



2012 Budget Analysis

*(Unaudited)*

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Quarterly Financial Review

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July 1 - September 30, 2012

*Quarterly Financial Review September 30, 2012*

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## INTRODUCTION

In December 2011, the Tollway Board of Directors adopted the annual budget for 2012. 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 meeting.

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 Income 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 2012. The purpose of this analysis is to assess the actual financial performance of the Tollway relative to the 2012 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.

***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 generated through a toll rate increase for passenger vehicles in 2012 and previously approved increases for commercial vehicles beginning in 2015. The 2012 Budget, approved by the Board of Directors in December 2011, includes the Maintenance and Operations (M and O) Budget, Debt Service Transfers and Capital Budget in support of the first year of the *Move Illinois* Program.

### Budgeted Revenue 2012

Effective January 1, 2012, the new I-PASS toll rate at a typical mainline toll plaza increased from 40 cents to 75 cents, with cash-paying passenger vehicles continuing to pay double the I-PASS rate.

SOURCES OF REVENUE		(\$ millions)
		2012 Budget
Toll Revenue and Evasion Recovery		\$963
Investment Income		1
Concessions Revenue and Miscellaneous Income		9
<b>Total Revenue</b>		<b>\$973</b>

The 2012 budget estimates annual revenue totaling \$973 million, including \$963 million from tolls and evasion recovery, \$1 million from investment income, and \$9 million from concessions and miscellaneous income.

### Allocation of Budgeted Revenue 2012

ALLOCATIONS OF REVENUE		2012 Budget
Maintenance and Operations		\$268
Operating Reserve		10
Debt Service Transfers		255
Deposits to Renewal/Replacement and Improvement		440
<b>Total Allocations</b>		<b>\$973</b>

The Tollway's 2012 Budget allocates \$268 million for Maintenance and Operations expenses, \$10 million to fund an increase in the Operating Reserve sub-account, \$255 million for Debt Service transfers, and \$440 million for the *Move Illinois* Program, the Congestion-Relief Program and other non-roadway capital investments (deposits to the Renewal/Replacement and Improvement accounts).

## THIRD QUARTER RESULTS SUMMARY

### Revenue

Revenue for the third quarter 2012 totaled to \$251.3 million, an unfavorable variance of \$7.2 million compared to the estimate for the quarter. Toll revenue and evasion recovery totaled \$248.7 million, an unfavorable variance of \$7.4 million. Toll revenue was less than the third quarter estimate by \$3.2 million. Evasion recovery was less than estimated by \$4.1 million partially due to a \$2.9 million adjustment for a change in accounting treatment (Please see revenue analysis on pages 7-8.). Concessions revenue, investment and miscellaneous income totaled \$2.7 million, an unfavorable variance of \$149 thousand.

Revenue through September 30, 2012 totaled \$719.5 million. Toll and evasion recovery revenue totaled \$713 million. Concessions, investment income and miscellaneous income totaled \$6.5 million.

### Expenditures

The Tollway's third quarter operating expenditures totaled \$60.5 million, representing a \$7.8 million favorable variance compared to budget. Operating expenditures through September 30<sup>th</sup> amounted to \$181.7 million.

Third quarter Debt Service transfers totaled \$61.1 million, or \$4.2 million less than the budgeted amount. Debt Service transfers through the first nine months of 2012 totaled \$180.4 million.

Capital Program third quarter expenditures totaled \$123.5 million compared to the budget of \$262 million, including \$129 million for the *Move Illinois* Program and the Congestion-Relief Program (CRP) expenses and \$11.9 million for Other Capital Projects expenses. In addition, Intergovernmental Agreement (IGA) reimbursements for work performed in prior periods and other adjustments totaled \$17.4 million.

Capital Program expenditures through September 30<sup>th</sup> amounted to \$222 million. *Move Illinois* Program and CRP expenses totaled \$217.5 million, Other Capital Projects expenses totaled \$24.9 million, and IGA reimbursements and other adjustments totaled \$20.4 million.

### Outlook

Toll revenue exceeded the estimate by 0.4 percent for the first nine months of 2012 but was less than the estimate by 1.3 percent for the third quarter. While year-to-date transactions exceeded estimates, the gain was in part offset by increased I-PASS usage. It appears toll revenue and transactions are tracking close to budget projections for the rest of the year. Evasion recovery for 2012 is expected to be as much as \$12 million less than the estimate due to the previously mentioned accounting adjustments. In addition, slow economic growth and higher fuel prices could further impact the Tollway's ability to meet or exceed projected revenue for the remainder of the year. The Tollway will continue to monitor these factors and their impact on revenue.

The Maintenance and Operations expenses were under budget through the first nine months of 2012 partially due to vacancies in both the salary and wage categories. Many of these vacancies are anticipated to be filled during the fourth quarter. In addition,

Materials/Operational Supplies expenses are expected to catch-up in the fourth quarter since procurement delays of certain contracts have been resolved.

The Capital Program is under budget through September 30<sup>th</sup>, and projected to remain under budget for the rest of 2012 based on a favorable bidding environment, schedule modifications and effective program management.

The Tollway will continue to monitor the operating budget and the Capital Program progress.

## REVENUE SUMMARY

**Budget vs. Unaudited Actual**  
**Third Quarter 2012**  
(\$ thousands)

	3rd Qtr		Variance	
	Budget	Actual	\$	%
Toll Revenue and Evasion Recovery	\$256,032	\$248,669	(\$7,362)	-2.9%
Concessions	500	612	112	22.5%
Investment Income	250	412	162	64.7%
Miscellaneous	1,757	1,632	(125)	-7.1%
<b>Total Revenue</b>	<b>\$258,539</b>	<b>\$251,326</b>	<b>(\$7,213)</b>	<b>-2.8%</b>

**Budget vs. Unaudited Actual**  
**Year-to-Date September 30, 2012**  
(\$ thousands)

	YTD		Variance	
	Budget	Actual	\$	%
Toll Revenue and Evasion Recovery	\$722,371	\$713,000	(\$9,371)	-1.3%
Concessions	1,500	1,713	213	14.2%
Investment Income	750	898	148	19.7%
Miscellaneous	5,215	3,863	(1,352)	-25.9%
<b>Total Revenue</b>	<b>\$729,836</b>	<b>\$719,473</b>	<b>(\$10,363)</b>	<b>-1.4%</b>

### Third Quarter Analysis

Revenue for the third quarter totaled \$251.3 million, or \$7.2 million less than projected for the same period.

Toll revenue and evasion recovery were \$7.4 million less than the projection for the quarter. The unfavorable variance for toll revenue was \$3.2 million and \$4.1 million for evasion recovery. Contributing factors to these unfavorable variances include:

- Toll transactions for commercial vehicles increased 0.3 percent but were 0.5 percent less than the quarter projection.
- Passenger car I-PASS participation rate increased from the projected 83.5 percent to 85.2 percent for the quarter.
- Evasion recovery for the quarter included a \$2.9 million adjustment resulting from a change in accounting methodology for the treatment of certain violation notices previously booked as receivables.

For the third quarter, concessions revenue totaled \$112 thousand, or 22.5 percent more than the projection due to increased revenue from service stations. Miscellaneous income totaled \$125 thousand, or 7.1 percent less than the quarter projection. Investment Income totaled \$412 thousand for the third quarter.

### **Year-to-Date Analysis**

Revenue through September 30, 2012 totaled \$719.5 million, or comprised 73.9 percent of the \$973 million projection for 2012.

Toll revenue and evasion recovery were \$9.4 million less than projected for the first nine months of 2012. Toll revenue exceeded the year-to-date projection by \$2.8 million. Evasion recovery was \$12.1 million less than the projection due to previously mentioned accounting adjustments of \$8.7 million made during the second and third quarters. The final adjustment of \$2.9 million is anticipated to be made during the fourth quarter of 2012.

Year-to-date concession revenue totaled \$1.7 million and miscellaneous income totaled \$3.9 million. Investment Income totaled \$898 thousand through the first nine months of 2012.



## MAINTENANCE AND OPERATIONS SUMMARY

### Budget vs. Unaudited Actual Third Quarter 2012

(\$ thousands)

	3rd Qtr		Variance	
	Budget	Actual	\$	%
Payroll and Related Costs	\$38,222	\$35,511	\$2,711	7.1%
Group Insurance	6,962	6,204	758	10.9%
Contractual Services	12,654	11,598	1,056	8.3%
Materials/Operational Supplies/Other Expenses	2,240	482	1,758	78.5%
Utilities	1,572	1,114	458	29.1%
All Other Insurance	2,400	1,073	1,327	55.3%
Parts and Fuel	1,442	2,125	(683)	-47.4%
Equipment/Office Rental and Maintenance	3,240	2,971	269	8.3%
Employee Development	225	175	50	22.4%
Recovery of Expenses	(592)	(713)	120	20.3%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$68,365</b>	<b>\$60,540</b>	<b>\$7,825</b>	<b>11.4%</b>

### Budget vs. Unaudited Actual Year-to-Date September 30, 2012

(\$ thousands)

	YTD		Variance	
	Budget	Actual	\$	%
Payroll and Related Costs	\$112,659	\$107,884	\$4,774	4.2%
Group Insurance	20,886	20,040	846	4.1%
Contractual Services	30,969	28,544	2,425	7.8%
Materials/Operational Supplies/Other Expenses	6,721	3,634	3,087	45.9%
Utilities	4,715	4,070	645	13.7%
All Other Insurance	7,200	5,573	1,627	22.6%
Parts and Fuel	4,236	4,166	69	1.6%
Equipment/Office Rental and Maintenance	9,721	8,964	757	7.8%
Employee Development	676	589	86	12.8%
Recovery of Expenses	(1,776)	(1,766)	(10)	-0.6%
<b>Total Maintenance and Operations Expenditure</b>	<b>\$196,006</b>	<b>\$181,699</b>	<b>\$14,307</b>	<b>7.3%</b>

## Analysis

The Tollway's 2012 third quarter operating expenditures totaled \$60.5 million, representing a favorable variance of \$7.8 million. The year-to-date expenditures comprise 67.9 percent of the \$267.5 million annual Maintenance and Operations budget.

The most significant variances to budget during the third quarter of 2012 are explained below:

**Payroll and Related Costs** for the third quarter totaled \$35.5 million, \$2.7 million under budget. This favorable variance is attributable to vacant positions in both the salary and wage categories. This category also includes wage adjustments for the SEIU, Teamster, AFSCME and MAP collective bargaining units.

**Group Insurance** totaled \$6.2 million during the third quarter, \$758 thousand under budget. This variance reflects the impact of current vacancies. This positive variance may dissipate during the fourth quarter.

**Contractual Services** for the third quarter totaled \$11.6 million, \$1.1 million under budget. This variance is mainly due to reduced expenditures in Business Systems, especially in the areas of image review and less than anticipated expenses for the I-PASS Customer Call Center, Secretary of State, hearing officers and credit card fees.

**Materials/Operational Supplies/Other Expense** totaled \$482 thousand during the third quarter, \$1.8 million under budget. This variance is the result of procurement delays for rock salt in the third quarter that will now be processed in the fourth quarter. Overall, the need for winter roadway materials such as rock salt, calcium chloride and abrasives are down due to a mild 2011-2012 winter. Based on projections for the remainder of year, some of these funds are in the process of being transferred to other accounts requiring additional funding.

**Utilities**, that include electricity, natural gas, water and telephone expenses, totaled \$1.1 million, \$458 thousand under budget during the third quarter. Most of this positive variance is due to proactive initiatives that increase energy efficiency.

**All Other Insurance** expenses totaled \$1.1 million, \$1.3 million under the third quarter budget. This category includes expenses for property and liability insurance as well as amounts allocated to the workers' compensation claim fund. This variance reflects an adjustment to the workers' compensation claim fund for prior years dating back from 2003 through April 2012. This was based on the most recent actuarial study presented to the Tollway Board in September.

**Parts and Fuel** expenses totaled \$2.1 million, \$683 thousand over the third quarter budget. Although a mild winter during the first quarter resulted in less consumption of gasoline and diesel fuel by snowplow trucks, unstable fuel prices, the changeover to summer gasoline blends, increased use of E85 fuel and the addition of new fuel storage tanks caused this category to exceed the third quarter budget.

**Equipment/Office Rental and Maintenance** expenditures totaled \$3.0 million during the third quarter, \$269 thousand under budget. The majority of this variance is due to reduced expenditures for the maintenance of electronic tolling equipment. Certain aspects of electronic tolling equipment maintenance and application development have been scaled back pending the expected future procurement of a next generation back office toll collection system.

**Employee Development** expenses totaled \$175 thousand, \$50 thousand under the third quarter budget. This cost category includes travel, training, dues, books, subscriptions,

uniforms and accessories. The positive variance is due to reduced spending for travel and training.

**Recovery of Expenses** totaled \$713 thousand, \$120 thousand under the third quarter 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 2012 Maintenance and Operations Budget adopted by the Board in December 2011. 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 amount of the 2012 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; and
- (iv) costs of bond credit/liquidity agreements, bond remarketing agreements, and bond ratings.

For 2012 the Tollway budgeted \$255 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 \$16.2 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, 2012 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	\$62,250	\$60,506	\$1,744	2.8%
Debt Service Transfers – 2 <sup>nd</sup> Qtr	\$62,250	\$58,834	\$3,416	5.5%
Debt Service Transfers – 3 <sup>rd</sup> Qtr	\$65,250	\$61,088	\$4,162	6.4%
<b>Debt Service Transfers - YTD Sep 30, 2012</b>	<b>\$189,750</b>	<b>\$180,429</b>	<b>\$9,321</b>	<b>4.9%</b>

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

	Annual Budget	YTD Actual	Realized
Debt Service Transfers	\$255,000	\$180,429	70.8%

## Analysis

The primary contributors to the \$9.321 million favorable variance year-to-date and the \$4.162 million favorable variance in the third quarter were the following.

- (i) A provision of \$3 million interest expense in the third quarter for new bonds issued in support of the Tollway’s Move Illinois Capital Program did not materialize, as slower-than-expected spending of the Program delayed the timing of the new bonds from summer 2012 to first quarter 2013.

- (ii) Most of a provision for additional debt service from refunding synthetic fixed rate bonds and/or incurring variable bond interest in excess of variable swap receipts was not realized. This accounted for approximately \$3.7 million of the year-to-date favorable variance and \$1.2 million of the third quarter favorable variance.
- (iii) Most of the remaining \$2.6 million year-to-date favorable variance was related to the timing of the 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 September 30, 2012. 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, 2012 (Note: Valuations do not include 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	(9,808)
1998 SERIES B	JP Morgan Chase Bank*	55,395	4.3250%	Actual	1/1/2017	(8,025)
<b>1998 SERIES B TOTAL</b>		<b>\$123,100</b>				<b>(\$17,833)</b>
2007 SERIES A-1	Citibank N.A., New York	175,000	3.9720%	SIFMA	7/1/2030	(\$47,808)
2007 SERIES A-1	Goldman Sachs Bank USA	175,000	3.9720%	SIFMA	7/1/2030	(\$47,808)
<b>2007 SERIES A-1 TOTAL</b>		<b>\$350,000</b>				<b>(\$95,616)</b>
2007 SERIES A-2	Bank of America, N.A.	262,500	3.9925%	SIFMA	7/1/2030	(\$72,434)
2007 SERIES A-2	Wells Fargo Bank**	87,500	3.9925%	SIFMA	7/1/2030	(\$24,145)
<b>2007 SERIES A-2 TOTAL</b>		<b>\$350,000</b>				<b>(\$96,579)</b>
2008 SERIES A-1	The Bank of New York	191,550	3.7740%	SIFMA	1/1/2031	(\$47,265)
2008 SERIES A-1	Deutsche Bank AG, New York Branch	191,550	3.7740%	SIFMA	1/1/2031	(\$47,265)
<b>2008 SERIES A-1 TOTAL</b>		<b>\$383,100</b>				<b>(\$94,530)</b>
2008 SERIES A-2	Bank of America, N.A.***	95,775	3.7640%	SIFMA	1/1/2031	(\$23,506)
<b>2008 SERIES A-2 TOTAL</b>		<b>\$95,775</b>				<b>(\$23,506)</b>
<b>TOTAL</b>		<b>\$1,301,975</b>				<b>(\$328,064)</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 2012

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 2012 Capital Budget allocates \$240.9 million to fund the first 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 \$5.8 billion. The fiscal year 2012 Capital Budget allocates \$290.6 million to fund the eighth year of the CRP. Additionally, the fiscal year 2012 Capital Budget allocates approximately \$77.2 million to fund "Other" capital projects to support ongoing operations of the Tollway; it is anticipated \$60 million will be spent.

#### 2012 Approved Budget

(\$ million)	2012 Budget
Tri-State Tollway (I-94/I-294/I-80)	\$156.4
Reagan Memorial Tollway (I-88)	90.5
Jane Addams Memorial Tollway (I-90)	98.8
Veterans Memorial Tollway (I-355)	23.7
Open Road Tolling (ORT)	2.0
Systemwide Improvements	133.4
I-294/I-57 Interchange	11.9
Elgin O'Hare Western Access	14.9
<b>Move Illinois and CRP Subtotal</b>	<b>\$531.5</b>
Other Capital Projects	77.2*
<b>Capital Program Subtotal</b>	<b>\$608.6</b>
Intergovernmental Agreement Reimbursements	-
Other Miscellaneous Adjustments	-
<b>Total Capital Program</b>	<b>\$608.6</b>

\*The Other Capital Projects portion of the Capital Program Budget for 2012 totals \$77.2 million; \$60 million was anticipated to be spent.

Finally, Capital expenditures for 2011 totaled \$37.8 million less than estimated in October 2011. Approximately \$13 million is credited to realized project savings. In addition, \$21 million was due to schedule changes. Based on 2012 year-to-date results, Tollway estimates the rescheduled work can be accommodated within the 2012 Capital Budget of \$608.6 million.

## Allocation of Capital Budget 2012

### **The Tri-State Tollway** **\$156.4 Million**

The *Move Illinois* Program capital budget for the Tri-State Tollway corridor is \$16.6 million which entails design and construction for ramp pavement reconstruction at eight locations from I-55 to IL Route 173.

The CRP Budget for the Tri-State Tollway corridor is \$139.8 million, which includes construction for roadway resurfacing and bridge repairs from 95th Street to Balmoral Avenue, relocation of Dixie Creek to begin the first phase of construction of a new interchange at I-294/I-57 and for pavement surfacing rejuvenation by diamond grinding from the Edens Spur to Half Day Road.

### **The Reagan Memorial Tollway** **\$90.5 Million**

The *Move Illinois* Program budget for this corridor is \$20.3 million to fund construction to rehabilitate and repair pavement between IL Route 251 and IL Route 56, as well as to reconstruct ramp pavements at three locations.

The CRP Budget for this corridor is \$70.2 million to fund reconstruction and widening on the Reagan Memorial from IL Route 56 to Deerpath Road.

### **The Jane Addams Memorial Tollway** **\$98.8 Million**

The *Move Illinois* Program includes \$78.1 million to begin design for reconstruction and widening of mainline bridges at various locations from the Kennedy Expressway to I-39 and to start construction on mainline bridges at four other locations; design and construction for temporary shoulder widening between Randall Road and I-39 and for ramp pavement reconstruction at U.S. Business 20 in Rockford.

The CRP budget of \$20.7 million is allocated to complete roadway rehabilitation from IL Route 53 to Newburg Road and to begin design for reconstruction and widening for six mainline bridges with these same limits.

### **The Veterans Memorial Tollway** **\$23.7 Million**

The *Move Illinois* Program capital budget for this corridor is \$18.7 million to fund the resurfacing of portions of the pavement and collector-distributor roadways from I-55 to Army Trail Road.

The CRP budget for this corridor is \$5.0 million to fund the replacement of the tunnel lighting under the Reagan Memorial Tollway (I-88) and for design services for resurfacing portions of the pavement from I-55 to Army Trail Road.

### **Open Road Tolling (ORT)** **\$2.0 Million**

The 2012 Capital Budget allocates \$2.0 million for the Traffic Revenue Maintenance and Management Program and to accommodate modifications to existing cash lanes at several toll plazas.

### **Systemwide** **\$133.4 Million**

The *Move Illinois* Program capital budget allocates \$80.4 million for systemwide



improvements, including reconstruction of the I-90 Route 47 Interchange, upgrades for toll collection and non-toll collection technology, land acquisition, begin development of a master plan and site development plan for the nine maintenance facilities, program management and other related projects.

The CRP budget allocates \$53 million for Systemwide improvements, the Tri-Level Bridge ramp rehabilitation project at the Tri-State Tollway (I-294)/ Jane Addams Memorial Tollway (I-90); pavement improvements to ensure the integrity of the system; environmental projects, landscaping, program management and other related projects.

**I-294/ I-57 Interchange** **\$11.9 Million**

The *Move Illinois* Program capital budget for this corridor is \$11.9 million to fund the construction of new embankments and bridge piers, and to lengthen the I-294 bridges over 147th Street. These are the first of several construction packages to facilitate the opening of the Memphis movement ramps by the end of 2014. In addition, \$17.7 million for right-of-way and the relocation of Dixie Creek is funded in the Tri-State corridor (see page 14).

**Elgin O'Hare West Bypass** **\$14.9 Million**

The *Move Illinois* Program capital budget for this corridor is \$14.9 million to fund the design and construction for the widening of the bridges on the existing portion of the Elgin O'Hare Expressway. This work is scheduled in advance of the mainline pavement widening.

**Other Capital Projects** **\$77.2 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* Program 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 State Police District 15 and maintenance staff to improve efficiency and enhance public safety. The 2012 Budget anticipates spending \$60 million of the \$77.2 million budgeted for Other Capital projects.

## Capital Program Expenditures

### Projection vs. Unaudited Actual Third Quarter 2012

(\$ thousands)

	3rd Qtr		Variance	
	Projection	Actual <sup>(1)</sup>	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$81,792	\$41,047	\$40,745	49.8%
Reagan Memorial Tollway (I-88)	50,917	34,760	16,157	31.7%
Jane Addams Memorial Tollway (I-90)	34,448	27,531	6,918	20.1%
Veterans Memorial Tollway (I-355)	10,545	577	9,968	94.5%
Open Road Tolling (ORT)	283	407	(124)	-43.6%
Systemwide Improvements	58,661	18,344	40,317	68.7%
Tri-State Tollway (I-294/I-57) Interchange	5,346	4,454	892	0
Elgin O'Hare Western Access	3,838	1,833	2,005	52.2%
Move Illinois and CRP Subtotal	\$245,831	\$128,952	\$116,879	47.5%
"Other" Capital Projects	16,200	11,931	4,269	26.4%
Capital Program Subtotal	\$262,031	\$140,883	\$121,148	46.2%
Intergovernmental Agreements Reimbursement and Other Adjustments <sup>2</sup>	-	(17,428)	17,428	N/A
<b>Total Capital Program Expenditures</b>	<b>\$262,031</b>	<b>\$123,455</b>	<b>\$138,576</b>	<b>52.9%</b>

<sup>1</sup> Capital Program Actual included \$75,543,921 in work completed for which payments have not been made as of September 30, 2012.

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

### Projection vs. Unaudited Actual Year-to-Date September 30, 2012

(\$ thousands)

	YTD		Variance	
	Projection	Actual <sup>1</sup>	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$115,164	\$68,749	\$46,415	40.3%
Reagan Memorial Tollway (I-88)	73,913	49,304	24,609	33.3%
Jane Addams Memorial Tollway (I-90)	53,576	41,428	12,149	22.7%
Veterans Memorial Tollway (I-355)	12,093	734	11,359	93.9%
Open Road Tolling (ORT)	1,983	1,158	825	41.6%
Systemwide Improvements	109,644	47,784	61,860	56.4%
Tri-State Tollway (I-294/I-57) Interchange	5,346	6,393	(1,047)	N/A
Elgin O'Hare Western Access	4,317	1,947	2,370	54.9%
Move Illinois and CRP Subtotal	\$376,035	\$217,496	\$158,539	42.2%
"Other" Capital Projects <sup>2</sup>	39,600	24,913	14,687	37.1%
Capital Program Subtotal	\$415,635	\$242,410	\$173,226	41.7%
Intergovernmental Agreement Reimbursements and Other Adjustments <sup>3</sup>	-	(20,435)	20,435	N/A
<b>Total Capital Program Expenditures</b>	<b>\$415,635</b>	<b>\$221,975</b>	<b>\$193,661</b>	<b>46.6%</b>

<sup>1</sup> Capital Program Actual included \$75,543,921 in work completed for which payments have not been made as of September 30, 2012.

<sup>2</sup> The Other Projects portion of the Capital Program Budget for 2012 totals \$77.2 million, of which \$60 million is anticipated to be spent.

<sup>3</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, 2012, unaudited capital program expenditures totaled \$123.5 million. This amount included expenses paid during the third quarter, as well as \$75.5 million of work completed during the quarter and/or in prior periods for which payments have not been made as of September 30, 2012. *Move Illinois* Program and CRP expenditures totaled \$129 million, and Other Capital project expenditures totaled \$11.9 million. In addition, Intergovernmental Agreement reimbursements for work performed in prior periods totaled \$17.4 million in the quarter.

The third quarter favorable variance of \$138.6 million for the Capital Program can be attributed to:

- Savings/lower cost of construction – an estimated \$4 million,
- Schedule changes – an estimated \$90.5 million,
- Reduced scope of projects – an estimated \$26.6 million, and
- Intergovernmental agreement reimbursements - \$17.4 million

Of the 2012 year-to-date favorable variance of \$193.7 million, \$141.1 million can be attributed to schedule changes.

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

**\$41 million**

During the third quarter, completed construction included riding surface improvement between Half Day Road and Lake Cook Road, between Atkinson Road and Rockland Road, as well as pavement rehabilitation from the Edens Spur to Half Day Road. In addition, construction efforts continue for roadway resurfacing and bridge improvements on the Central Tri-State between 95<sup>th</sup> Street and Balmoral Avenue in both the southbound and northbound directions. The favorable variance of \$40.7 million was primarily due to project scope reduction for the roadway and bridge rehabilitation from Cermak Road to Balmoral Avenue and schedule changes.

### **The Reagan Memorial Tollway**

**\$34.8 million**

The rehabilitation and repair of the pavement and bridges between IL Route 251 and IL Route 56 are substantially complete during the quarter, with only minor off-system work remaining. Construction efforts continue for the reconstruction and widening of I-88 between IL Route 56 and Deerpath Road. Contributing factors for the favorable variance of \$16.2 million include project bid savings and schedule changes on roadway rehabilitation from IL 251 to IL 56.

### **The Jane Addams Memorial Tollway**

**\$27.5 million**

During the third quarter, ongoing work along the Jane Addams Memorial include: design efforts for the reconstruction and widening of roadway and structures between I-90 over the Chicago and Northwestern Railroad and I-39, master plan for the reconstruction and widening from U.S. Route 20 to the Elgin Toll Plaza and design services for the bridge reconstruction of bridges of I-90 over the Chicago and Northwestern Railroad, design and construction management services for ramp reconstruction at Business Route 20, as well as design efforts for bridge widening and reconstruction including the bridges over the Kishwaukee River, the Fox River, Mosquito Creek, Coon Creek and U.S. Route 20. In

addition, the transit and supporting highway infrastructure study on the Jane Addams Memorial Tollway continue. The favorable variance of \$6.9 million for this corridor is due to delayed start on design services for the Jane Addams Memorial from Kennedy Expressway to I-39.

**The Veterans Memorial Tollway** **\$577 thousand**

During the third quarter, design efforts continue for resurfacing I-55 to Army Trail Road, minor roadway resurfacing of the eastbound I-88 ramp to northbound I-355 and to replace tunnel lighting under I-88 on the Veterans Memorial Tollway. The favorable variance of \$10 million for this corridor is due to delayed start.

**Open Road Tolling (ORT)** **\$407 thousand**

The unfavorable variance of \$124 thousand for this corridor is due to additional Traffic Revenue and Maintenance Management program (TRMMP) expenses.

**Systemwide** **\$18.3 million**

During the third quarter completed bridge rehabilitation along the Tri-State included Atkinson Road and 167<sup>th</sup> Street to IL Route 394. Construction work continues for the Interchange at IL Route 47 to include widening and reconstruction of IL Route 47 over the Jane Addams Tollway and intersection improvements at Jim Dhamer Drive and Freeman Road. Intermittent pavement repairs on the Jane Addams Memorial progressed during the quarter. Design work along Veterans Memorial to repair three flyover bridges connecting I-88 to I-355 and the Finley Road overhead bridge are underway. The favorable variance of \$40.3 million for this corridor is mainly attributed to rescheduled projects with Business Systems, IT, Operations and Maintenance Facilities and procurement delays on professional services for design and construction management.

**The Tri-State Tollway (I-294/I-57) Interchange** **\$4.5 million**

During the third quarter, construction work on the I-294/I-57 Interchange included the completion of a new bridge carrying southbound I-294 traffic over 147<sup>th</sup> Street and the rebuild of the northbound side of the bride bridge. The Tollway is in the process to acquire the property needed for the I-57 Interchange construction. The favorable variance of \$892 thousand for this corridor is due to schedule changes.

**The Elgin O'Hare Western Access** **\$1.8 million**

During the third quarter, expenditures in this corridor included design corridor management and design section engineering services and survey and land acquisition services. The favorable variance of \$2 million for this corridor is due to schedule changes.

**Other Capital Projects** **\$11.9 million**

Project expenditures in this corridor include Fleet, General Engineering and Traffic Consultant services, the purchase of transponders, Maintenance Facility Management Program services, ITS/Fiber Optics Program Management, Pavement and Roadway management Services, Traffic Incident Management System (TIMS), Intelligent Transportation Systems (ITS), IT Web /e-commerce and computer infrastructure upgrades, new Salt Dome construction at M-3, fuel stations rehabilitation and other small capital equipment purchases. The favorable variance of \$4.3 million can be attributed to delays in starting planned projects.

# Appendix

Quarterly Financial Review September 30, 2012

ILLINOIS TOLLWAY				
BUDGET vs. UNAUDITED ACTUAL				
Third Quarter Ending September 30, 2012				
	3rd Quarter		Variance	
	Budget	Actual	\$	%
<b>REVENUE</b>				
Toll Revenue and Evasion Recovery	\$256,031,639	\$248,669,418	(\$7,362,220)	-2.9%
Concessions	500,000	612,406	112,406	22.5%
Investment Income	250,000	411,690	161,690	64.7%
Miscellaneous	1,757,000	1,632,062	(124,938)	-7.1%
<b>Total Revenue</b>	<b>\$258,538,639</b>	<b>\$251,325,577</b>	<b>(\$7,213,062)</b>	<b>-2.8%</b>
<b>Maintenance and Operations (M and O) Expenditures</b>				
Payroll and Related Costs	\$38,221,864	\$35,510,516	\$2,711,348	7.1%
Group Insurance	6,962,000	6,203,846	758,154	10.9%
Contractual Services	12,653,917	11,597,772	1,056,145	8.3%
Materials/Operational Supplies/Other Expenses	2,240,407	482,369	1,758,037	78.5%
Utilities	1,571,703	1,113,711	457,992	29.1%
All Other Insurance	2,400,000	1,073,284	1,326,716	55.3%
Parts and Fuel	1,441,566	2,125,008	(683,442)	-47.4%
Equipment/Office Rental and Maintenance	3,240,434	2,971,363	269,071	8.3%
Employee Development	225,203	174,721	50,482	22.4%
Recovery of Expenses	(592,125)	(712,540)	120,415	20.3%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$68,364,967</b>	<b>\$60,540,050</b>	<b>\$7,824,917</b>	<b>11.4%</b>
<b>Net Revenue</b>				
<b>Revenue Less M and O Expenditures</b>	<b>\$190,173,672</b>	<b>\$190,785,527</b>	<b>\$611,855</b>	<b>0.3%</b>
<b>Debt Service Transfers</b>				
Existing Debt	\$62,250,000	\$61,088,363	\$1,161,637	1.9%
New Debt	3,000,000	-	3,000,000	100.0%
<b>Total Debt Service Transfers</b>	<b>\$65,250,000</b>	<b>\$61,088,363</b>	<b>\$4,161,637</b>	<b>6.4%</b>
<b>Net Revenue Less Debt Service Transfers</b>	<b>\$124,923,672</b>	<b>\$129,697,164</b>	<b>\$4,773,492</b>	<b>3.8%</b>

Quarterly Financial Review September 30, 2012

ILLINOIS TOLLWAY				
PROJECTION vs. UNAUDITED ACTUAL				
Third Quarter Ending September 30, 2012				
( )	3rd Quarter ( )		Variance	
	Projection	Actual <sup>2</sup>	\$	%
<b>Capital Program <sup>1</sup></b>				
Tri-State Tollway (I-94/I-294/I-80)	\$81,792,399	\$41,047,194	\$40,745,205	49.8%
Reagan Memorial Tollway (I-88)	50,917,078	34,760,169	16,156,909	31.7%
Jane Addams Memorial Tollway (I-90)	34,448,291	27,530,744	6,917,547	20.1%
Veterans Memorial Tollway (I-355)	10,544,699	576,639	9,968,060	94.5%
Open Road Tolling (ORT)	283,334	406,906	(123,572)	-43.6%
Systemwide Improvements	58,661,048	18,343,799	40,317,249	68.7%
Tri-State Tollway (I-294/I-57) Interchange	5,346,000	4,453,823	892,177	16.7%
Elgin O'Hare Western Access	3,838,042	1,832,933	2,005,109	52.2%
<b>Move Illinois and CRP Subtotal</b>	<b>\$245,830,890</b>	<b>\$128,952,206</b>	<b>\$116,878,684</b>	<b>47.5%</b>
"Other" Capital Projects	16,200,000	11,930,870	4,269,130	26.4%
<b>Capital Program Subtotal</b>	<b>\$262,030,890</b>	<b>\$140,883,076</b>	<b>\$121,147,814</b>	<b>46.2%</b>
Intergovernmental Agreement Reimbursements and Other Adjustments <sup>3</sup>	-	(17,427,924)	17,427,924	N/A
<b>Total Capital Program Expenditures</b>	<b>\$262,030,890</b>	<b>\$123,455,152</b>	<b>\$138,575,738</b>	<b>52.9%</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 \$75,543,921 in work completed for which payments have not been made as of September 30, 2012.				
<sup>3</sup> Intergovernmental Agreement Reimbursements were for work performed in prior periods.				

Quarterly Financial Review September 30, 2012

ILLINOIS TOLLWAY				
BUDGET vs. UNAUDITED ACTUAL				
Year-to-Date September 30, 2012				
	2012		Variance	
	YTD Budget	YTD Actual	\$	%
<b>REVENUE</b>				
Toll Revenue and Evasion Recovery	\$722,370,804	\$712,999,805	(\$9,370,999)	-1.3%
Concessions	1,500,000	1,712,593	212,593	14.2%
Investment Income	750,000	898,046	148,046	19.7%
Miscellaneous	5,215,000	3,862,794	(1,352,206)	-25.9%
<b>Total Revenue</b>	<b>\$729,835,804</b>	<b>\$719,473,239</b>	<b>(\$10,362,565)</b>	<b>-1.4%</b>
<b>Maintenance and Operations (M and O) Expenditures</b>				
Payroll and Related Costs	\$112,658,646	\$107,884,475	\$4,774,171	4.2%
Group Insurance	20,886,000	20,040,033	845,967	4.1%
Contractual Services	30,969,198	28,544,266	2,424,933	7.8%
Materials/Operational Supplies/Other Expenses	6,721,220	3,633,955	3,087,265	45.9%
Utilities	4,715,108	4,069,910	645,197	13.7%
All Other Insurance	7,200,000	5,572,887	1,627,113	22.6%
Parts and Fuel	4,235,658	4,166,322	69,336	1.6%
Equipment/Office Rental and Maintenance	9,721,302	8,964,203	757,099	7.8%
Employee Development	675,608	589,247	86,360	12.8%
Recovery of Expenses	(1,776,375)	(1,765,938)	(10,437)	-0.6%
<b>Total Maintenance and Operations Expenditure</b>	<b>\$196,006,364</b>	<b>\$181,699,360</b>	<b>\$14,307,005</b>	<b>7.3%</b>
<b>Net Revenue</b>				
<b>Revenue Less M and O Expenditures</b>	<b>\$533,829,440</b>	<b>\$537,773,879</b>	<b>\$3,944,439</b>	<b>0.7%</b>
<b>Debt Service Transfers</b>				
Existing Debt	\$186,750,000	\$180,428,753	\$6,321,247	3.4%
New Debt	3,000,000	-	3,000,000	100.0%
<b>Total Debt Service Transfers</b>	<b>\$189,750,000</b>	<b>\$180,428,753</b>	<b>\$9,321,247</b>	<b>4.9%</b>
<b>Net Revenue Less Debt Service (Coverage)</b>	<b>\$344,079,440</b>	<b>\$357,345,126</b>	<b>\$13,265,686</b>	<b>3.9%</b>



Quarterly Financial Review September 30, 2012

ILLINOIS TOLLWAY				
PROJECTION vs. UNAUDITED ACTUAL				
Year-to-Date September 30, 2012				
	2012		Variance	
( )	YTD Projection	YTD Actual <sup>2</sup>	\$	%
<b>Capital Program <sup>1</sup></b>				
Tri-State Tollway (I-94/I-294/I-80)	\$115,163,606	\$68,748,713	\$46,414,892	40.3%
Reagan Memorial Tollway (I-88)	73,912,641	49,304,092	24,608,549	33.3%
Jane Addams Memorial Tollway (I-90)	53,576,310	41,427,763	12,148,547	22.7%
Veterans Memorial Tollway (I-355)	12,092,593	733,569	11,359,024	93.9%
Open Road Tolling (ORT)	1,983,338	1,158,401	824,937	41.6%
Systemwide Improvements	109,644,127	47,783,756	61,860,371	56.4%
Tri-State Tollway (I-294/I-57) Interchange	5,346,000	6,393,298	(1,047,298)	N/A
Elgin O'Hare Western Access	4,316,708	1,946,596	2,370,112	54.9%
<b>Move Illinois and CRP Subtotal</b>	<b>\$376,035,323</b>	<b>\$217,496,188</b>	<b>\$158,539,135</b>	<b>42.2%</b>
"Other" Capital Projects <sup>3</sup>	39,600,000	24,913,436	14,686,564	37.1%
<b>Capital Program Subtotal</b>	<b>\$415,635,323</b>	<b>\$242,409,624</b>	<b>\$173,225,699</b>	<b>41.7%</b>
Intergovernmental Agreement Reimbursements and Other Adjustments <sup>4</sup>	-	(20,435,015)	20,435,015	N/A
<b>Total Capital Program Expenditures</b>	<b>\$415,635,323</b>	<b>\$221,974,609</b>	<b>\$193,660,714</b>	<b>46.6%</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 \$75,543,921 in work completed for which payments have not been made as of September 30, 2012. <sup>3</sup> The Other Projects portion of the Capital Program Budget for 2012 totals \$77.2 million, of which \$60 million is anticipated to be spent. <sup>4</sup> Intergovernmental Agreement Reimbursements were for work performed in prior periods.				

Quarterly Financial Review September 30, 2012

ILLINOIS TOLLWAY			
% of BUDGET REALIZED (UNAUDITED)			
Year-to-Date September 30, 2012			
	2012 Budget	YTD Actual	% Budget Realized
<b>REVENUE</b>			
Toll Revenue and Evasion Recovery	\$963,000,000	\$712,999,805	74.0%
Concessions	2,000,000	1,712,593	85.6%
Investment Income	1,000,000	898,046	89.8%
Miscellaneous	7,000,000	3,862,794	55.2%
<b>Total Revenue</b>	<b>\$973,000,000</b>	<b>\$719,473,239</b>	<b>73.9%</b>
<b>Maintenance and Operations (M and O) Expenditures</b>			
Payroll and Related Costs	\$150,881,038	\$107,884,475	71.5%
Group Insurance	27,848,000	20,040,033	72.0%
Contractual Services	46,322,045	28,544,266	61.6%
Materials/Operational Supplies/Other Expenses	8,961,626	3,633,955	40.6%
Utilities	6,286,810	4,069,910	64.7%
All Other Insurance	9,600,000	5,572,887	58.1%
Parts and Fuel	6,128,939	4,166,322	68.0%
Equipment/Office Rental and Maintenance	12,961,736	8,964,203	69.2%
Employee Development	900,810	589,247	65.4%
Recovery of Expenses	(2,368,500)	(1,765,938)	74.6%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$267,522,504</b>	<b>\$181,699,360</b>	<b>67.9%</b>
<b>Net Revenue</b>			
<b>Revenue Less M and O Expenditures</b>	<b>\$705,477,496</b>	<b>\$537,773,879</b>	<b>76.2%</b>
<b>Debt Service Transfers</b>			
Existing Debt	\$248,846,905	\$180,428,753	72.5%
New Debt	6,000,000	-	0.0%
<b>Total Debt Service Transfers</b>	<b>\$254,846,905</b>	<b>\$180,428,753</b>	<b>70.8%</b>
<b>Net Revenue Less Debt Service Transfers</b>	<b>\$450,630,591</b>	<b>\$357,345,126</b>	<b>79.3%</b>

Quarterly Financial Review September 30, 2012

<b>ILLINOIS TOLLWAY</b>			
<b>% of PROJECTION REALIZED (UNAUDITED)</b>			
<b>Year-to-Date September 30, 2012</b>			
	<b>2012</b>	<b>YTD <sup>(2)</sup></b>	<b>% Projection</b>
	<b>Projection</b>	<b>Actual <sup>1</sup></b>	<b>Realized</b>
<b>Capital Program</b>			
Tri-State Tollway (I-94/I-294/I-80)	\$156,406,398	\$68,748,713	44.0%
Reagan Memorial Tollway (I-88)	90,489,389	49,304,092	54.5%
Jane Addams Memorial Tollway (I-90)	98,765,737	41,427,763	41.9%
Veterans Memorial Tollway (I-355)	23,718,392	733,569	3.1%
Open Road Tolling (ORT)	1,983,338	1,158,401	58.4%
Systemwide Improvements	133,363,830	47,783,756	35.8%
Tri-State Tollway (I-294/I-57) Interchange	11,880,000	6,393,298	53.8%
Elgin O'Hare Western Access	14,873,500	1,946,596	13.1%
<b>Move Illinois and CRP Subtotal</b>	<b>\$531,480,584</b>	<b>\$217,496,188</b>	<b>40.9%</b>
"Other" Capital Projects <sup>2</sup>	60,000,000	24,913,436	41.5%
<b>Capital Program Subtotal</b>	<b>\$591,480,584</b>	<b>\$242,409,624</b>	<b>41.0%</b>
Intergovernmental Agreement Reimbursements and Other Adjustments <sup>3</sup>	-	(20,435,015)	N/A
<b>Total Capital Program Expenditures</b>	<b>591,480,584</b>	<b>221,974,609</b>	<b>37.5%</b>

<sup>1</sup> Capital Program Actual included \$75,543,921 in work completed for which payments have not been made as of September 30, 2012.

<sup>2</sup> The Other Projects portion of the Capital Program Budget for 2012 totals \$77.2 million, of which \$60 million is anticipated to be spent.

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

Quarterly Financial Review September 30, 2012

ILLINOIS TOLLWAY				
2011 Actual vs. 2012 Unaudited Actual				
Third Quarter Ending September 30th				
	Third Quarter		Variance	
	2011	2012	\$	%
<b>REVENUE</b>				
Toll Revenue and Evasion Recovery	\$186,126,039	\$248,669,418	\$62,543,379	33.6%
Concessions	621,614	612,406	(9,208)	-1.5%
Investment Income	230,421	411,690	181,269	78.7%
Miscellaneous	2,756,105	1,632,062	(1,124,043)	-40.8%
<b>Total Revenue</b>	<b>\$189,734,179</b>	<b>\$251,325,577</b>	<b>\$61,591,398</b>	<b>32.5%</b>
<b>Maintenance and Operations (M and O) Expenditures</b>				
Payroll and Related Costs	\$34,130,851	\$35,510,516	(\$1,379,665)	-4.0%
Group Insurance	7,392,212	6,203,846	1,188,366	16.1%
Contractual Services	10,822,598	11,597,772	(775,174)	-7.2%
Materials/Operational Supplies/Other Expenses	608,426	482,369	126,057	20.7%
Utilities	1,765,934	1,113,711	652,223	36.9%
All Other Insurance	(2,093,952)	1,073,284	(3,167,236)	151.3%
Parts and Fuel	1,521,556	2,125,008	(603,451)	-39.7%
Equipment/Office Rental and Maintenance	4,199,437	2,971,363	1,228,074	29.2%
Employee Development	159,383	174,721	(15,337)	-9.6%
Recovery of Expenses	(475,467)	(712,540)	237,073	49.9%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$58,030,980</b>	<b>\$60,540,050</b>	<b>(\$2,509,071)</b>	<b>-4.3%</b>
<b>Net Revenue</b>				
<b>Revenue Less M and O Expenditures</b>	<b>\$131,703,199</b>	<b>\$190,785,527</b>	<b>\$59,082,328</b>	<b>44.9%</b>
<b>Debt Service Transfers</b>				
Existing Debt	61,934,386	\$61,088,363	\$846,023	1.4%
New Debt	-	-	-	N/A
<b>Total Debt Service Transfers</b>	<b>\$61,934,386</b>	<b>\$61,088,363</b>	<b>\$846,023</b>	<b>1.4%</b>
<b>Net Revenue Less Debt Service Transfers</b>	<b>\$69,768,813</b>	<b>\$129,697,164</b>	<b>\$59,928,351</b>	<b>85.9%</b>

Quarterly Financial Review September 30, 2012

<b>ILLINOIS TOLLWAY</b>				
<b>2011 Actual vs. 2012 Unaudited Actual</b>				
<b>Third Quarter Ending September 30th</b>				
	<b>3rd Quarter</b>		<b>Variance</b>	
	<b>2011</b>	<b>2012</b>	<b>\$</b>	<b>%</b>
<b>Capital Program</b>				
Tri-State Tollway (I-94/I-294/I-80)	\$2,140,852	\$41,047,194	(\$38,906,341)	-1817.3%
Reagan Memorial Tollway (I-88)	1,663,438	34,760,169	(\$33,096,731)	-1989.7%
Jane Addams Memorial Tollway (I-90)	26,618,776	27,530,744	(\$911,968)	-3.4%
Veterans Memorial Tollway (I-355)	352,071	576,639	(\$224,568)	-63.8%
Open Road Tolling (ORT)	432,889	406,906	\$25,983	6.0%
Systemwide Improvements	10,439,647	18,343,799	(\$7,904,152)	-75.7%
Tri-State Tollway (I-294/I-57) Interchange	-	4,453,823	(\$4,453,823)	N/A
Elgin O'Hare Western Access	-	1,832,933	(\$1,832,933)	N/A
<b>Move Illinois and CRP Subtotal</b>	<b>\$41,647,673</b>	<b>\$128,952,206</b>	<b>(\$87,304,533)</b>	<b>-209.6%</b>
"Other" Capital Projects	11,936,486	11,930,870	5,616	0.0%
<b>Capital Program Subtotal</b>	<b>\$53,584,160</b>	<b>\$140,883,076</b>	<b>(\$87,298,917)</b>	<b>-162.9%</b>
Intergovernmental Agreement Reimbursements and Other Adjustments <sup>1</sup>	(20,526,385)	(17,427,924)	(3,098,461)	15.1%
<b>Total Capital Program Expenditures</b>	<b>\$33,057,774</b>	<b>\$123,455,152</b>	<b>(\$90,397,378)</b>	<b>-273.5%</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					
2011 Actual vs. 2012 Unaudited Actual					
Year-to-Date September 30th					
	2011	YTD Actual		Variance	
		2012	\$	%	
<b>REVENUE</b>					
Toll Revenue and Evasion Recovery	\$520,242,544	\$712,999,805	\$192,757,261	37.1%	
Concessions	1,758,884	1,712,593	(46,291)	-2.6%	
Investment Income	917,856	898,046	(19,809)	-2.2%	
Miscellaneous	6,726,704	3,862,794	(2,863,910)	-42.6%	
<b>Total Revenue</b>	<b>\$529,645,988</b>	<b>\$719,473,239</b>	<b>\$189,827,251</b>	<b>35.8%</b>	
<b>Maintenance and Operations (M and O) Expenditures</b>					
Payroll and Related Costs	\$103,155,730	\$107,884,475	(\$4,728,745)	-4.6%	
Group Insurance	20,458,214	20,040,033	418,181	2.0%	
Contractual Services	26,487,228	28,544,266	(2,057,037)	-7.8%	
Materials/Operational Supplies/Other Expenses	4,416,979	3,633,955	783,024	17.7%	
Utilities	5,071,543	4,069,910	1,001,632	19.8%	
All Other Insurance	2,832,065	5,572,887	(2,740,822)	-96.8%	
Parts and Fuel	4,470,690	4,166,322	304,368	6.8%	
Equipment/Office Rental and Maintenance	9,532,942	8,964,203	568,740	6.0%	
Employee Development	545,551	589,247	(43,697)	-8.0%	
Recovery of Expenses	(1,688,831)	(1,765,938)	77,107	4.6%	
<b>Total Maintenance and Operations Expenditures</b>	<b>\$175,282,111</b>	<b>\$181,699,360</b>	<b>(\$6,417,249)</b>	<b>-3.7%</b>	
<b>Net Revenue</b>					
<b>Revenue Less M and O Expenditures</b>	<b>\$354,363,877</b>	<b>\$537,773,879</b>	<b>\$183,410,002</b>	<b>51.8%</b>	
<b>Debt Service Transfers</b>					
Existing Debt	\$182,979,627	\$180,428,753	\$2,550,875	1.4%	
New Debt	-	-	-	N/A	
<b>Total Debt Service Transfers</b>	<b>\$182,979,627</b>	<b>\$180,428,753</b>	<b>\$2,550,875</b>	<b>1.4%</b>	
<b>Net Revenue Less Debt Service (Coverage)</b>	<b>\$171,384,250</b>	<b>\$357,345,126</b>	<b>\$185,960,877</b>	<b>108.5%</b>	

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<b>ILLINOIS TOLLWAY</b>				
<b>2011 Actual vs. 2012 Unaudited Actual</b>				
<b>Year-to-Date September 30th</b>				
	YTD Actual		Variance	
	2011	2012	\$	%
<b>Capital Program</b>				
Tri-State Tollway (I-94/I-294/I-80)	\$9,089,454	\$68,748,713	(\$59,659,259)	-656.4%
Reagan Memorial Tollway (I-88)	2,106,218	49,304,092	(\$47,197,874)	-2240.9%
Jane Addams Memorial Tollway (I-90)	46,686,241	41,427,763	\$5,258,478	11.3%
Veterans Memorial Tollway (I-355)	3,916,465	733,569	\$3,182,896	81.3%
Open Road Tolling (ORT)	1,065,973	1,158,401	(\$92,428)	-8.7%
Systemwide Improvements	21,090,450	47,783,756	(\$26,693,306)	-126.6%
Tri-State Tollway (I-294/I-57) Interchange	-	6,393,298	(\$6,393,298)	N/A
Elgin O'Hare Western Access	-	1,946,596	(\$1,946,596)	N/A
<b>Move Illinois &amp; CRP Subtotal</b>	<b>\$83,954,801</b>	<b>\$217,496,188</b>	<b>(\$133,541,386)</b>	<b>-159.1%</b>
"Other" Capital Projects	29,692,355	24,913,436	4,778,918	16.1%
<b>Capital Program Subtotal</b>	<b>\$113,647,156</b>	<b>\$242,409,624</b>	<b>(\$128,762,468)</b>	<b>-113.3%</b>
Intergovernmental Agreement Reimbursements and Other Adjustments <sup>1</sup>	(24,245,208)	(20,435,015)	(3,810,192)	15.7%
<b>Total Capital Program Expenditures</b>	<b>\$89,401,948</b>	<b>\$221,974,609</b>	<b>(\$132,572,660)</b>	<b>-148.3%</b>
<sup>1</sup> Intergovernmental Agreement Reimbursements were for work performed in prior periods, and Other Adjustments were accounting adjustments made year-to-date.				