



2005 Budget Analysis

Preliminary and Unaudited

Quarterly Financial Review

December 31, 2005

(Year-End Estimate)

INTRODUCTION

In December 2004, the Board of Directors adopted an annual budget for 2005. Each quarter, the Finance Department reviews the actual revenues and expenditures against the budget, and presents analysis in this quarterly report to the Board's Audit Committee.

The Original 2005 Tollway Budget adopted in December 2004 included estimated revenues of \$650 million. Subsequently, revenue estimates were revised downward as I-PASS use increased more quickly than anticipated during the early months of 2005. Revised revenue estimates totaling \$630 million were included as the 2005 estimates in the Tentative 2006 Tollway Budget approved in October 2005 and the 2006 Tollway Budget approved in December 2005.

Revenue sources include Toll Revenue and Evasion Recovery, Concessions, Investment Income, and Miscellaneous Income. Toll Revenues are collected from tollway users either by cash or electronic toll collection for users of I-PASS. Evasion Recovery revenues are fines collected from toll violators. Concessions consist of revenues generated from the Tollway's Oases, which provide fuel, food and other conveniences to users of the Tollway. Investment income is primarily interest income on Tollway funds and I-PASS cash escrow accounts. Miscellaneous Income includes revenue from overweight truck fines, rental income from assets such as fiber optic lines, and data towers, and other minor miscellaneous receipts.

Tollway expenditures are divided into three categories: Maintenance and Operations (M&O), Capital, and Debt Service. The M&O budget is \$210.9 million. Capital Expenditures fund the Congestion-Relief Program and are budgeted at \$890.0 million. The Original Debt Service budget of \$120.0 million provided for the payment of principal and interest on bonds issued to finance projects in the Congestion-Relief Plan.

This report provides an analysis of estimated revenues and expenditures through the fourth quarter of fiscal year 2005. The purpose of this analysis is to assess the estimated financial performance of the Tollway relative to the budgeted plan. The report indicates variances from Revised Budget amounts. A favorable variance contributes to a higher fund balance and unfavorable variances would reduce the fund balance. For example, if toll revenues were higher during the quarter than anticipated in the budget; it would be a favorable variance. All figures contained in this report are unaudited, and should be used for informational purposes only. Additionally, some variances may exist between budget and actual line items due to accounting treatments.

OVERVIEW

Through December 31, 2005, the Tollway has generated \$617.9 million of revenue, \$32.1 million less than the original estimate for 2005, but only \$12.1 million less than the revised estimate. Estimated year-end operating expenditures (M&O) total \$205.5 million, or 97.4 percent of the Revised Annual Budget. Capital expenditures total \$589.2 million, or 66.2 percent of annual budget projections. In addition, the Tollway has issued \$770 million of bonds generating \$762 million for the Congestion-Relief Plan.

Fourth quarter revenues are \$147.7 million, or 7.0 percent less than the Revised Budget while M&O expenditures are \$59.8 million, or 4.0 percent below budget for the same period. Capital expenditures are \$291.1 million, or 29.8 percent less than budgeted for the fourth quarter. Fourth quarter debt service expenditures are \$5.3 million or 15 percent below the Original Budget as the 2005 Bonds were issued at lower interest rates than anticipated at the start of the fiscal year.

REVENUES

Revenue from the collection of tolls and evasion recovery total \$595 million for the year 2005, or 2.3 percent less than Revised Budget. The Original 2005 Budget projections reflected a slower ramp-up of I-PASS users than actually experienced during 2005. Wilbur Smith and Associates, Traffic Engineers for the Tollway, have since adjusted the toll revenues to reflect the accelerated ramp-up of I-PASS usage. The adjusted revenue numbers are reflected in this report, as well as in the Annual Toll Revenue Certificate utilized in preparation of the 2006 Budget.

There are seven Oases located along the Tollway system. At the end of year 2006, six are operating at full capacity while one is in the process of redevelopment. Concession revenues total \$2.2 million, \$172 thousand or 8.6 percent above the Revised Budget for the year.

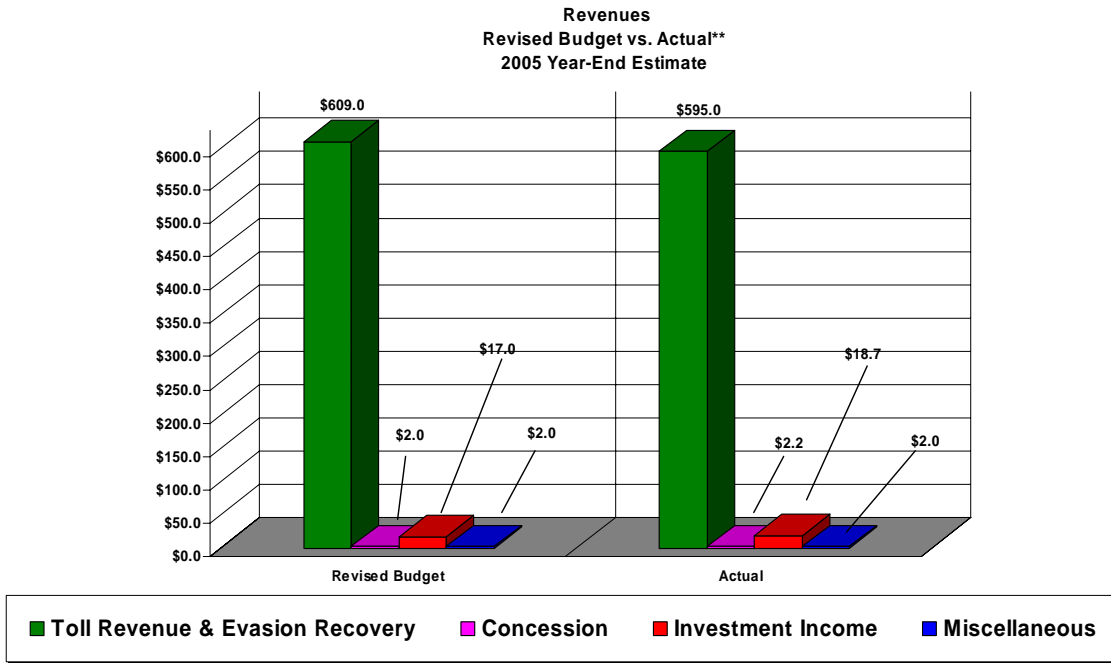
Investment Income for the year total \$18.7 million, or 10.1 percent higher than the Revised Budget. This is the result of an increase in short term interest rates, as well as higher than projected fund balances.

Miscellaneous revenue is \$2.035 million, with a \$35 thousand or a 1.8 percent favorable variance for the year.

Revenues Budget vs. Actual 2005 Year-End Estimate

	Original 2005 Budget	Revised 2005 Budget	12/31/2005 YTD Actual**	Revised Budget Variance (\$)	Revised Budget Variance (%)
RESOURCES					
Toll Revenue & Evasion Recovery	638,000,000	609,000,000	594,968,511	(14,031,489)	-2.3%
Concession	3,000,000	2,000,000	2,172,450	172,450	8.6%
Investment Income	8,000,000	17,000,000	18,724,628	1,724,628	10.1%
Miscellaneous	1,000,000	2,000,000	2,035,136	35,136	1.8%
Total Resources	650,000,000	630,000,000	617,900,725	(12,099,275)	-1.9%

**Includes October and November Actuals, plus Estimated December



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MAINTENANCE AND OPERATIONS EXPENDITURES

The Tollway's M&O budget has a favorable year-end variance of \$5.4 million or 2.6 percent.

Payroll and Employee Benefits have a favorable variance of \$2.7 million or 2.4 percent for the year. The favorable variance has occurred due to lag time in filling vacancies and a decrease in the Tollway's required contribution to the State Employees' Retirement System (SERS).

For 2005, Group Insurance has a favorable variance of \$1.8 million, or 7.3 percent. Other categories with favorable variances include Contractual Services, Materials/Operational Supplies, Employee Development, Equipment/Office Rental & Maintenance, and Parts & Fuel.

Expenditure categories with unfavorable variances include Utilities, Recovery of Expenses, and Workers' Compensation Insurance.

M&O Expenditures
Budget vs. Actual
2005 Year-End Estimate

	Original 2005 Budget	Revised 2005 Budget	12/31/2005 YTD Actual**	Revised Budget Variance (\$)	Revised Budget Variance (%)
Maintenance & Operations*					
Payroll/Employee Benefits	118,248,000	113,039,600	110,370,497	2,669,103	2.4%
Group Insurance	24,094,700	24,272,400	22,499,166	1,773,234	7.3%
Contractual Services	25,170,050	27,036,711	26,441,595	595,116	2.2%
Materials/Oper. Supplies/Other Exp.	16,036,056	17,903,245	17,453,648	449,597	2.5%
Utilities	4,203,200	4,272,200	4,765,551	(493,351)	-11.5%
All Other Insurance	3,659,500	3,659,500	4,180,211	(520,711)	-14.2%
Parts & Fuel	3,788,100	4,849,700	4,548,274	301,426	6.2%
Equipment/Office Rental & Maint.	16,314,300	16,425,520	15,598,571	826,949	5.0%
Employee Development	1,308,500	1,363,530	1,139,743	223,787	16.4%
Recovery of Expenses	(1,912,500)	(1,912,500)	(1,488,405)	(424,095)	-22.2%
Total M&O Expenses	210,909,906	210,909,906	205,508,851	5,401,055	2.6%

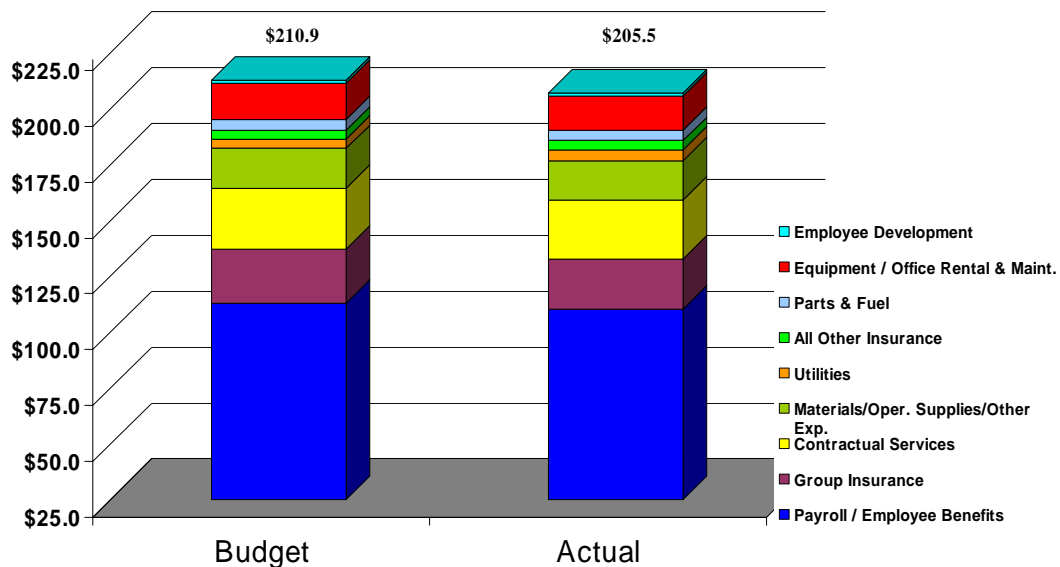
*Revised Budget line-item totals reflect approved transfers

**Includes October and November Actuals, plus Estimated December

*Budgeted line-item totals reflect approved transfers

**Includes October and November Actuals, plus Estimated December

M&O Expenditures
Budget vs. Actual**
2005 Year-End Estimate



**Includes October and November Actuals, plus Estimated December

CONGESTION-RELIEF PLAN

The Capital Expenditures for the Congestion-Relief Plan include Renewal/Replacement expenditures related to maintenance of the existing system, and Improvement

expenditures related to expanded capacity and Open Road Tolling (ORT). In October 2004, the Board approved a comprehensive 10-year capital plan referred to as the Congestion-Relief Plan. The Congestion-Relief Plan includes implementation of Open Road Tolling (ORT), provides for regional growth through the construction of the South Extension of I-355, and facilitates the reconstruction, repair and widening of much of the existing system of tollroads. The Congestion-Relief Plan is budgeted in the following program categories: Congestion Relief, Regional Growth, Fix-It, and System Enhancements, which are detailed below. Also included are other capital expenses to support the Congestion-Relief Plan.

The primary capital expenditures planned for 2005 were budgeted in the Congestion Relief category (\$362 million), which consists of the ORT projects and proximate mainline reconstruction, and the Fix-It category (\$362.5 million), which consists mainly of roadway reconstruction and widening, resurfacing, and bridge repair projects. The Regional Growth category is budgeted at \$73.7 million and includes spending on the I-355 South Extension project. Also included in the capital program, are System Enhancements which include new interchanges, interchange improvements, landscaping and noise reduction projects. The non-roadway capital projects include traffic management, communications equipment, maintenance and roadway equipment, and other miscellaneous projects.

For the year 2005, capital expenditures total \$589 million, or \$301 million less than budget. The variance from budget is attributed in part to schedule changes for work on the South Tri-State Tollway (95th Street to 167th Street). The schedule for this project has changed in order to accommodate local communities' traffic flow, allow for project redesign and repackaging of the bids, and otherwise allow for a more competitive bidding environment. Additionally, schedule changes to ORT and I-355 South Extension projects have contributed to less spending in 2005.

DEBT

Debt Service transfers totaled \$99.4 million for the fiscal year 2005. The Original 2005 Budget anticipated debt service of \$120 million, allowing for as much as \$1 billion in bond issuance, depending on the markets. The Tollway only issued \$770 million in bonds, and the bonds were issued two months later than originally anticipated.

SUMMARY

During the fiscal year 2005, the Tollway's revenues are slightly below the Revised Budget projections by \$12.1 million, or 1.9 percent. However, reductions in debt service payments more than offset the revenue reduction experienced in 2005.

M&O expenditures show a favorable variance at year-end 2005. M&O expenditures are \$5.4 million, or about 2.6 percent below the budgeted amounts, while capital expenditures are \$301 million, or 33.8 percent less than budgeted. The 2006 Tentative Budget presented to the Board of Directors in October 2005 and approved in December 2005, revised the estimated Capital Expenditures for 2005 from \$890 million to \$589 million.

Quarterly Financial Review, December 31, 2005

ILLINOIS TOLLWAY
BUDGET TO ACTUAL REPORT**
For the 4th Quarter Ended December 31, 2005

	4th Qtr Original Budget	4th Qtr Revised Budget	4th Qtr Actual**	Revised Budget Variance (\$)	Revised Budget Variance (%)
RESOURCES					
Toll Revenue & Evasion Recovery	157,154,000	155,226,697	141,195,208	(14,031,489)	-9.0%
Concession	1,325,000	496,030	534,885	38,855	7.8%
Investment Income	2,000,000	2,676,328	5,486,967	2,810,639	105.0%
Miscellaneous	250,000	467,189	502,326	35,137	7.5%
Total Resources	160,729,000	158,866,244	147,719,386	(11,146,858)	-7.0%
ALLOCATIONS					
Maintenance & Operations*					
Payroll/Employee Benefits	29,562,000	26,239,828	27,865,265	(1,625,437)	-6.2%
Group Insurance	6,023,675	7,912,099	6,130,138	1,781,961	22.5%
Contractual Services	6,292,513	12,038,348	10,227,910	1,810,438	15.0%
Materials/Oper. Supplies/Other Exp.	4,009,014	6,148,806	5,864,787	284,019	4.6%
Utilities	1,050,800	1,378,317	1,922,650	(544,333)	-39.5%
All Other Insurance	914,875	1,542,113	1,923,126	(381,013)	-24.7%
Parts & Fuel	947,025	2,242,253	1,733,722	508,531	22.7%
Equipment/Office Rental & Maint.	4,078,575	5,078,251	3,985,388	1,092,863	21.5%
Employee Development	327,125	580,249	378,084	202,165	34.8%
Recovery of Expenses	(478,125)	(888,930)	(252,790)	(636,140)	-71.6%
Total M&O Expenses	52,727,477	62,271,334	59,778,280	2,493,054	4.0%
Capital (Congestion-Relief Plan)					
Fix-It	162,906,556	162,906,556	89,765,541	73,141,015	
Other	19,746,870	19,746,870	18,113,147	1,633,723	
Congestion Relief	188,630,305	188,630,305	59,419,322	129,210,983	
System Enhancements	5,465,853	5,465,853	1,129,653	4,336,200	
Regional Growth	37,882,539	37,882,539	19,150,272	18,732,267	
Accruals not Categorized	-	-	103,500,000	(103,500,000)	
Total Capital Expenses	414,632,123	414,632,123	291,077,935	123,554,188	29.8%
Debt Service					
Previous Debt	19,905,345	19,905,345	19,905,345	0	0.0%
New Debt	15,141,982	9,872,118	9,872,118	0	0.0%
Total Debt Service	35,047,327	29,777,463	29,777,463	0	0.0%
Total Allocations	502,406,927	506,680,920	380,633,678	126,047,242	24.9%

*Revised Budget line-item totals reflect approved transfers

**Includes October and November Actuals, plus Estimated December

Quarterly Financial Review, December 31, 2005

**ILLINOIS TOLLWAY
BUDGET TO ACTUAL REPORT**
For the 4th Quarter YTD Ended December 31, 2005**

	Original 2005 Budget	Revised 2005 Budget	12/31/2005 YTD Actual**	Revised Budget Variance (\$)	Revised Budget Variance (%)
RESOURCES					
Toll Revenue & Evasion Recovery	638,000,000	609,000,000	594,968,511	(14,031,489)	-2.3%
Concession	3,000,000	2,000,000	2,172,450	172,450	8.6%
Investment Income	8,000,000	17,000,000	18,724,628	1,724,628	10.1%
Miscellaneous	1,000,000	2,000,000	2,035,136	35,136	1.8%
Total Resources	650,000,000	630,000,000	617,900,725	(12,099,275)	-1.9%
ALLOCATIONS					
Maintenance & Operations*					
Payroll/Employee Benefits	118,248,000	113,039,600	110,370,497	2,669,103	2.4%
Group Insurance	24,094,700	24,272,400	22,499,166	1,773,234	7.3%
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Materials/Oper. Supplies/Other Exp.	16,036,056	17,903,245	17,453,648	449,597	2.5%
Utilities	4,203,200	4,272,200	4,765,551	(493,351)	-11.5%
All Other Insurance	3,659,500	3,659,500	4,180,211	(520,711)	-14.2%
Parts & Fuel	3,788,100	4,849,700	4,548,274	301,426	6.2%
Equipment/Office Rental & Maint.	16,314,300	16,425,520	15,598,571	826,949	5.0%
Employee Development	1,308,500	1,363,530	1,139,743	223,787	16.4%
Recovery of Expenses	(1,912,500)	(1,912,500)	(1,488,405)	(424,095)	-22.2%
Total M&O Expenses	210,909,906	210,909,906	205,508,851	5,401,055	2.6%
Capital (Congestion-Relief Plan)					
Fix-It	362,539,616	362,539,616	238,699,341	123,840,275	
Other	83,005,443	83,005,443	35,050,174	47,955,269	
Congestion Relief	362,011,073	362,011,073	110,012,496	251,998,577	
System Enhancements	8,743,257	8,743,257	1,624,494	7,118,763	
Regional Growth	73,700,611	73,700,611	33,300,510	40,400,101	
Accruals not Categorized	-	-	170,514,345	(170,514,345)	
Total Capital Expenses	890,000,000	890,000,000	589,201,360	300,798,640	33.8%
Debt Service					
Previous Debt	79,621,380	79,621,380	79,621,380	0	0.0%
New Debt	40,378,618	19,744,236	19,744,236	0	0.0%
Total Debt Service	119,999,998	99,365,616	99,365,616	0	0.0%
Total Allocations	1,220,909,904	1,200,275,522	894,075,827	306,199,695	25.5%

*Revised Budget line-item totals reflect approved transfers

**Includes October and November Actuals, plus Estimated December

Quarterly Financial Review, December 31, 2005

ILLINOIS TOLLWAY
FULL YEAR BUDGET vs. 4TH QUARTER YTD ACTUAL**
For the 4th Quarter YTD Ended December 31, 2005

	Original 2005 Budget	Revised 2005 Budget	12/31/2005 YTD Actual**	12/31/2005 Actual as % of Revised Budget
RESOURCES				
Toll Revenue & Evasion Recovery	638,000,000	609,000,000	594,968,511	97.7%
Concession	3,000,000	2,000,000	2,172,450	108.6%
Investment Income	8,000,000	17,000,000	18,724,628	110.1%
Miscellaneous	1,000,000	2,000,000	2,035,136	101.8%
Total Resources	650,000,000	630,000,000	617,900,725	98.1%
ALLOCATIONS				
Maintenance & Operations*				
Payroll/Employee Benefits	118,248,000	113,039,600	110,370,497	97.6%
Group Insurance	24,094,700	24,272,400	22,499,166	92.7%
Contractual Services	25,170,050	27,036,711	26,441,595	97.8%
Materials/Oper. Supplies/Other Exp.	16,036,056	17,903,245	17,453,648	97.5%
Utilities	4,203,200	4,272,200	4,765,551	111.5%
All Other Insurance	3,659,500	3,659,500	4,180,211	114.2%
Parts & Fuel	3,788,100	4,849,700	4,548,274	93.8%
Equipment/Office Rental & Maint.	16,314,300	16,425,520	15,598,571	95.0%
Employee Development	1,308,500	1,363,530	1,139,743	83.6%
Recovery of Expenses	(1,912,500)	(1,912,500)	(1,488,405)	77.8%
Total M&O Expenses	210,909,906	210,909,906	205,508,851	97.4%
Capital (Congestion-Relief Plan)				
Fix-It	362,539,616	362,539,616	238,699,341	
Other	83,005,443	83,005,443	35,050,174	
Congestion Relief	362,011,073	362,011,073	110,012,496	
System Enhancements	8,743,257	8,743,257	1,624,494	
Regional Growth	73,700,611	73,700,611	33,300,510	
Accruals not Categorized	-	-	170,514,345	
Total Capital Expenses	890,000,000	890,000,000	589,201,360	66.2%
Debt Service				
Previous Debt	79,621,380	79,621,380	79,621,380	100.0%
New Debt	40,378,618	19,744,236	19,744,236	100.0%
Total Debt Service	119,999,998	99,365,616	99,365,616	100.0%
Total Allocations	1,220,909,904	1,200,275,522	894,075,827	N/A

*Revised Budget line-item totals reflect approved transfers

**Includes October and November Actuals, plus Estimated December