



2014 Budget Analysis

*(Unaudited)*

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Quarterly Financial Review

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July 1 – September 30, 2014

*Quarterly Financial Review September 30, 2014*

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## **INTRODUCTION**

In December 2013, the Tollway Board of Directors adopted the annual budget for 2014. 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.

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.

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.
- 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 2014. The purpose of this analysis is to assess the actual financial performance of the Tollway relative to the 2014 Budget. The report indicates variances from budgeted amounts. A favorable variance contributes to a higher fund balance, while an unfavorable variance reduces the fund balance.

During preparation of the 2015 Tentative Budget in October 2014, the Tollway revised the original 2014 capital program budget projection downward by \$249 million, from \$1,435 million to \$1,187 million.

**Analysis for the Capital Program for this report compares actual expenditures to the original budget adopted by the Tollway Board of Directors in December 2013.**

***All figures contained in this report are preliminary and unaudited and should be used for informational purposes only.***

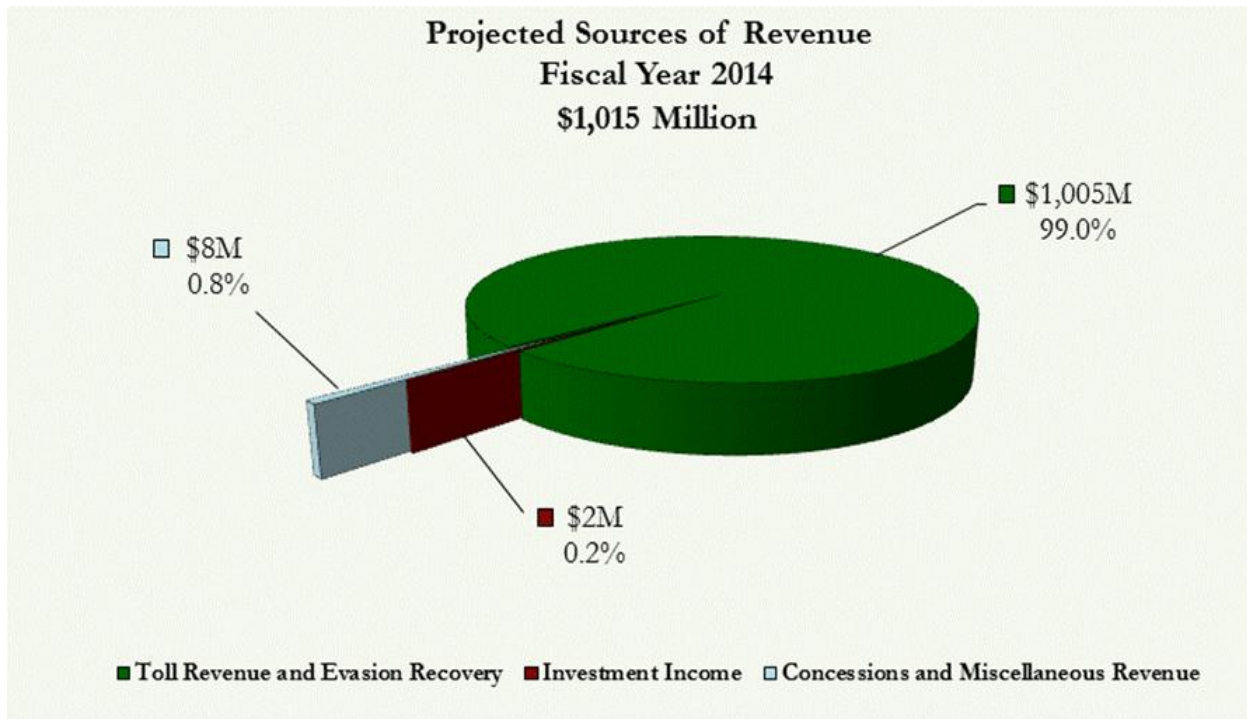
## BUDGET SUMMARY

### Introduction

The Illinois Tollway Board of Directors on August 25, 2011, adopted the 15-year, \$12 billion capital program, *Move Illinois: The Illinois Tollway Driving the Future*, funded by bonds, and toll revenue including additional revenue generated through a toll rate increase for passenger vehicles in 2012 and previously approved increases for commercial vehicles beginning in 2015. The 2014 Budget, approved by the Board of Directors in December 2013, includes the maintenance and operations budget, debt service transfers and capital budget in support of the third year of the *Move Illinois* Program.

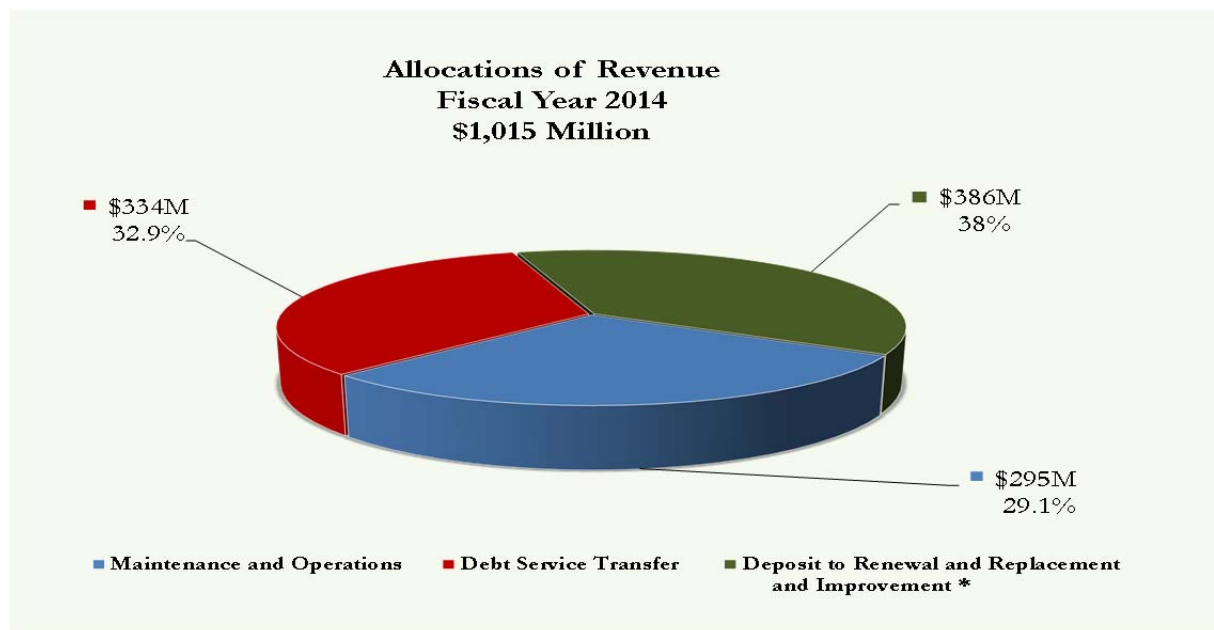
### Budgeted Revenue 2014

The 2014 budget estimates annual revenue totaling \$1,015 million, including \$1,005 million from toll revenue and evasion recovery, \$2 million from investment income and \$8 million from concessions revenue and miscellaneous income.



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The Tollway's 2014 budget allocates \$295 million for maintenance and operations expenses, \$334 million for debt service transfers and \$386 million for the *Move Illinois* and Congestion-Relief programs and other non-roadway capital investments (deposits to the renewal/replacement and improvement accounts).



During the 2015 Tentative Budget preparation in October 2014, the Tollway revised the 2014 revenue estimates from \$1,015 million to \$1,022 million, and the 2014 Capital Program projections were revised downward from \$1,435 million to \$1,187 million. In addition, the Tollway Board of Directors approved a 2014 operating budget supplement of \$3.5 million for winter-related payroll, materials and fuel,

Please refer to the table below for the 2014 revised revenue sources and allocations.

<b>2014 Revenue Sources and Allocations</b>		
<b>SOURCES OF REVENUE</b>		
	(\$ millions)	
	2014 Budget	2014 October Estimate
Toll Revenue and Evasion Recovery	\$1,005	\$1,012
Investment Income	2	1
Concessions Revenue and Miscellaneous Income	8	9
<b>Total Revenue</b>	<b>\$1,015</b>	<b>\$1,022</b>
<b>ALLOCATIONS OF REVENUE</b>		
	(\$ millions)	
	2014 Budget	2014 October Estimate
Maintenance and Operations	\$295	\$299
<i>Funds available from prior year</i>	0	(6)
Debt Service Transfers	334	313
Deposits to Renewal/Replacement and Improvement	386	416
<b>Total Allocations</b>	<b>\$1,015</b>	<b>\$1,022</b>

## Third QUARTER RESULTS SUMMARY

### Revenue

Revenue for the third quarter 2014 totaled \$280.2 million, and was \$7.8 million more than budgeted. Toll and evasion recovery revenue totaled \$276.8 million. Concessions, investment and miscellaneous revenue totaled \$3.4 million.

Revenue through September 30, 2014 totaled \$773.1 million, and comprised 76.2 percent of the \$1,015 million annual revenue budget. Toll and evasion recovery revenue totaled \$762.7 million. Concessions, investment and miscellaneous revenue totaled \$10.4 million through the third quarter.

### Expenditures

Third quarter operating expenditures totaled \$73.4 million, and \$76 thousand more than budget. Operating expenditures through September 30 totaled \$214.7 million, and comprised 72.7 percent of the \$295 million original 2014 budget.

Debt service transfers for the third quarter totaled \$82.1 million, and were \$2.3 million less than budget. Debt service transfers through the first three quarters of 2014 totaled \$231 million, and comprised 69.2 percent of the \$334 million annual budget.

Third quarter capital program expenditures totaled \$393.8 million compared to the budget projection of \$514.7 million. These capital expenditures included \$387.2 million for the *Move Illinois* Program and the Congestion-Relief Program, and \$14.9 million for other capital projects. Intergovernmental agreement (IGA) reimbursements for work performed in prior and current periods and other adjustments reduced third quarter expenses by \$8.2 million.

Capital program expenditures through September 30 totaled \$816.4 million. *Move Illinois* Program and Congestion-Relief Program expenses totaled \$790.7 million, other capital projects totaled \$38.5 million and IGA reimbursements and other adjustments reduced year-to-date expenses by \$12.8 million.

### Outlook

As the economy continues to show signs of recovery, strong second and third quarter revenue and transaction results provided offsets to the severe winter weather impact of the first quarter. The 2015 Tentative Budget, approved by the Tollway Board of Directors in October 2014, revised the 2014 revenue estimates upward by \$7 million. With improved economic conditions and stable fuel prices, the Tollway expects revenue to meet the revised revenue projections for the remainder of the year and will continue to monitor external factors and their impact on revenue.

Maintenance and operations expenses were under budget through the first three quarters of 2014 due to slower spending for contractual services, equipment maintenance and operational materials/supplies, partially offset by greater expenses for parts/fuel, utilities and personnel costs that resulted from the severe weather during the first quarter.

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For fiscal year 2014, winter-related payroll, materials, parts and fuel costs are expected to exceed amounts originally budgeted for 2014. In October, the Tollway Board of Directors approved a supplement of \$3.5 million to the operating budget. The Tollway will continue to monitor payroll/related costs and vacancies, as well as other categories that are sensitive to price and quantity fluctuations including fuels, utilities and roadway materials.

Capital program expenditures through September 30 were lower than projected mainly due to schedule changes and project cost savings.

## REVENUE SUMMARY

**Budget vs. Unaudited Actual**  
**Third Quarter 2014**  
(\$ thousands)

	3rd Qtr		Variance	
	Budget	Actual	\$	%
Toll Revenue and Evasion Recovery	\$269,814	\$276,841	\$7,027	2.6%
Concessions	560	542	(18)	-3.2%
Investment Income	500	333	(167)	-33.4%
Miscellaneous	1,569	2,509	940	59.9%
<b>Total Revenue</b>	<b>\$272,443</b>	<b>\$280,225</b>	<b>\$7,782</b>	<b>2.9%</b>

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

**Budget vs. Unaudited Actual**  
**Year-To-Date September 30, 2014**  
(\$ thousands)

	YTD		Variance	
	Budget	Actual	\$	%
Toll Revenue and Evasion Recovery	\$756,271	\$762,724	\$6,453	0.9%
Concessions	1,642	1,602	(40)	-2.4%
Investment Income	1,500	660	(840)	-56.0%
Miscellaneous	4,251	8,103	3,852	90.6%
<b>Total Revenue</b>	<b>\$763,664</b>	<b>\$773,089</b>	<b>\$9,425</b>	<b>1.2%</b>

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

### Analysis

Revenue for the third quarter 2014 totaled \$280.2 million, \$7.8 million more than budgeted for the period.

Toll and evasion recovery revenue were \$7 million more than projected for the third quarter.

Toll transactions for the third quarter for all vehicle classes grew 2.8 percent compared to the same period in 2013 and 0.6 percent higher than the 2014 projection for the quarter. Passenger vehicle transactions grew 2.4 percent from third quarter 2013 and 0.4 percent higher than the 2014 projection for the quarter. Commercial vehicle transactions grew 6.1 percent compared to third quarter 2013 and 2.5 percent greater than the 2014 projection for the quarter.

Concession revenue for the third quarter totaled \$542 thousand which tracked close to budget. Investment income totaled \$333 thousand, and \$167 thousand less than budget due to continued low short-term interest rate environment. Miscellaneous income totaled \$2.5 million.



## MAINTENANCE AND OPERATIONS SUMMARY

### Budget vs. Unaudited Actual Third Quarter 2014

(\$ thousands)

	3rd Qtr		Variance	
	Budget	Actual	\$	%
Payroll and Related Costs	\$39,161	\$39,704	(\$543)	-1.4%
Group Insurance	7,134	7,832	(698)	-9.8%
Contractual Services	16,762	14,770	1,992	11.9%
Materials/Operational Supplies/Other Expenses	860	902	(41)	-4.8%
Utilities	1,420	2,012	(592)	-41.7%
All Other Insurance	2,725	3,130	(405)	-14.9%
Parts and Fuel	1,805	1,925	(121)	-6.7%
Equipment/Office Rental and Maintenance	3,824	3,601	223	5.8%
Other Miscellaneous Expenses	217	122	95	43.9%
Recovery of Expenses	(592)	(604)	13	2.2%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$73,316</b>	<b>\$73,393</b>	<b>(\$76)</b>	<b>-0.1%</b>

Note:

1. Positive variance indicates lower than estimate, while negative variance indicates higher than estimate.
2. Numbers may not add to totals due to rounding.

### Budget vs. Unaudited Actual Year-To-Date September 30, 2014

(\$ thousands)

	YTD		Variance	
	Budget	Actual	\$	%
Payroll and Related Costs	\$119,058	\$119,813	(\$755)	-0.6%
Group Insurance	22,099	22,257	(158)	-0.7%
Contractual Services	42,660	39,771	2,889	6.8%
Materials/Operational Supplies/Other Expenses	4,323	3,944	379	8.8%
Utilities	4,279	5,111	(831)	-19.4%
All Other Insurance	7,874	8,124	(249)	-3.2%
Parts and Fuel	4,483	5,779	(1,296)	-28.9%
Equipment/Office Rental and Maintenance	11,929	11,400	529	4.4%
Other Miscellaneous Expenses	818	503	315	38.5%
Recovery of Expenses	(1,921)	(2,044)	123	6.4%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$215,602</b>	<b>\$214,657</b>	<b>\$945</b>	<b>0.4%</b>

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

## Analysis

The Tollway's 2014 third quarter operating expenditures totaled \$73.4 million, representing an unfavorable variance of \$76 thousand. The third quarter year-to-date expenditures comprise 72.7 percent of the \$295 million original annual maintenance and operations budget.

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The variances to budget during the third quarter of 2014 are explained below:

**Payroll and related costs** for the third quarter totaled \$39.7 million, \$543 thousand over budget. This unfavorable variance was due to an accrual for a collective bargaining agreement as well as overtime for mechanics involved in the preparation of fleet vehicles for the coming winter. The third quarter year-to-date variance was \$755 thousand over budget.

**Group insurance** totaled \$7.8 million during the third quarter, \$698 thousand over budget. State Police group insurance was \$602 thousand over budget due to timing of billings/payments.

**Contractual services** for the third quarter totaled \$14.8 million, \$2.0 million under budget. The favorable variance is attributable to re-categorizing some operating costs to capital expenses and the timing of expenditures for consulting/outside services in the areas of Engineering/Planning, Information Technology, Enterprise Resource Planning (ERP), Diversity and credit card fees. This was partially offset by increased expenditures for the Customer Service Call Center during the third quarter.

**Materials/operational supplies/other expenses** totaled \$902 thousand during the third quarter, \$41 thousand over budget.

**Utilities**, which include electricity, natural gas, water and telephone expenses, totaled \$2.0 million, \$592 thousand over budget for the third quarter. The negative variance was due to rate increases for electricity combined with added locations, amounting to \$558 thousand. In addition, telephone was over budget by \$34 thousand.

**All other insurance** expenses totaled \$3.1 million, \$405 thousand over the third quarter budget. This category includes expenses for property and liability insurance as well as amounts allocated to the workers' compensation claim fund. Property and liability insurance was \$173 thousand under budget while workers' compensation insurance was \$578 thousand over budget.

**Parts and fuel** expenses totaled \$1.9 million, \$121 thousand over the third quarter budget. This unfavorable variance is attributable to the ongoing replenishment of fuel supplies that were depleted during the past winter. In addition, plow blades were restocked in anticipation of the approaching winter.

**Equipment/office rental and maintenance** expenditures totaled \$3.6 million during the third quarter, \$223 thousand under budget. This favorable variance is due to reduced maintenance expenditures for electronic tolling equipment as well as Traffic Operations software maintenance.

**Other Miscellaneous Expenses** totaled \$122 thousand, \$95 thousand under the third quarter budget. This cost category includes travel, training, dues, books, subscriptions, uniforms and accessories. This favorable variance occurred in travel, uniforms and accessories.

**Recovery of expenses** totaled \$604 thousand, a \$13 thousand favorable variance in comparison to budget. This category includes reimbursement for services (ambulances or fire trucks) or damage to Tollway property caused by others.

**Budget Transfers**

Budget to actual comparisons in this analysis are based on the original 2014 maintenance and operations budget adopted by the Tollway Board of Directors in December 2013. During the budget year, management approves transfers from accounts that incur surpluses to those requiring additional funds due to shortfalls. These transfers do not change the total dollar amount of the 2014 maintenance and operations budget.

In October 2014, the Tollway Board approved a supplemental increase of \$3.5 million to the original Engineering budget for winter-related payroll, materials and fuel. This increase will be included in the 2014 fourth quarter maintenance and operations budget.

## 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
- (iv) Costs related to bond credit/liquidity agreements, bond remarketing agreements and bond ratings

For 2014, the Tollway budgeted \$333.9 million for transfers from the Revenue Account to the Debt Service Account to provide for these payments. That budgeted amount assumed 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.

Following are unaudited quarterly results through September 30, 2014 with comparisons to budget.

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

	Budget	Actual	Variance \$	%
Debt Service Transfers – 1 <sup>st</sup> Qtr	\$78,778	\$75,851	\$2,926	3.7%
Debt Service Transfers – 2 <sup>nd</sup> Qtr	\$82,528	\$73,023	\$9,504	11.5%
Debt Service Transfers – 3 <sup>rd</sup> Qtr	\$84,402	\$82,117	\$2,285	2.7%
Debt Service Transfers - YTD Sep 30, 2014	\$245,708	\$230,992	\$14,716	6.0%

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

	Annual Budget	YTD Actual	Realized
Debt Service Transfers	\$333,860	\$230,992	69.2%

### Analysis

The primary contributor to the favorable variance of \$14.7 million year-to-date is assumed interest expense on new money bonds that did not materialize because the new money bonds were issued later than anticipated. While the Tollway budgeted for new money bond issuance of \$450 million on March 1, 2014 and \$450 million on September 1, 2014, the Tollway’s actual new money bond issuance was \$500 million on June 4, 2014 and \$400 million on December 4, 2014. This later new money bond issuance during the first nine months of 2014 accounted for \$6.9 million of the year-to-date favorable variance.

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Other contributors to the year-to-date favorable variance and contributors to the third quarter favorable variance were: an unrealized provision for additional debt service resulting from refunding synthetic fixed rate bonds and/or incurring variable bond interest in excess of variable swap receipts; reduced debt service from refunding a portion of the Tollway's Series 2005A Bonds; reduced costs of credit/liquidity facilities supporting variable rate bonds; and favorable variances related to the timing of monthly transfers for debt service for the Series 2007A and 2008A synthetic fixed 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 September 30, 2014. The four swap agreements related to the Series 2007A Bonds were originally entered into as forward agreements in September 2005, and became effective upon the closing of the Series 2007A Bonds on November 1, 2007. The three swap agreements related to the Series 2008A Bonds were originally entered into in December 2007, and became effective upon the closing of the Series 2008A Bonds on February 7, 2008.

The Illinois State Toll Highway Authority						
Swap Portfolio as of September 30, 2014						
(Note: Valuations are net of accrued interest.)						
(\$ thousands)						
Series	Provider	Notional Amount	Fixed Rate Paid	Variable Rate Rec'd	Maturity	Valuation
1998 SERIES B	Goldman Sachs Mitsui Marine	67,705	4.3250%	Actual	1/1/2017	(4,668)
1998 SERIES B	JP Morgan Chase Bank*	55,395	4.3250%	Actual	1/1/2017	(3,819)
<b>1998 SERIES B TOTAL</b>		<b>\$123,100</b>				<b>(\$8,487)</b>
2007 SERIES A-1	Citibank N.A., New York	175,000	3.9720%	SIFMA	7/1/2030	(\$30,991)
2007 SERIES A-1	Goldman Sachs Bank USA	175,000	3.9720%	SIFMA	7/1/2030	(\$30,991)
<b>2007 SERIES A-1 TOTAL</b>		<b>\$350,000</b>				<b>(\$61,982)</b>
2007 SERIES A-2	Bank of America, N.A.	262,500	3.9925%	SIFMA	7/1/2030	(\$47,091)
2007 SERIES A-2	Wells Fargo Bank**	87,500	3.9925%	SIFMA	7/1/2030	(\$15,697)
<b>2007 SERIES A-2 TOTAL</b>		<b>\$350,000</b>				<b>(\$62,788)</b>
2008 SERIES A-1	The Bank of New York	191,550	3.7740%	SIFMA	1/1/2031	(\$29,868)
2008 SERIES A-1	Deutsche Bank AG, New York Branch	191,550	3.7740%	SIFMA	1/1/2031	(\$29,868)
<b>2008 SERIES A-1 TOTAL</b>		<b>\$383,100</b>				<b>(\$59,736)</b>
2008 SERIES A-2	Bank of America, N.A.***	95,775	3.7640%	SIFMA	1/1/2031	(\$14,828)
<b>2008 SERIES A-2 TOTAL</b>		<b>\$95,775</b>				<b>(\$14,828)</b>
<b>TOTAL</b>		<b>\$1,301,975</b>				<b>(\$207,821)</b>

NOTE: 1998B swaps are valued assuming the receipt of SIFMA+8bp, as an approximation of the valuation of these actual-bond-rate swaps.

\* Originally Bear Stearns Financial Products; novated to JP Morgan Chase Bank in May 2009.

\*\* Originally Wachovia Bank, N.A.; acquired by Wells Fargo in December 2008; name changed in March 2010.

\*\*\* Originally Merrill Lynch Capital Services, Inc.; Bank of America acquired Merrill Lynch in December 2008; swap novated to Bank of America, N.A. in October 2011.

Mark-to-market valuations of the Tollway's swap agreements typically decline in value (from the Tollway's perspective) when interest rates decline and increase in value when interest rates increase. To the extent any negative valuation of the Tollway's derivatives were to become realized by a swap agreement termination, it is possible (although not certain) that such a realized loss might be mitigated by a lower cost of capital expected to be available in that lower-interest rate market.

## CAPITAL PROGRAM SUMMARY

### Capital Budget 2014

The majority of the expenditures for the capital program are for major capital renewal or repair projects and for improvements made 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 newest program, *Move Illinois: The Illinois Tollway Driving the Future*, 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 \$12 billion. The fiscal year 2014 Capital Budget allocates \$1,135.7 million to fund the third year of the *Move Illinois* Program.

The second program is the Congestion-Relief Program (CRP). The 12-year Congestion-Relief Program, which began in 2005 and will be completed by 2016, is currently estimated at \$5.7 billion. The fiscal year 2014 Capital Budget allocates \$244.7 million to fund the 10th year of the CRP. Additionally, the fiscal year 2014 Capital Budget allocates approximately \$55 million to fund "other" capital projects to support ongoing operations of the Tollway.

### 2014 Approved Budget (\$ millions)

	Approved Budget
Tri-State Tollway (I-94/I-294/I-80)	\$9.4
Reagan Memorial Tollway (I-88)	10.6
Jane Addams Memorial Tollway (I-90)	729.2
Veterans Memorial Tollway (I-355)	10.2
Open Road Tolling (ORT)	4.0
Systemwide Improvements	249.2
Tri-State Tollway (I-294/I-57) Interchange	80.1
Elgin O'Hare Western Access	282.8
Illinois Route 53/120/Other Planning Studies	5.0
<b>Move Illinois and CRP Subtotal</b>	<b>\$1,380.4</b>
Other Capital Projects	55.0
<b>Capital Program Subtotal</b>	<b>\$1,435.4</b>
Intergovernmental Agreement Reimbursements	-
<b>Total Capital Program</b>	<b>\$1,435.4</b>

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

## Revised Estimate 2014

Revisions to expenditure projections are made during the course of the year. During preparation of the 2015 Tentative Budget, in October 2014, the Tollway revised the estimates for the 2014 capital program downward from \$1,435 million to \$1,187 million.

For the purpose of the third quarter 2014 review, the capital program actual expenditures are compared to the original budget approved at the December 2013 Board meeting.

## Allocation of Capital Budget 2014

### CORRIDOR

### 2014 Budget

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

**\$9.5 Million**

The *Move Illinois* Program capital budget for the Tri-State Tollway corridor is \$3.7 million which entails ramp reconstruction, as well as utilities/right-of-way support throughout the corridor.

The CRP budget for the Tri-State Tollway corridor is \$5.8 million to complete the right-of-way acquisitions for the new I-294/I-57 Interchange that is being constructed under *Move Illinois*.

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

**\$10.6 Million**

The 2014 budget of \$3.5 million for this corridor is for design work for roadway reconstruction east of York Road, both on the connector road to the Tri-State Tollway (I-294) and the east segment ending at I-290, as well as to complete the ramp reconstruction at York Road, Spring Road and Highland Avenue along with various utility relocations.

The CRP budget allocates \$7.1 million to design the resurfacing between Illinois Route 251 and U.S. Route 30.

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

**\$729.2 Million**

The *Move Illinois* Program budget allocates \$593 million to rebuild and widen the westbound section from Mill Road to the Elgin Toll Plaza (Plaza 9), including several mainline bridges. In advance of mainline rebuilding and widening the east section from the Elgin Toll Plaza to the Tri-State Tollway (I-294), retaining wall and noisewall installation will begin in 2014. Construction will begin on interchange improvements at Lee Street, bridge reconstruction will occur at Meacham Road and Bartlett Road along with bridge and ramp reconstruction at Illinois Route 25. The budget will also fund multi-year bridge reconstruction projects at Barrington Road, Higgins Road, Roselle Road and the Fox River Bridge, as well as wetland mitigation efforts, intelligent transportation system (ITS) equipment relocations and advanced ramp toll plaza modifications at I-290/Illinois Route 53 (Plaza 15A) and Arlington Heights Road (Plaza 18). Right-of-way acquisition efforts will continue in anticipation of mainline reconstruction and widening to begin in 2015. Utility relocations will also be critical work ahead of the mainline.

The CRP budget of \$136.2 million for this corridor is required for the first year of reconstruction and widening from I-294 to the Elgin Toll Plaza, including retaining wall and noisewall installation from I-294 to Illinois Route 53.

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

**\$10.2 Million**

The *Move Illinois* Program capital budget for this corridor is \$9.2 million to complete the pavement resurfacing from I-55 to Army Trail Road.



The CRP budget for this corridor is \$933 thousand, mainly to fund the southbound resurfacing and widening from 71<sup>st</sup> Street to 75<sup>th</sup> Street.

**Open Road Tolling**

**\$4 Million**

The 2014 Capital Budget allocates \$4 million for upgrades and enhancement for the Tollway's electronic toll collection equipment - Traffic Revenue Management and Maintenance Project (TRMMP).

**Systemwide**

**\$249.2 Million**

The *Move Illinois* Program capital budget allocates \$158.4 million on systemwide improvements, including bridge, pavement and safety improvements; toll collection and IT related projects; maintenance facility upgrades, which includes the reconstruction of the (M-1) maintenance site in Alsip; and to close-out the construction of the interchange at the Jane Addams Memorial Tollway (I-90) and Illinois Route 47. Additionally, funds will be spent on program support activities, including support staff, project management, materials, engineering and land acquisition support services.

The CRP budget allocates \$90.8 million for systemwide improvements including pavement improvements to ensure the integrity of the system, bridge improvements and environmental projects, landscaping, program management and other related projects.

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

**\$80.1 Million**

The budget for this corridor is \$80.1 million to complete the first phase of construction of a new interchange at the Tri-State Tollway (I-294) and I-57, allowing movements from northbound I-57 to I-294 and from I-294 to southbound I-57, as well as a new access to 147<sup>th</sup> Street from I-294. In addition, construction will continue of a new flyover ramp from northbound I-57 to northbound I-294 and a new ramp from southbound I-294 to southbound I-57.

**Elgin O'Hare Western Access Project**

**\$282.8 Million**

The 2014 budget for this corridor will fund the final design services for the I-290 Interchange, as well as construction for the lane widening west of Meacham Road to Irving Park Road, completion of the noisewalls east of Roselle Road to Plum Grove Road, start of construction of the I-290 Interchange, new bridges at the Elmhurst Road Interchange at I-90 and advance construction work from Arlington Heights Road to Illinois Route 83. Tolling facilities costs have been included in the corresponding construction packages for each project. Also included in the budget is funding for a number of right-of-way land purchases along the corridor and utility relocations to support future construction.

**Illinois Route 53/120 Project/Other Planning Studies**

**\$5.0 Million**

The 2014 budget for this corridor will fund feasibility and planning studies for the Illinois Route 53/120 Project into Lake County and other planning studies.

**Other Capital Projects**

**\$55 Million**

In addition to the *Move Illinois* and CRP, other projects are needed to support ongoing operations of the Tollway and to ensure that the existing roadway network is maintained and safe for travel. While the *Move Illinois* and CRP are the major components of the Tollway's capital program, other elements include new technologies to manage congestion, reduce travel times and provide enhanced customer service, improvements to maintenance buildings and other structures to maintain Tollway assets and additional equipment for the Illinois State Police District 15 and maintenance staff to improve efficiency and enhance public safety.

## Capital Program Expenditures

### Projection vs. Unaudited Actual Third Quarter 2014

(\$ thousands)

	3rd Qtr		Variance	
	Projection	Actual <sup>(1)</sup>	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$905	\$73	\$833	92.0%
Reagan Memorial Tollway (I-88)	2,670	4,547	(1,877)	-70.3%
Jane Addams Memorial Tollway (I-90)	264,986	232,107	32,879	12.4%
Veterans Memorial Tollway (I-355)	633	805	(172)	-27.1%
Open Road Tolling (ORT)	1,612	860	752	46.7%
Systemwide Improvements	101,570	57,766	43,804	43.1%
Tri-State Tollway (I-294)/I-57 Interchange	24,740	17,638	7,101	28.7%
Elgin O'Hare Western Access	102,557	72,875	29,681	28.9%
Illinois Route 53/120/Other Planning Studies	1,286	480	806	62.7%
Move Illinois and CRP Subtotal	\$500,959	\$387,151	\$113,807	22.7%
"Other" Capital Projects	13,750	14,853	(1,103)	-8.0%
Capital Program Subtotal	\$514,709	\$402,004	\$112,704	21.9%
Intergovernmental Agreements Reimbursement and Other Adjustments <sup>(2)</sup>	-	(8,224)	8,224	N/A
<b>Total Capital Program Expenditures</b>	<b>\$514,709</b>	<b>\$393,781</b>	<b>\$120,928</b>	<b>23.5%</b>

<sup>(1)</sup> Capital Program Actual included accrued expenses for which payments have not been made as of September 30, 2014.

<sup>(2)</sup> Intergovernmental Agreement Reimbursements were for work performed in prior periods.

### Projection vs. Unaudited Actual Year-to-Date 2014

(\$ thousands)

	YTD		Variance	
	Projection	Actual <sup>(1)</sup>	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$8,672	\$3,582	\$5,090	58.7%
Reagan Memorial Tollway (I-88)	7,908	9,492	(1,584)	-20.0%
Jane Addams Memorial Tollway (I-90)	542,172	455,502	86,669	16.0%
Veterans Memorial Tollway (I-355)	9,803	2,276	7,527	76.8%
Open Road Tolling (ORT)	3,580	1,292	2,288	63.9%
Systemwide Improvements	196,806	116,907	79,899	40.6%
Tri-State Tollway (I-294)/I-57 Interchange	68,383	34,870	33,513	49.0%
Elgin O'Hare Western Access	184,794	165,648	19,146	10.4%
Illinois Route 53/120/Other Planning Studies	3,800	1,119	2,682	70.6%
Move Illinois and CRP Subtotal	\$1,025,917	\$790,688	\$235,230	22.9%
"Other" Capital Projects	38,500	38,493	7	0.0%
Capital Program Subtotal	\$1,064,417	\$829,181	\$235,236	22.1%
Intergovernmental Agreement Reimbursements and Other Adjustments <sup>(2)</sup>	-	(12,766)	12,766	N/A
<b>Total Capital Program Expenditures</b>	<b>\$1,064,417</b>	<b>\$816,415</b>	<b>\$248,003</b>	<b>23.3%</b>

<sup>(1)</sup> Capital Program Actual included accrued expenses for which payments have not been made as of September 30, 2014.

<sup>(2)</sup> Intergovernmental Agreement Reimbursements were for work performed in prior periods.

## Analysis

Capital program expenditures are reported on an accrual basis. For the quarter ending September 30, 2014, unaudited capital program expenditures totaled \$393.8 million. This amount included expenses paid during the third quarter, as well as \$199.8 million of work completed during the quarter and/or in prior periods for which payments have not been made as of September 30, 2014. *Move Illinois* and CRP expenditures totaled \$387.2 million and other capital project expenditures totaled \$14.9 million. In addition, other adjustments made during the quarter reduced third quarter expenses by \$8.2 million.

The third quarter favorable variance of \$120.9 million for the capital program can be attributed to:

- Schedule changes – an estimated \$74.7 million
- Savings/lower cost of construction – an estimated \$38 million
- IGA reimbursements and other adjustments – \$8.2 million

## CORRIDOR

## 2014 Third Quarter Expenditures

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

**\$73 thousand**

During the third quarter, closeout efforts continued for ramp reconstruction at I-55, I-90/I-190/River Road, U.S. Route 20/Lake Street and Illinois Route 120 (Belvidere Road) and rehabilitation from 95<sup>th</sup> Street to Balmoral Avenue.

The favorable variance of \$833 thousand is attributed to contract balancing for closeout.

### **The Reagan Memorial Tollway**

**\$4.5 million**

During the third quarter, design continued for roadway resurfacing in the west from U.S. Route 30 to Illinois Route 251 as well as the east from York Road to I-290 and the connector ramps to I-294. Diamond grinding pavement improvements also continued from Illinois Route 25 to Illinois Route 59.

The unfavorable variance of \$1.9 million was due to accelerated design efforts on three contracts, as well as the acceleration of the diamond grinding pavement improvement project.

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

**\$232.1 million**

Rebuilding and widening along the western segment from Mill Road to Elgin Toll Plaza (Plaza 9) continued in the westbound lanes in anticipation of opening all lanes to traffic early in the fourth quarter. Bridge reconstruction continued at U.S. Route 20, the Kishwaukee River and several local crossroads. Construction continued at Irene Road for an eastbound entrance ramp. Installation of an intermediate power distribution system began that will provide power for corridor lighting and ITS equipment. Interchange improvements also began at Genoa Road.

Construction of retaining walls and noise walls in advance of mainline rebuilding and widening continued on the eastern segment from Elgin Toll Plaza (Plaza 9) to the Tri-State Tollway (I-294). Reconstruction of the westbound lanes between the Kennedy Expressway and the Tri-State Tollway (I-294) also continued. Interchange improvements were ongoing at Lee Street. Multi-year bridge reconstruction contracts continued at Higgins Road and the Fox River, as well as bridge reconstruction at Illinois Route 25, Bartlett Road, Barrington Road, Meacham Road,

and Roselle Road. Right-of-way acquisition and utility and fiber optic relocation efforts have continued.

The favorable variance of \$32.9 million for this corridor was due in large part to \$36.5 million in bid savings for the westbound contracts from Mill Road to the Elgin Toll Plaza, retaining wall and noise wall contracts from Elgin Toll Plaza to the Kennedy Expressway and several mainline and local crossroad bridges. Later construction starts representing \$3.0 million, primarily the Northwest Suburban Municipal Joint Action Water Agency (NSMJAWA) water main relocation west of Roselle Road to Elmhurst Road, as well as timing of \$3.7 million in utility payments added to the favorable variance.

This favorable spending variance was partially offset by accelerated spending on continuing design contracts representing \$4.0 million and \$6.6 million in various construction modifications.

**The Veterans Memorial Tollway (I-355) \$805 thousand**

During the third quarter, closeout efforts continued on the resurfacing from I-55 to Army Trail Road as well as design for resurfacing and widening the southbound lanes from 71<sup>st</sup> Street to 75<sup>th</sup> Street.

The unfavorable variance of \$172 thousand can largely be attributed to slightly accelerated spending on the design for the resurfacing and widening project.

**Open Road Tolling (ORT) \$860 thousand**

The favorable variance of \$752 thousand was primarily due to slower than projected spending on the Traffic Revenue Management and Maintenance Project (TRMMP).

**Systemwide \$57.8 million**

During the third quarter, work continued on the Tri-State Tollway (I-94) Grand Avenue Interchange ramp reconstruction. Reconstruction and widening began on the Church Road bridge over the Reagan Memorial Tollway (I-88). Parking lots were also rehabilitated at several oases. Various pavement and ramp repair, striping, bridge painting, signing and lighting contracts also progressed. Reconstruction of the M-1 facility in Alsip also began late in the quarter.

The favorable variance of \$43.8 million for this corridor was primarily due to slower than anticipated spending on various construction and program management contracts, including \$15.4 million in Business Systems and IT projects and \$14.2 million for the delayed start of reconstruction at M-1. Bid savings of \$1.3 million were realized on bridge painting, lighting, and signing contracts. Several other pavement improvement contracts realized accelerated spending this quarter including \$5.7 million as a result of mitigation efforts and \$3.0 million for the delayed start of Tri-State Tollway (I-94/I-294) ramp improvements. The remaining variance can be attributed to deferring several repair contracts beyond 2014 due to unfavorable bid results, balancing traffic impacts for repairs on some corridors, and unutilized budget for unanticipated repairs.

**The Tri-State Tollway (I-294/I-57) Interchange \$17.6 million**

The third quarter showed much progress on ramp construction from northbound I-57 to northbound I-294 and from southbound I-294 to southbound I-57. Reconstruction efforts along 147th Street also continued, leading up to the grand opening of the first phase of the interchange in October.

The favorable variance of \$7.1 million can be attributed to \$2.9 million in changes in expenditures compared to projections for utility and fiber optic work as well as slower spending than anticipated on the smaller portions of the project.

**The Elgin O'Hare Western Access Project**

**\$72.9 million**

Design and construction continued in the third quarter with the Elmhurst Road Interchange bridge construction over the Jane Addams Memorial Tollway (I-90) and noise wall contracts between Roselle Road and Meacham Road having achieved completion. Work is well underway to rehabilitate and widen the existing Illinois Route 390 (formerly known as the Elgin-O'Hare Expressway) from Irving Park Road to Meacham/Medinah Road with traffic switched in sections to the new Lane 1/Left Shoulder configuration to allow rehabilitation of the existing Lanes 2 and 3. Rohlwing Road Stage 1 bridge construction is nearing completion with traffic expected on the new bridge by late October. I-290 interchange work continues as scheduled for the flyover bridge and new ramps. On the IL 390 extension, pile driving for the bridges over Lively Boulevard and Mittel Boulevard is underway. One new construction contract was awarded for work on the Illinois Route 390 extension between the I-290 interchange and Illinois Route 83.

The favorable variance totaled \$29.7 million for the third quarter. Right-of-way expenditures were \$12.0 million less than estimated primarily due to a number of projected land acquisitions that did not occur during the third quarter. The remaining variance is substantially attributed to construction expenditures being less than projected, in part due to the impact of right-of-way acquisition delays and utility relocation underspending.

**Illinois Route 53/120 Project/Other Planning Studies**

**\$480 thousand**

Feasibility studies continued in the third quarter for the possible extension of Illinois Route 53 north of Lake Cook Road. Spending for this corridor was \$806 thousand lower than anticipated.

**Other Capital Projects**

**\$14.9 million**

Third quarter expenditures exceeded budget by \$1.1 million mainly due to project schedule modifications. Expenditures in this corridor included purchases for fleet, transponders, production printer and other small capital equipment. In addition, third quarter expenditures funded other projects including general engineering, traffic consultant and other consulting services, traffic and incident management system (TIMS), intelligent transportation systems (ITS), systemwide pavement marking and signage, vehicle hoist and roof replacement, web/e-commerce and computer infrastructure upgrades and various engineering research/studies.

## Financial Summaries

Quarterly Financial Review September 30, 2014

ILLINOIS TOLLWAY				
BUDGET vs. UNAUDITED ACTUAL				
Third Quarter Ending September 30 2014				
	3rd Quarter		Variance	
	Budget	Actual	\$	%
<b>REVENUE</b>				
Toll Revenue and Evasion Recovery	\$269,814,000	\$276,840,735	\$7,026,735	2.6%
Concessions	560,000	542,219	(17,781)	-3.2%
Investment Income	500,000	333,215	(166,785)	-33.4%
Miscellaneous	1,569,000	2,508,764	939,764	59.9%
<b>Total Revenue</b>	<b>\$272,443,000</b>	<b>\$280,224,933</b>	<b>\$7,781,933</b>	<b>2.9%</b>
<b>Maintenance and Operations (M and O) Expenditures</b>				
Payroll and Related Costs	\$39,160,718	\$39,703,834	(\$543,116)	-1.4%
Group Insurance	7,134,132	7,831,718	(697,586)	-9.8%
Contractual Services	16,761,985	14,769,524	1,992,461	11.9%
Materials/Operational Supplies/Other Expenses	860,261	901,612	(41,351)	-4.8%
Utilities	1,419,961	2,012,210	(592,249)	-41.7%
All Other Insurance	2,725,067	3,130,103	(405,036)	-14.9%
Parts and Fuel	1,804,567	1,925,339	(120,772)	-6.7%
Equipment/Office Rental and Maintenance	3,824,406	3,601,245	223,161	5.8%
Other Miscellaneous Expenses	216,907	121,631	95,276	43.9%
Recovery of Expenses	(591,532)	(604,373)	12,841	2.2%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$73,316,472</b>	<b>\$73,392,842</b>	<b>(\$76,370)</b>	<b>-0.1%</b>
<b>Net Revenue</b>				
<b>Revenue Less M and O Expenditures</b>	<b>\$199,126,528</b>	<b>\$206,832,091</b>	<b>\$7,705,563</b>	<b>3.9%</b>
<b>Debt Service Transfers</b>				
Existing Debt	\$76,902,500	\$82,117,432	(\$5,214,932)	-6.8%
New Debt	7,500,000	-	7,500,000	100.0%
<b>Total Debt Service Transfers</b>	<b>\$84,402,500</b>	<b>\$82,117,432</b>	<b>\$2,285,068</b>	<b>2.7%</b>
<b>Net Revenue Less Debt Service Transfers</b>	<b>\$114,724,028</b>	<b>\$124,714,659</b>	<b>\$9,990,631</b>	<b>8.7%</b>

Quarterly Financial Review September 30, 2014

ILLINOIS TOLLWAY				
ORIGINAL PROJECTION vs. UNAUDITED ACTUAL				
Third Quarter Ending September 30, 2014				
	Third Quarter		Variance	
	Projection	Actual <sup>(2)</sup>	\$	%
<b>Capital Program <sup>(1)</sup></b>				
Tri-State Tollway (I-94/I-294/I-80)	\$905,219	\$72,715	\$832,504	92.0%
Reagan Memorial Tollway (I-88)	2,669,808	4,547,170	(1,877,362)	-70.3%
Jane Addams Memorial Tollway (I-90)	264,986,154	232,107,343	32,878,811	12.4%
Veterans Memorial Tollway (I-355)	632,812	804,600	(171,788)	-27.1%
Open Road Tolling (ORT)	1,611,926	859,545	752,381	46.7%
Systemwide Improvements	101,570,210	57,766,299	43,803,911	43.1%
Tri-State Tollway (I-294)/I-57 Interchange	24,739,678	17,638,305	7,101,373	28.7%
Elgin O'Hare Western Access	102,556,640	72,875,306	29,681,334	28.9%
Illinois Route 53/120/Other Planning Studies	1,286,274	480,161	806,113	62.7%
<b>Move Illinois and CRP Subtotal</b>	<b>\$500,958,721</b>	<b>\$387,151,442</b>	<b>\$113,807,279</b>	<b>22.7%</b>
"Other" Capital Projects	13,750,000	14,852,968	(1,102,968)	-8.0%
<b>Capital Program Subtotal</b>	<b>\$514,708,721</b>	<b>\$402,004,409</b>	<b>\$112,704,312</b>	<b>21.9%</b>
Intergovernmental Agreement Reimbursements <sup>(3)</sup> and Other Adjustments	-	(8,223,616)	8,223,616	N/A
<b>Total Capital Program Expenditures</b>	<b>\$514,708,721</b>	<b>\$393,780,793</b>	<b>\$120,927,928</b>	<b>23.5%</b>

<sup>(1)</sup> Capital Program expenses are financed by funds available in the Renewal/ Replacement and Improvement accounts.

<sup>(2)</sup> Capital Program Actual included accrued expenses for which payments have not been made as of September 30, 2014.

<sup>(3)</sup> Intergovernmental Agreement Reimbursements were for work performed in prior periods.



Quarterly Financial Review September 30, 2014

ILLINOIS TOLLWAY				
BUDGET vs. UNAUDITED ACTUAL				
Year-To-Date September 30, 2014				
	YTD		Variance	
	Budget	Actual	\$	%
<b>REVENUE</b>				
Toll Revenue and Evasion Recovery	\$756,271,000	\$762,724,240	\$6,453,240	0.9%
Concessions	1,642,000	1,602,331	(39,669)	-2.4%
Investment Income	1,500,000	660,016	(839,984)	-56.0%
Miscellaneous	4,251,000	8,102,798	3,851,798	90.6%
<b>Total Revenue</b>	<b>\$763,664,000</b>	<b>\$773,089,385</b>	<b>\$9,425,385</b>	<b>1.2%</b>
<b>Maintenance and Operations (M and O) Expenditures</b>				
Payroll and Related Costs	\$119,058,190	\$119,813,173	(\$754,983)	-0.6%
Group Insurance	22,098,547	22,256,552	(158,005)	-0.7%
Contractual Services	42,659,712	39,770,778	2,888,934	6.8%
Materials/Operational Supplies/Other Expenses	4,322,956	3,944,344	378,612	8.8%
Utilities	4,279,287	5,110,777	(831,490)	-19.4%
All Other Insurance	7,874,334	8,123,649	(249,315)	-3.2%
Parts and Fuel	4,483,028	5,778,532	(1,295,504)	-28.9%
Equipment/Office Rental and Maintenance	11,929,482	11,400,373	529,109	4.4%
Other Miscellaneous Expenses	817,778	502,769	315,009	38.5%
Recovery of Expenses	(1,921,475)	(2,044,270)	122,795	6.4%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$215,601,839</b>	<b>\$214,656,676</b>	<b>\$945,163</b>	<b>0.4%</b>
<b>Net Revenue</b>				
<b>Revenue Less M and O Expenditures</b>	<b>\$548,062,161</b>	<b>\$558,432,710</b>	<b>\$10,370,549</b>	<b>1.9%</b>
<b>Debt Service Transfers</b>				
Existing Debt	\$230,707,500	\$230,991,797	(\$284,297)	-0.1%
New Debt	15,000,000	-	15,000,000	100.0%
<b>Total Debt Service Transfers</b>	<b>\$245,707,500</b>	<b>\$230,991,797</b>	<b>\$14,715,703</b>	<b>6.0%</b>
<b>Net Revenue Less Debt Service (Coverage)</b>	<b>\$302,354,661</b>	<b>\$327,440,913</b>	<b>\$25,086,252</b>	<b>8.3%</b>

Quarterly Financial Review September 30, 2014

ILLINOIS TOLLWAY				
ORIGINAL PROJECTION vs. UNAUDITED ACTUAL				
Year-To-Date September 30, 2014				
	YTD		Variance	
	Projection	Actual <sup>(2)</sup>	\$	%
<b>Capital Program <sup>(1)</sup></b>				
Tri-State Tollway (I-94/I-294/I-80)	\$8,671,507	\$3,581,683	\$5,089,824	58.7%
Reagan Memorial Tollway (I-88)	7,908,495	9,492,499	(1,584,004)	-20.0%
Jane Addams Memorial Tollway (I-90)	542,171,716	455,502,283	86,669,433	16.0%
Veterans Memorial Tollway (I-355)	9,802,807	2,275,961	7,526,846	76.8%
Open Road Tolling (ORT)	3,580,125	1,292,286	2,287,839	63.9%
Systemwide Improvements	196,805,825	116,906,564	79,899,261	40.6%
Tri-State Tollway (I-294)/I-57 Interchange	68,382,663	34,870,107	33,512,556	49.0%
Elgin O'Hare Western Access	184,793,996	165,647,849	19,146,147	10.4%
Illinois Route 53/120/Other Planning Studies	3,800,357	1,118,734	2,681,623	70.6%
<b>Move Illinois and CRP Subtotal</b>	<b>\$1,025,917,491</b>	<b>\$790,687,966</b>	<b>\$235,229,525</b>	<b>22.9%</b>
"Other" Capital Projects	38,500,000	38,493,499	6,501	0.0%
<b>Capital Program Subtotal</b>	<b>\$1,064,417,491</b>	<b>\$829,181,465</b>	<b>\$235,236,026</b>	<b>22.1%</b>
Intergovernmental Agreement Reimbursements and Other Adjustments <sup>(3)</sup>	-	(12,766,482)	12,766,482	N/A
<b>Total Capital Program Expenditures</b>	<b>\$1,064,417,491</b>	<b>\$816,414,983</b>	<b>\$248,002,508</b>	<b>23.3%</b>

<sup>(1)</sup> Capital Program expenses are financed by funds available in the Renewal/ Replacement and Improvement accounts.

<sup>(2)</sup> Capital Program Actual included accrued expenses for which payments have not been made as of September 30, 2014.

<sup>(3)</sup> Intergovernmental Agreement Reimbursements were for work performed in prior periods.

Quarterly Financial Review September 30, 2014

<b>ILLINOIS TOLLWAY</b>			
<b>% of BUDGET REALIZED (UNAUDITED)</b>			
	<b>2014 Budget</b>	<b>YTD Actual</b>	<b>% Budget Realized</b>
<b>REVENUE</b>			
Toll Revenue and Evasion Recovery	\$1,005,000,000	\$762,724,240	75.9%
Concessions	2,200,000	1,602,331	72.8%
Investment Income	2,000,000	660,016	33.0%
Miscellaneous	5,800,000	8,102,798	139.7%
<b>Total Revenue</b>	<b>\$1,015,000,000</b>	<b>\$773,089,385</b>	<b>76.2%</b>
<b>Maintenance and Operations (M and O) Expenditures</b>			
Payroll and Related Costs	\$160,591,779	\$119,813,173	74.6%
Group Insurance	30,058,400	22,256,552	74.0%
Contractual Services	59,985,904	39,770,778	66.3%
Materials/Operational Supplies/Other Expenses	7,535,815	3,944,344	52.3%
Utilities	5,950,085	5,110,777	85.9%
All Other Insurance	10,482,500	8,123,649	77.5%
Parts and Fuel	6,492,308	5,778,532	89.0%
Equipment/Office Rental and Maintenance	15,691,205	11,400,373	72.7%
Other Miscellaneous Expenses	1,078,700	502,769	46.6%
Recovery of Expenses	(2,411,000)	(2,044,270)	84.8%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$295,455,696</b>	<b>\$214,656,676</b>	<b>72.7%</b>
<b>Net Revenue</b>			
<b>Revenue Less M and O Expenditures</b>	<b>\$719,544,304</b>	<b>\$558,432,710</b>	<b>77.6%</b>
<b>Debt Service Transfers</b>			
Existing Debt	\$307,610,000	\$230,991,797	75.1%
New Debt	26,250,000	-	0.0%
<b>Total Debt Service Transfers</b>	<b>\$333,860,000</b>	<b>\$230,991,797</b>	<b>69.2%</b>
<b>Net Revenue Less Debt Service Transfers</b>	<b>\$385,684,304</b>	<b>\$327,440,913</b>	<b>84.9%</b>

Quarterly Financial Review September 30, 2014

<b>ILLINOIS TOLLWAY</b>			
<b>% of PROJECTION REALIZED (UNAUDITED)</b>			
	<b>2014</b>	<b>YTD</b>	<b>% Projection</b>
	<b>Projection</b>	<b>Actual <sup>(2)</sup></b>	<b>Realized</b>
<b>Capital Program <sup>(1)</sup></b>			
Tri-State Tollway (I-94/I-294/I-80)	\$9,448,266	\$3,581,683	37.9%
Reagan Memorial Tollway (I-88)	10,569,435	9,492,499	89.8%
Jane Addams Memorial Tollway (I-90)	729,153,338	455,502,283	62.5%
Veterans Memorial Tollway (I-355)	10,163,536	2,275,961	22.4%
Open Road Tolling (ORT)	3,977,221	1,292,286	32.5%
Systemwide Improvements	249,167,001	116,906,564	46.9%
Tri-State Tollway (I-294)/I-57 Interchange	80,107,849	34,870,107	43.5%
Elgin O'Hare Western Access	282,786,234	165,647,849	58.6%
Illinois Route 53/120/Other Planning Studies	5,000,191	1,118,734	22.4%
<b>Move Illinois and CRP Subtotal</b>	<b>\$1,380,373,070</b>	<b>\$790,687,966</b>	<b>57.3%</b>
"Other" Capital Projects	55,000,000	38,493,499	70.0%
<b>Capital Program Subtotal</b>	<b>\$1,435,373,070</b>	<b>\$829,181,465</b>	<b>57.8%</b>
Intergovernmental Agreement Reimbursements and Other Adjustments <sup>(3)</sup>	-	(12,766,482)	N/A
<b>Total Capital Program Expenditures</b>	<b>\$1,435,373,070</b>	<b>\$816,414,983</b>	<b>56.9%</b>

<sup>(1)</sup> Capital Program expenses are financed by funds available in the Renewal/ Replacement and Improvement accounts.

<sup>(2)</sup> Capital Program Actual included accrued expenses or which payments have not been made as of September 30, 2014.

<sup>(3)</sup> Intergovernmental Agreement Reimbursements were for work performed in prior periods.

Quarterly Financial Review September 30, 2014

ILLINOIS TOLLWAY				
2014 vs. 2013 Unaudited Actual				
Third Quarter Ending September 30th				
	Third Quarter		Variance	
	2013	2014	\$	%
<b>REVENUE</b>				
Toll Revenue and Evasion Recovery	\$266,798,250	\$276,840,735	\$10,042,485	3.8%
Concessions	606,632	542,219	(64,413)	-10.6%
Investment Income	205,720	333,215	127,496	62.0%
Miscellaneous	826,071	2,508,764	1,682,693	203.7%
<b>Total Revenue</b>	<b>\$268,436,673</b>	<b>\$280,224,933</b>	<b>\$11,788,261</b>	<b>4.4%</b>
<b>Maintenance and Operations (M and O) Expenditures</b>				
Payroll and Related Costs	\$36,153,797	\$39,703,834	(\$3,550,038)	-9.8%
Group Insurance	7,187,084	7,831,718	(\$644,634)	-9.0%
Contractual Services	16,297,864	14,769,524	\$1,528,341	9.4%
Materials/Operational Supplies/Other Expenses	842,344	901,612	(\$59,268)	-7.0%
Utilities	665,301	2,012,210	(\$1,346,909)	-202.5%
All Other Insurance	5,483,844	3,130,103	\$2,353,740	42.9%
Parts and Fuel	1,885,569	1,925,339	(\$39,770)	-2.1%
Equipment/Office Rental and Maintenance	3,574,857	3,601,245	(\$26,388)	-0.7%
Other Miscellaneous Expenses	139,650	121,631	\$18,019	12.9%
Recovery of Expenses	(564,400)	(604,373)	\$39,974	7.1%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$71,665,910</b>	<b>\$73,392,842</b>	<b>(\$1,726,932)</b>	<b>-2.4%</b>
<b>Net Revenue</b>				
<b>Revenue Less M and O Expenditures</b>	<b>\$196,770,763</b>	<b>\$206,832,091</b>	<b>\$10,061,329</b>	<b>5.1%</b>
<b>Debt Service Transfers</b>				
Existing Debt	\$70,355,663	\$82,117,432	(\$11,761,769)	-16.7%
New Debt	7,812,500	-	7,812,500	100.0%
<b>Total Debt Service Transfers</b>	<b>\$78,168,163</b>	<b>\$82,117,432</b>	<b>(\$3,949,269)</b>	<b>-5.1%</b>
<b>Net Revenue Less Debt Service Transfers</b>	<b>\$118,602,599</b>	<b>\$124,714,659</b>	<b>\$6,112,060</b>	<b>5.2%</b>

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ILLINOIS TOLLWAY				
2014 Actual vs. 2013 Unaudited Actual				
Third Quarter Ending September 30th				
	3rd Quarter		Variance	
	2013	2014	\$	%
<b>Capital Program</b>				
Tri-State Tollway (I-94/I-294/I-80)	\$17,361,194	\$72,715	\$17,288,479	100%
Reagan Memorial Tollway (I-88)	1,871,084	4,547,170	(2,676,086)	-143%
Jane Addams Memorial Tollway (I-90)	118,119,390	232,107,343	(113,987,953)	-97%
Veterans Memorial Tollway (I-355)	8,421,118	804,600	7,616,519	90%
Open Road Tolling (ORT)	728,974	859,545	(130,571)	-18%
Systemwide Improvements	32,284,503	57,766,299	(25,481,796)	-79%
Tri-State Tollway (I-294)/I-57 Interchange	19,581,538	17,638,305	1,943,234	10%
Elgin O'Hare Western Access	11,604,206	72,875,306	(61,271,100)	-528%
Illinois Route 53/120/Other Planning Studies	118,414	480,161	(361,747)	-305%
<b>Move Illinois and CRP Subtotal</b>	<b>\$210,090,422</b>	<b>387,151,442</b>	<b>(\$177,061,020)</b>	<b>-84%</b>
"Other" Capital Projects	12,236,059	14,852,968	(2,616,909)	-21%
<b>Capital Program Subtotal</b>	<b>\$222,326,480</b>	<b>402,004,409</b>	<b>(\$179,677,929)</b>	<b>-81%</b>
Intergovernmental Agreement Reimbursements and Other Adjustments <sup>(1)</sup>	(777,612)	(8,223,616)	7,446,004	-958%
<b>Total Capital Program Expenditures</b>	<b>\$221,548,868</b>	<b>\$393,780,793</b>	<b>(\$172,231,925)</b>	<b>-78%</b>

<sup>(1)</sup> Intergovernmental Agreement Reimbursements were for work performed in prior periods, and Other Adjustments were accounting adjustments made for the quarter.

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ILLINOIS TOLLWAY				
2014 vs. 2013 Unaudited Actual				
Year-To-Date September 30th				
	YTD		Variance	
	2013	2014	\$	%
<b>REVENUE</b>				
Toll Revenue and Evasion Recovery	\$747,332,979	\$762,724,240	\$15,391,261	2.1%
Concessions	1,736,996	1,602,331	(134,665)	-7.8%
Investment Income	719,362	660,016	(59,346)	-8.2%
Miscellaneous	2,911,548	8,102,798	5,191,250	178.3%
<b>Total Revenue</b>	<b>\$752,700,885</b>	<b>\$773,089,385</b>	<b>\$20,388,501</b>	<b>2.7%</b>
<b>Maintenance and Operations (M and O) Expenditures</b>				
Payroll and Related Costs	\$110,685,708	\$119,813,173	(\$9,127,465)	-8.2%
Group Insurance	20,811,340	22,256,552	(1,445,212)	-6.9%
Contractual Services	35,304,340	39,770,778	(4,466,438)	-12.7%
Materials/Operational Supplies/Other Expenses	3,565,600	3,944,344	(378,744)	-10.6%
Utilities	4,185,797	5,110,777	(924,980)	-22.1%
All Other Insurance	10,069,228	8,123,649	1,945,580	19.3%
Parts and Fuel	5,366,568	5,778,532	(411,963)	-7.7%
Equipment/Office Rental and Maintenance	11,222,360	11,400,373	(178,013)	-1.6%
Other Miscellaneous Expenses	631,297	502,769	128,528	20.4%
Recovery of Expenses	(1,852,770)	(2,044,270)	191,500	10.3%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$199,989,470</b>	<b>\$214,656,676</b>	<b>(\$14,667,206)</b>	<b>-7.3%</b>
<b>Net Revenue</b>				
<b>Revenue Less M and O Expenditures</b>	<b>\$552,711,415</b>	<b>\$558,432,710</b>	<b>\$5,721,295</b>	<b>1.0%</b>
<b>Debt Service Transfers</b>				
Existing Debt	\$208,798,734	\$230,991,797	(\$22,193,062)	-10.6%
New Debt	7,812,500	-	7,812,500	-100.0%
<b>Total Debt Service Transfers</b>	<b>\$216,611,235</b>	<b>\$230,991,797</b>	<b>(\$14,380,562)</b>	<b>-6.6%</b>
<b>Net Revenue Less Debt Service (Coverage)</b>	<b>\$336,100,180</b>	<b>\$327,440,913</b>	<b>(\$8,659,268)</b>	<b>-2.6%</b>

Quarterly Financial Review September 30, 2014

ILLINOIS TOLLWAY					
2014 Unaudited Actual vs. 2013 Actual					
Year-to-Date September 30th					
	YTD		\$	Variance	
	2013	2014		%	%
<b>Capital Program</b>					
Tri-State Tollway (I-94/I-294/I-80)	\$36,471,889	\$3,581,683	\$32,890,206		90%
Reagan Memorial Tollway (I-88)	7,469,502	9,492,499	(2,022,997)		-27%
Jane Addams Memorial Tollway (I-90)	210,703,877	455,502,283	(244,798,406)		-116%
Veterans Memorial Tollway (I-355)	11,739,462	2,275,961	9,463,501		81%
Open Road Tolling (ORT)	3,202,309	1,292,286	1,910,023		60%
Systemwide Improvements	67,852,758	116,906,564	(49,053,806)		-72%
Tri-State Tollway (I-294)/I-57 Interchange	31,718,384	34,870,107	(3,151,723)		-10%
Elgin O'Hare Western Access	31,222,784	165,647,849	(134,425,065)		-431%
Illinois Route 53/120/Other Planning Studies	142,605	1,118,734	(976,130)		-685%
<b>Move Illinois &amp; CRP Subtotal</b>	<b>\$400,523,569</b>	<b>790,687,966</b>	<b>(\$390,164,397)</b>		<b>-97%</b>
"Other" Capital Projects	26,373,506	38,493,499	(12,119,993)		-46%
<b>Capital Program Subtotal</b>	<b>\$426,897,076</b>	<b>829,181,465</b>	<b>(\$402,284,389)</b>		<b>-94%</b>
Intergovernmental Agreement Reimbursements and Other Adjustments <sup>(1)</sup>	(9,827,070)	(12,766,482)	2,939,412		-30%
<b>Total Capital Program Expenditures</b>	<b>\$417,070,005</b>	<b>\$816,414,983</b>	<b>(\$399,344,977)</b>		<b>-96%</b>

<sup>(1)</sup> Intergovernmental Agreement Reimbursements were for work performed in prior periods, and Other Adjustments were accounting adjustments made year-to-date.