual
Second Quarter 2019

(\$ thousands)

(\$ thousands)	2nd Qtr		Variance	
	Projection	Actual	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$100,747	\$90,685	\$10,062	10.0%
Reagan Memorial Tollway (I-88)	26,851	28,733	(1,882)	(7.0%)
Jane Addams Memorial Tollway (I-90)	3,491	81	3,410	97.7%
Veterans Memorial Tollway (I-355)	8,591	9,154	(563)	(6.6%)
Systemwide Improvements	102,107	92,811	9,296	9.1%
Tri-State Tollway (I-294)/I-57 Interchange	4,822	731	4,091	84.8%
Elgin O'Hare Western Access	105,824	38,679	67,145	63.4%
Other Emerging Projects	2,652	716	1,936	73.0%
Move Illinois and CRP Subtotal	\$355,085	\$261,590	\$93,495	26.3%
Agreement Reimbursements and Other Adjustments	-	(836)	836	100.0%
Total Capital Program Expenditures	\$355,085	\$260,754	\$94,331	26.6%

Analysis

Capital program expenditures are reported on an accrual basis. For the quarter ending June 30, 2019, unaudited capital program expenditures totaled \$260.8 million. This amount includes expenses paid during the second quarter and \$177.1 million of work for which payments have not been made as of June 30, 2019. The intergovernmental agreement reimbursements and other adjustments made during the quarter reduced expenditures by \$0.8 million.

The second quarter expenditures for *Move Illinois* and CRP were \$94.3 million less than projected, primarily due to scheduling changes resulting from timing of right-of-way acquisitions and slower than projected spending on systemwide projects.

Capital expenditures of \$504 thousand for CRP are included in the amounts shown above that have been paid through June 2019. As previously stated the CRP program is complete and final balances of approximately \$1 million will be paid out in 2019.

CORRIDOR

2019 Second Quarter Expenditures

Tri-State Tollway (I-94/I-294/I-80) \$90.7 million

During the second quarter, design work for the Central Tri-State from 95th Street to Balmoral Avenue was ongoing. Construction began on the new northbound Mile Long Bridge over the Des Plaines River. Advance construction continued and includes work associated with roadway and bridge rehabilitation and widening between the O'Hare Oasis and Balmoral Avenue, as well as median reconstruction and widening at mainline toll plazas. Demolition of the O'Hare Oasis bridge structure and construction for advance intelligent transportation systems (ITS) fiber relocation for the new I-490 Tollway tie-in also took place. Construction continued on the roadway and bridge reconstruction on Edens Spur.

Expenditures for the second quarter of 2019 were \$10.1 million less than projected. The main contributors were right-of-way expenditures that were \$16.1 million less than projected due to pending acquisitions and agreements and \$5.6 million less in utility relocations due to timing of invoicing. This was partially offset by greater than expected progress on construction and design projects.

Reagan Memorial Tollway (I-88) \$28.7 million

During the second quarter, construction continued between York Road and I-290, as well as on the roadway and bridge rehabilitation between Illinois Route 251 and Illinois Route 56. Construction began on the East/West Connector Road as well.

Expenditures for the corridor were \$1.9 million higher than the projection, primarily due to greater than expected progress on the East/West Connector Road construction.

Jane Addams Memorial Tollway (I-90) \$81 thousand

During the second quarter, closeout activities continued for roadway reconstruction and widening, as well as I-90 grading improvements. Construction also continued on the Barrington Road Interchange.

Second quarter expenditures were \$3.4 million lower than expected due to variations in the timing of the contract closeout process as well as two contracts that were deferred to later in the year.

Veterans Memorial Tollway (I-355) \$9.2 million

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

Second quarter expenditures were \$0.6 million greater than expected due to more progress than anticipated between Butterfield Road and Army Trail Road.

Systemwide Improvements \$92.8 million

During the second quarter, work on various pavement, bridge and ramp repair contracts continued, including systemwide fencing improvements and pavement and bridge preservation on the Tri-State Tollway (I-94/I-294), as well as improvements at the I-90 at Illinois Route 23 interchange and the I-88 at Illinois Route 47 interchange.

Expenditures in the second quarter were \$9.3 million less than projected due to timing differences in right-of-way acquisitions and later than anticipated spending on Fleet, JOC and CA space utilization project. This was partially offset by \$17.5 million of greater than expected construction

expenditures, primarily due to more progress than anticipated on pavement and structural preservation and rehabilitation between Half Day Road to Edens Spur and Balmoral Ave to Lake Cook Road, as well as bridge reconstruction and ramp rehabilitation on I-294 at 159th Street.

Tri-State I-294/I-57 Interchange **\$0.7 million**

During the second quarter, design efforts continued for the second phase of the interchange.

Expenditures in the second quarter were \$4.1 million less than projected primarily due to delays in the procurement process for the median construction contract.

Elgin O'Hare Western Access Project **\$38.7 million**

Construction expenditures increased to around \$22 million in the second quarter due to ongoing projects along the I-490 North segment including bridge construction from Elmhurst Road to Mount Prospect Road, I-90 Collector-Distributors over Higgins Creek Bridge and I-490/I-90 Interchange ramp construction. Punch list and closeout work also remained ongoing along the second toll segment of the Illinois Route 390 Tollway and for advanced contracts at I-490 South and I-294. Planning and design remained ongoing for various portions of the future I-490 Tollway, specifically from Pratt to Touhy on the north side and I-294 on the south.

Overall second quarter actual spending was \$67.1 million less than projected. The main contributing factor for the quarterly variance is the timing of right-of-way agreements.

Other Emerging Projects **\$0.7 million**

Feasibility studies for the Tri-County Access Environmental Impact Statement continued in the second quarter and planning studies continued on the Elgin O'Hare Western Access/West Extension.

Expenditures for this corridor were \$1.9 million less than projected, which is largely attributable to lower than anticipated spending on the Tri-County Access extension's Environmental Impact Statement Study.

Financial Summaries

Quarterly Financial Review June 30, 2019

ILLINOIS TOLLWAY				
BUDGET vs. UNAUDITED ACTUAL				
Second Quarter Ending June 30, 2019				
	2nd Qtr		Variance	
	Budget	Actual	\$	%
REVENUE				
Toll Revenue and Evasion Recovery	\$381,417,000	\$374,684,803	(\$6,732,197)	(1.8%)
Concessions	500,000	446,593	(53,407)	(10.7%)
Investment Income	7,500,000	10,372,035	2,872,035	38.3%
Miscellaneous	2,000,000	2,170,315	170,315	8.5%
Total Revenue	\$391,417,000	\$387,673,746	(\$3,743,254)	(1.0%)
Maintenance and Operations (M and O) Expenditures				
Payroll and Related Costs	\$41,327,484	\$41,960,695	(\$633,211)	(1.5%)
Group Insurance	10,049,900	7,109,439	2,940,461	29.3%
Contractual Services	24,322,360	20,668,669	3,653,691	15.0%
Materials/Operational Supplies/Other Expenses	1,045,044	513,443	531,601	50.9%
Utilities	2,139,652	2,539,925	(400,273)	(18.7%)
All Other Insurance	2,860,000	3,259,486	(399,486)	(14.0%)
Parts and Fuel	1,536,113	2,248,929	(712,816)	(46.4%)
Equipment/Office Rental and Maintenance	6,842,323	7,353,942	(511,619)	(7.5%)
Other Miscellaneous Expenses	237,404	138,500	98,904	41.7%
Recovery of Expenses	(551,045)	(490,020)	(61,025)	(11.1%)
Total Maintenance and Operations Expenditures	\$89,809,235	\$85,303,008	\$4,506,227	5.0%
Net Revenue				
Revenue Less M and O Expenditures	\$301,607,765	\$302,370,739	\$762,974	0.3%
Debt Service Transfers				
Existing Debt	\$107,631,000	\$102,763,445	\$4,867,555	4.5%
New Debt	-	-	-	-
Total Debt Service Transfers	\$107,631,000	\$102,763,445	\$4,867,555	4.5%
Net Revenue Less Debt Service Transfers	\$193,976,765	\$199,607,294	\$5,630,529	2.9%

Quarterly Financial Review June 30, 2019

ILLINOIS TOLLWAY				
PROJECTION vs. UNAUDITED ACTUAL				
Second Quarter Ending June 30, 2019				
	2nd Qtr		Variance	
	Projection	Actual	\$	%
Capital Program				
Tri-State Tollway (I-94/I-294/I-80)	\$100,746,982	\$90,685,021	\$10,061,961	10.0%
Reagan Memorial Tollway (I-88)	26,851,059	28,733,246	(1,882,187)	(7.0%)
Jane Addams Memorial Tollway (I-90)	3,491,087	80,594	3,410,492	97.7%
Veterans Memorial Tollway (I-355)	8,590,915	9,154,062	(563,147)	(6.6%)
Systemwide Improvements	102,106,532	92,810,902	9,295,629	9.1%
Tri-State Tollway (I-294)/I-57 Interchange	4,821,803	730,852	4,090,952	84.8%
Elgin O'Hare Western Access	105,823,814	38,678,953	67,144,861	63.4%
Other Emerging Projects	2,652,474	716,239	1,936,235	73.0%
Move Illinois and CRP Subtotal	\$355,084,666	\$261,589,869	\$93,494,797	26.3%
Agreement Reimbursements and Other Adjustments	-	(836,010)	836,010	-
Total Capital Program Expenditures	\$355,084,666	\$260,753,859	\$94,330,807	26.6%

Quarterly Financial Review June 30, 2019

ILLINOIS TOLLWAY					
BUDGET vs. UNAUDITED ACTUAL					
Year-To-Date June 30, 2019					
		YTD		Variance	
	Budget	Actual	\$	%	
REVENUE					
Toll Revenue and Evasion Recovery	\$716,751,000	\$711,329,234	(\$5,421,766)	(0.8%)	
Concessions	1,000,000	853,214	(146,786)	(14.7%)	
Investment Income	15,000,000	19,909,884	4,909,884	32.7%	
Miscellaneous	4,000,000	3,980,127	(19,873)	(0.5%)	
Total Revenue	\$736,751,000	\$736,072,459	(\$678,541)	(0.1%)	
Maintenance and Operations (M and O) Expenditures					
Payroll and Related Costs	\$85,230,184	\$86,321,787	(\$1,091,603)	(1.3%)	
Group Insurance	19,100,200	15,572,243	3,527,957	18.5%	
Contractual Services	47,508,429	42,993,191	4,515,238	9.5%	
Materials/Operational Supplies/Other Expenses	3,857,351	4,112,843	(255,492)	(6.6%)	
Utilities	4,281,540	4,201,046	80,494	1.9%	
All Other Insurance	5,650,000	5,586,064	63,936	1.1%	
Parts and Fuel	3,068,980	4,218,671	(1,149,691)	(37.5%)	
Equipment/Office Rental and Maintenance	12,057,426	11,789,842	267,584	2.2%	
Other Miscellaneous Expenses	494,295	336,752	157,543	31.9%	
Recovery of Expenses	(1,026,150)	(979,912)	(46,238)	(4.5%)	
Total Maintenance and Operations Expenditures	\$180,222,255	\$174,152,528	\$6,069,727	3.4%	
Net Revenue					
Revenue Less M and O Expenditures	\$556,528,745	\$561,919,931	\$5,391,186	1.0%	
Debt Service Transfers					
Existing Debt	\$211,641,000	\$194,020,453	\$17,620,547	8.3%	
New Debt	3,667,000	-	3,667,000	100.0%	
Total Debt Service Transfers	\$215,308,000	\$194,020,453	\$21,287,547	9.9%	
Net Revenue Less Debt Service (Coverage)	\$341,220,745	\$367,899,478	\$26,678,733	7.8%	

Quarterly Financial Review June 30, 2019

ILLINOIS TOLLWAY				
PROJECTION vs. UNAUDITED ACTUAL				
Year-To-Date June 30, 2019				
	YTD		Variance	
	Projection	Actual	\$	%
Capital Program				
Tri-State Tollway (I-94/I-294/I-80)	\$210,301,585	\$144,172,494	\$66,129,091	31.4%
Reagan Memorial Tollway (I-88)	41,606,988	35,780,526	5,826,462	14.0%
Jane Addams Memorial Tollway (I-90)	6,604,890	3,135,188	3,469,702	52.5%
Veterans Memorial Tollway (I-355)	16,478,986	16,725,139	(246,154)	(1.5%)
Systemwide Improvements	176,284,387	136,190,120	40,094,267	22.7%
Tri-State Tollway (I-294)/I-57 Interchange	6,488,826	1,091,518	5,397,307	83.2%
Elgin O'Hare Western Access	211,647,628	70,328,924	141,318,704	66.8%
Other Emerging Projects	5,177,321	2,925,154	2,252,167	43.5%
Move Illinois and CRP Subtotal	\$674,590,610	\$410,349,064	\$264,241,546	39.2%
Agreement Reimbursements and Other Adjustments	-	(1,406,686)	1,406,686	-
Total Capital Program Expenditures	\$674,590,610	\$408,942,378	\$265,648,232	39.4%

Quarterly Financial Review June 30, 2019

ILLINOIS TOLLWAY			
Percent of Annual Budget Realized (UNAUDITED)			
Year-To-Date June 30, 2019			
	YTD		% Budget
	Budget	Actual	Realized
REVENUE			
Toll Revenue and Evasion Recovery	\$1,470,000,000	\$711,329,234	48.4%
Concessions	2,000,000	853,214	42.7%
Investment Income	30,000,000	19,909,884	66.4%
Miscellaneous	8,000,000	3,980,127	49.8%
Total Revenue	\$1,510,000,000	\$736,072,459	48.7%
Maintenance and Operations (M and O) Expenditures			
Payroll and Related Costs	\$168,292,723	\$86,321,787	51.3%
Group Insurance	39,417,696	15,572,243	39.5%
Contractual Services	96,716,837	42,993,191	44.5%
Materials/Operational Supplies/Other Expenses	7,500,730	4,112,843	54.8%
Utilities	8,894,854	4,201,046	47.2%
All Other Insurance	11,625,985	5,586,064	48.0%
Parts and Fuel	6,892,611	4,218,671	61.2%
Equipment/Office Rental and Maintenance	27,215,453	11,789,842	43.3%
Other Miscellaneous Expenses	1,067,150	336,752	31.6%
Recovery of Expenses	(2,250,500)	(979,912)	43.5%
Total Maintenance and Operations Expenditures	\$365,373,539	\$174,152,528	47.7%
Net Revenue			
Revenue Less M and O Expenditures	\$1,144,626,461	\$561,919,931	49.1%
Debt Service Transfers			
Existing Debt	\$437,033,000	\$194,020,453	44.4%
New Debt	3,667,000	-	-
Total Debt Service Transfers	\$440,700,000	\$194,020,453	44.0%
Net Revenue Less Debt Service Transfers	\$703,926,461	\$367,899,478	52.3%

Quarterly Financial Review June 30, 2019

ILLINOIS TOLLWAY			
Percent of Projection Realized (UNAUDITED)			
Year-To-Date June 30, 2019			
	2019	YTD	% Projection
	Projection	Actual	Realized
Capital Program			
Tri-State Tollway (I-94/I-294/I-80)	\$444,678,735	\$144,172,494	32.4%
Reagan Memorial Tollway (I-88)	66,567,965	35,780,526	53.8%
Jane Addams Memorial Tollway (I-90)	12,624,615	3,135,188	24.8%
Veterans Memorial Tollway (I-355)	23,712,760	16,725,139	70.5%
Systemwide Improvements	397,610,481	136,190,120	34.3%
Tri-State Tollway (I-294)/I-57 Interchange	28,031,519	1,091,518	3.9%
Elgin O'Hare Western Access	423,295,256	70,328,924	16.6%
Other Emerging Projects	10,720,659	2,925,154	27.3%
Move Illinois and CRP Subtotal	\$1,407,241,991	\$410,349,064	29.2%
Agreement Reimbursements and Other Adjustments	-	(1,406,686)	-
Total Capital Program Expenditures	\$1,407,241,991	\$408,942,378	29.1%

Quarterly Financial Review June 30, 2019

ILLINOS TOLLWAY				
2019 Unaudited Actual vs. 2018 Actual				
Second Quarter Ending June 30, 2019				
	2nd Qtr		Variance	
	2018	2019	\$	%
REVENUE				
Toll Revenue and Evasion Recovery	\$366,164,578	\$374,684,803	\$8,520,225	2.3%
Concessions	570,480	446,593	(123,886)	(21.7%)
Investment Income	8,356,833	10,372,035	2,015,202	24.1%
Miscellaneous	2,225,938	2,170,315	(55,623)	(2.5%)
Total Revenue	\$377,317,828	\$387,673,746	\$10,355,918	2.7%
Maintenance and Operations (M and O) Expenditures				
Payroll and Related Costs	\$39,814,501	\$41,960,695	(\$2,146,194)	(5.4%)
Group Insurance	9,481,759	7,109,439	2,372,320	25.0%
Contractual Services	21,329,740	20,668,669	661,071	3.1%
Materials/Operational Supplies/Other Expenses	1,304,633	513,443	791,190	60.6%
Utilities	2,265,573	2,539,925	(274,352)	(12.1%)
All Other Insurance	2,533,901	3,259,486	(725,585)	(28.6%)
Parts and Fuel	1,505,499	2,248,929	(743,430)	(49.4%)
Equipment/Office Rental and Maintenance	7,730,088	7,353,942	376,146	4.9%
Other Miscellaneous Expenses	236,712	138,500	98,211	41.5%
Recovery of Expenses	(624,559)	(490,020)	(134,539)	(21.5%)
Total Maintenance and Operations Expenditures	\$85,577,846	\$85,303,008	\$274,838	0.3%
Net Revenue				
Revenue Less M and O Expenditures	\$291,739,983	\$302,370,739	\$10,630,756	3.6%
Debt Service Transfers				
Existing Debt	\$100,879,453	102,763,445	(\$1,883,992)	(1.9%)
New Debt	-	-	-	-
Total Debt Service Transfers	\$100,879,453	\$102,763,445	(\$1,883,992)	(1.9%)
Net Revenue Less Debt Service Transfers				
Net Revenue Less Debt Service Transfers	\$190,860,530	\$199,607,294	\$8,746,764	4.6%

Quarterly Financial Review June 30, 2019

ILLINOIS TOLLWAY				
2019 Unaudited Actual vs. 2018 Actual				
Second Quarter Ending June 30, 2019				
	2nd Qtr		Variance	
	2018	2019	\$	%
Capital Program				
Tri-State Tollway (I-94/I-294/I-80)	\$37,880,913	\$90,685,021	(\$52,804,108)	(139.4%)
Reagan Memorial Tollway (I-88)	47,234,785	28,733,246	18,501,539	39.2%
Jane Addams Memorial Tollway (I-90)	10,991,466	80,594	10,910,872	99.3%
Veterans Memorial Tollway (I-355)	20,160,218	9,154,062	11,006,156	54.6%
Systemwide Improvements	84,627,065	92,810,902	(8,183,838)	(9.7%)
Tri-State Tollway (I-294)/I-57 Interchange	29,374	730,852	(701,477)	(2388.1%)
Elgin O'Hare Western Access	18,519,585	38,678,953	(20,159,368)	(108.9%)
Other Emerging Projects	1,838,524	716,239	1,122,285	61.0%
Move Illinois and CRP Subtotal	\$221,281,929	\$261,589,869	(\$40,307,940)	(18.2%)
Agreement Reimbursements and Other Adjustments	(1,567,956)	(836,010)	(731,946)	(46.7%)
Total Capital Program Expenditures	\$219,713,973	\$260,753,859	(\$41,039,886)	(18.7%)

Quarterly Financial Review June 30, 2019

ILLINOIS TOLLWAY				
2019 Unaudited Actual vs. 2018 Actual				
Fiscal Year 2019				
	YTD		Variance	
	2018	2019	\$	%
REVENUE				
Toll Revenue and Evasion Recovery	\$698,929,472	\$711,329,234	\$12,399,763	1.8%
Concessions	1,102,259	853,214	(249,044)	(22.6%)
Investment Income	14,536,602	19,909,884	5,373,281	37.0%
Miscellaneous	3,964,313	3,980,127	15,813	0.4%
Total Revenue	\$718,532,646	\$736,072,459	\$17,539,813	2.4%
Maintenance and Operations (M and O) Expenditures				
Payroll and Related Costs	\$81,575,304	\$86,321,787	(\$4,746,483)	(5.8%)
Group Insurance	\$18,879,629	15,572,243	3,307,386	17.5%
Contractual Services	\$41,036,842	42,993,191	(1,956,349)	(4.8%)
Materials/Operational Supplies/Other Expenses	\$3,346,706	4,112,843	(766,137)	(22.9%)
Utilities	\$4,599,757	4,201,046	398,711	8.7%
All Other Insurance	\$5,293,280	5,586,064	(292,785)	(5.5%)
Parts and Fuel	\$2,845,518	4,218,671	(1,373,153)	(48.3%)
Equipment/Office Rental and Maintenance	\$13,745,735	11,789,842	1,955,893	14.2%
Other Miscellaneous Expenses	\$519,015	336,752	182,263	35.1%
Recovery of Expenses	(\$1,238,663)	(979,912)	(258,752)	(20.9%)
Total Maintenance and Operations Expenditures	\$170,603,122	\$174,152,528	(\$3,549,406)	(2.1%)
Net Revenue				
Revenue Less M and O Expenditures	\$547,929,525	\$561,919,931	\$13,990,407	2.6%
Debt Service Transfers				
Existing Debt	\$205,776,968	\$194,020,453	\$11,756,515	5.7%
New Debt	-	-	-	-
Total Debt Service Transfers	\$205,776,968	\$194,020,453	\$11,756,515	5.7%
Net Revenue Less Debt Service (Coverage)	\$342,152,556	\$367,899,478	\$25,746,922	7.5%

Quarterly Financial Review June 30, 2019

ILLINOIS TOLLWAY				
2019 Unaudited Actual vs. 2018 Actual				
Year-To-Date June 30, 2019				
	2018	2019	\$	Variance %
Capital Program				
Tri-State Tollway (I-94/I-294/I-80)	\$62,874,929	\$144,172,494	(\$81,297,565)	(129.3%)
Reagan Memorial Tollway (I-88)	61,500,986	35,780,526	25,720,460	41.8%
Jane Addams Memorial Tollway (I-90)	18,936,585	3,135,188	15,801,397	83.4%
Veterans Memorial Tollway (I-355)	22,511,240	16,725,139	5,786,101	25.7%
Systemwide Improvements	125,019,038	136,190,120	(11,171,082)	(8.9%)
Tri-State Tollway (I-294)/I-57 Interchange	139,185	1,091,518	(952,333)	(684.2%)
Elgin O'Hare Western Access	46,711,112	70,328,924	(23,617,812)	(50.6%)
Other Emerging Projects	3,545,884	2,925,154	620,730	17.5%
Move Illinois & CRP Subtotal	\$341,238,960	\$410,349,064	(\$69,110,104)	(20.3%)
Agreement Reimbursements and Other Adjustments	(8,112,432)	(1,406,686)	(6,705,746)	82.7%
Total Capital Program Expenditures	\$333,126,528	\$408,942,378	(\$75,815,850)	(22.8%)