



2007 Budget Analysis

(Unaudited)

Quarterly Financial Review

January 1 – March 31, 2007

INTRODUCTION

In December 2006, the Board of Directors adopted an annual budget for 2007. Each quarter, the Finance Department reviews the actual revenues and expenditures against the budget, and presents analysis in this quarterly report to the Board's Audit Committee.

The 2007 Tollway Budget includes estimated revenues of \$636 million. Revenue sources include Toll Revenue and Evasion Recovery, Concessions, Investment Income, and Miscellaneous Income. Toll Revenues are collected from Tollway users either by cash or electronic toll collection for users of I-PASS. Evasion Recovery revenues are fines collected from toll violators. Concessions consist of revenues generated from the Tollway's Oases, which provide fuel, food and other conveniences to users of the Tollway. Investment Income is primarily interest income on Tollway funds and I-PASS cash escrow accounts. Miscellaneous Income includes revenue from overweight truck fines, rental income from assets such as fiber optic lines, and data towers, and other minor miscellaneous receipts.

Tollway expenditures are divided into three categories: Maintenance and Operations (M&O), Capital, and Debt Service. The Tollway's 2007 M&O Budget is \$225 million. Capital expenditures are those associated with the Tollway's capital program, including costs of the Congestion-Relief Program (CRP) and other capital projects; the 2007 Budget for the capital program is \$1,143 million. The aggregate 2007 Debt Service Budget of \$182 million, provides for the payment of principal and interest on bonds issued to finance Tollway capital projects.

This report provides an analysis of actual revenues and expenditures through the first quarter of fiscal year 2007. The purpose of this analysis is to assess the actual financial performance of the Tollway relative to the budgeted plan. The report indicates variances from Budget amounts. A favorable variance contributes to a higher fund balance, and unfavorable variance would reduce the fund balance. For example, if toll revenues were higher during the quarter than anticipated in the budget, it would be a favorable variance. The expenditures reported for the capital program are cash based and do not include accruals for work completed and not yet paid. During the fourth quarter review, estimated accruals will be provided to show accrual based expenditures versus budget. All figures contained in this report are unaudited, and should be used for informational purposes only. Additionally, some variances may exist between budget and actual line items due to accounting treatments.

OVERVIEW

Through March 31, 2007, the Tollway generated \$145.3 million of revenue, 22.9 percent of the amount projected for all of 2007. Operating expenditures (M&O) totaled \$42.4 million, or 18.9 percent of the annual budget. Capital expenditures totaled \$196.6 million, or 17.2 percent of annual budget projections.

First quarter revenues are 0.2 percent less than the budgeted amount, while M&O expenditures are 6.9 percent under budget. Capital cash expenditures are 7.7 percent less than budgeted for the quarter. First quarter Debt Service expenditures are \$41.9 million.

REVENUES

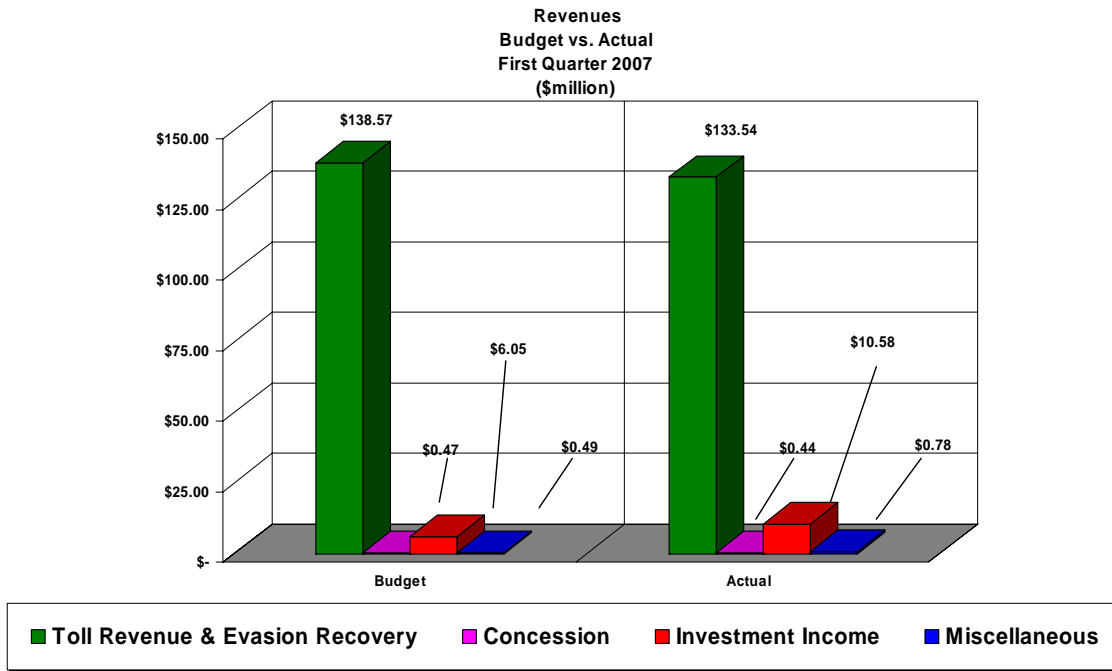
Revenues from the collection of tolls and evasion recovery total \$133.5 million for the first quarter of 2007, or about 3.6 percent below the budgeted amount.

Concession revenues total \$441 thousand, which reflects an unfavorable variance of 7 percent for the quarter.

Investment Income for the quarter totals \$10.6 million, or 74.8 percent higher than budget. This is the result of higher than projected fund balances.

Miscellaneous revenues total \$777 thousand, with a \$291 thousand or a 59.8 percent favorable variance for the quarter. This favorable variance is driven by sales of scrap metal and property.

Revenue First Quarter 2007					
	1st Qtr Budget	1st Qtr Actual	Budget Variance (\$)	Budget Variance (%)	
Revenues					
Toll Revenue & Evasion Recovery	\$ 138,570,720	\$ 133,540,503	\$ (5,030,217)	-3.6%	
Concession	474,000	440,598	(33,402)	-7.0%	
Investment Income	6,050,000	10,575,404	4,525,404	74.8%	
Miscellaneous	486,000	776,868	290,868	59.8%	
Total Revenues	\$ 145,580,720	\$ 145,333,373	\$ (247,347)	-0.2%	



MAINTENANCE AND OPERATIONS EXPENDITURES

The Tollway's M&O Budget has a favorable first quarter variance of \$3.2 million or 6.9 percent.

Payroll and Employee Benefits have a favorable variance of \$2.0 million or 6.3 percent for the first quarter. This favorable variance is attributable to the lag time in filling vacancies throughout the agency and the resulting decrease in the Tollway's required contribution to FICA as well as the State Employees' Retirement System (SERS).

For first quarter 2007, Contractual Services has a favorable variance of \$1.4 million or 64.6 percent, due to timing for the startup of the new consolidated Customer Service Center, less collection agency fees than anticipated, and a reduced need for roadway emergency services.

Equipment/Office Rental & Maintenance is \$0.4 million or 17.0 percent under the budgeted amount for the quarter. This is mainly due to reduced expenditures for system-wide ORT lane equipment maintenance.

Utilities, Group Insurance and Recovery of Expenses have a combined favorable variance of \$960 thousand for the quarter. This is due to the long billing cycles for group insurance and utilities, as well as better than expected expense recovery.

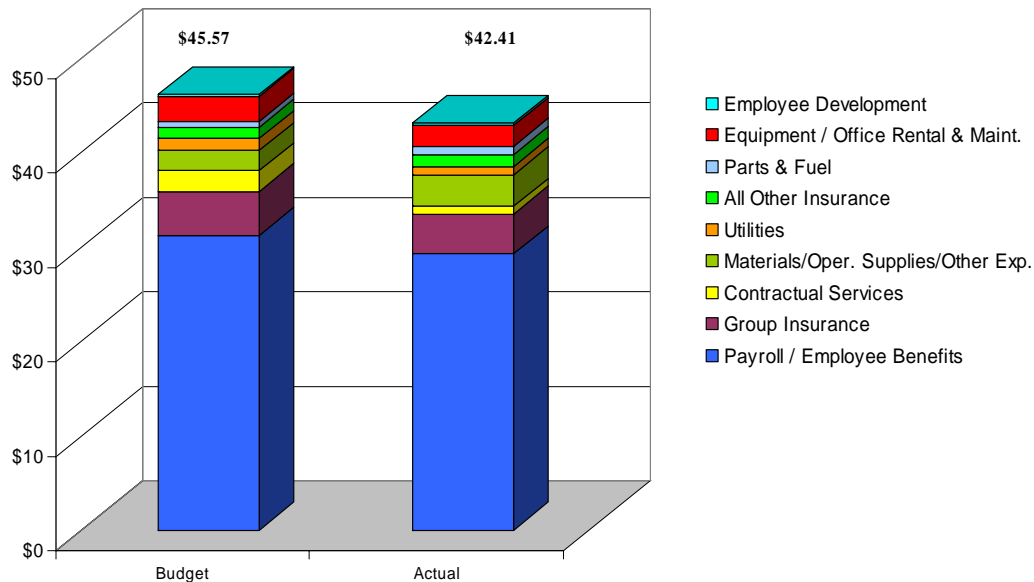
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Materials/Operational Supplies has an unfavorable variance of \$1.2 million or 58.7 percent over budget. Major factors include increased consumption of roadway salt during the winter months as well as the replacement of other roadway materials such as directional treadles, attenuator parts and sign posts.

All Other Insurance, Parts & Fuel and Employee Development have a combined unfavorable variance of \$401 thousand during the first quarter. This is mainly due to increased usage of replacement parts in Fleet Maintenance.

M&O Expenditures First Quarter 2007				
	1st Qtr	1st Qtr	Budget	Budget
	Budget	Actual	Variance	Variance
			(\$)	(%)
Maintenance & Operations Expenditures				
Payroll / Employee Benefits	\$ 31,182,689	\$ 29,227,955	\$ 1,954,734	6.3%
Group Insurance	4,627,058	4,210,653	416,405	9.0%
Contractual Services	2,206,455	780,649	1,425,806	64.6%
Materials/Oper. Supplies/Other Exp.	2,102,603	3,337,443	(1,234,840)	-58.7%
Utilities	1,305,544	860,577	444,967	34.1%
All Other Insurance	1,140,148	1,263,443	(123,295)	-10.8%
Parts & Fuel	653,629	890,312	(236,683)	-36.2%
Equipment / Office Rental & Maint.	2,642,748	2,193,585	449,163	17.0%
Employee Development	211,065	252,103	(41,038)	-19.4%
Recovery of Expenses	(503,493)	(602,650)	99,157	19.7%
Total M&O Expenditures	\$ 45,568,446	\$ 42,414,070	\$ 3,154,376	6.9%

M&O Expenditures
Budget vs. Actual First Quarter 2007
(\$ Million)



CAPITAL PROGRAM

The Capital expenditures include Renewal/Replacement expenditures related to maintenance of the existing system, costs associated with non-roadway facility and system maintenance and enhancements, and Improvement expenditures related to expanded capacity and Open Road Tolling (ORT). In October 2004, the Board approved a comprehensive 10-year capital program referred to as the Congestion-Relief Program. The Congestion-Relief Program includes implementation of Open Road Tolling (ORT), provides for regional growth through the construction of the I-355 South Extension, and facilitates the reconstruction, repair and widening of much of the existing system of tollroads.

The primary capital expenditures planned for 2007 were budgeted to build the South Extension of the North-South Tollway (\$380.9 million), which will provide an additional 12.5 miles of roadway and connect Interstate 55 to Interstate 80. Additionally \$312.6 million was budgeted to continue reconstruction and widening of much of the Tri-State Tollway. In 2007, approximately \$103.4 million was budgeted to complete the rehabilitations/reconstructions of the toll plaza buildings and cash lane modifications as part of the Open Road Tolling initiative; \$119.1 million was budgeted to continue the reconstruction and widening of the Reagan Memorial Tollway; and \$16.3 million was allocated to continue the design of the improvements planned for the Northwest Tollway.

Also included in the overall budget for the capital program, are funds for System Enhancements which include new interchanges, interchange improvements, landscaping and noise reduction projects. The non-roadway capital projects included in the 2007 program are traffic management, communications equipment, maintenance and roadway equipment, and other miscellaneous projects.

During the first quarter of 2007 construction continued on the cash/manual lanes at mainline plazas, along with the annex/control buildings, and plaza canopies. Construction continued on the South Extension of the North-South Tollway (I-355) with the balance of the work, including mainline and ramp paving and toll plaza construction scheduled for completion by the end of 2007.

Reconstruction and widening continues on the Central Tri-State (I-294/I-94), northbound Balmoral Avenue to Dempster Street. Additionally, two construction contracts were awarded during the first quarter, beginning the reconstruction of the north Tri-State Tollway from Stearns School Road to the Wisconsin State Line. Design continues for the remaining sections of the Tri-State Tollway with construction to begin on the southbound sections late 2007.

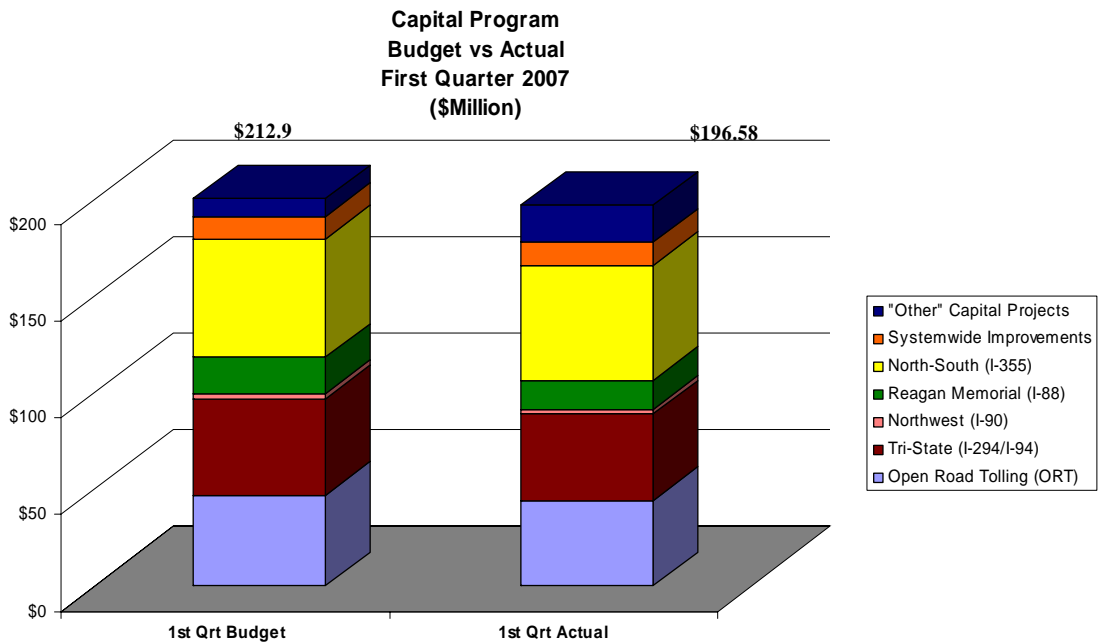
One contract was awarded for reconstruction and widening on the Reagan Memorial Tollway (I-88) from York Road to IL 83 for the work including the Harger Road Ramp. Design continued for the remainder of this project with a second construction contract scheduled to be awarded in May 2007 for the work from Spring Road to York Road. Additionally, design services and advance work continues for the reconstruction and widening between IL Route 83 and Orchard Road.

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Master Planning and design continues along the Northwest Tollway (I-90), to determine the needed improvements from the Kennedy Expressway to the Wisconsin State Line. Construction is planned to begin reconstruction of the Cherry Valley Interchange in 2008 with completion in 2009.

For the first quarter 2007, unaudited capital program cash expenditures totaled \$196.6 million, which is \$16.3 million, or 7.7 percent below the budgeted amount. This is due to some schedule changes on the Tri-State Tollway and the Reagan Memorial Tollway, as well as the timing of work earned versus paid.

Capital Program First Quarter 2007				
	1st Qtr	1st Qtr	Budget	Budget
	Budget	Actual	Variance	Variance
			(\$)	(%)
Capital Program				
Open Road Tolling (ORT)	\$ 46,533,384	\$ 43,949,443	\$ 2,583,941	5.6%
Tri-State (I-294/I-94)	50,019,410	44,748,738	5,270,672	10.5%
Northwest (I-90)	2,614,187	2,498,969	115,218	4.4%
Reagan Memorial (I-88)	19,063,598	15,117,031	3,946,567	20.7%
North-South (I-355)	60,942,799	59,249,997	1,692,802	2.8%
Systemwide Improvements	11,606,665	12,052,342	(445,677)	-3.8%
Congestion-Relief Program Subtotal	\$ 190,780,043	\$ 177,616,520	\$ 13,163,523	6.9%
"Other" Capital Projects Subtotal	22,092,231	18,960,029	3,132,202	14.2%
Total Capital Program Expenses	\$ 212,872,274	\$ 196,576,549	\$ 16,295,725	7.7%



DEBT SERVICES

Debt Service expenditures reflect the repayment of principal and interest due on the Tollway's outstanding bonds. Debt Service for 2007 was projected to total \$182 million based on the assumption that the Tollway would issue \$700 million of new revenue bonds in the second quarter 2007. Principal and interest expensed during the first quarter of 2007 totaled \$41.9 million.

SUMMARY

As the first quarter 2007 concluded, the Tollway's revenues were below the budgeted amounts by \$247 thousand, or an unfavorable variance of 0.2 percent. Revenues are expected to increase as Tollway usage heightens during the summer months, specifically concession and toll revenues.

M&O expenditures show a favorable variance for the first quarter 2007. M&O expenditures are \$3.2 million, or 6.9 percent below the budgeted amounts. This variance will move closer to budget as vacancies are filled and programs near completion.

Capital cash expenditures are \$16.3 million, or 7.7 percent below the budgeted amounts for the first quarter of 2007. Due to the timing of the construction season, it is estimated that an increase in cash expenditures will occur during the second half of the year.

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ILLINOIS TOLLWAY
BUDGET TO ACTUAL REPORT
For the 1st Quarter Ended March 31, 2007

	1st Qtr Budget	1st Qtr Actual	Budget Variance (\$)	Budget Variance (%)
REVENUES				
Toll Revenue & Evasion Recovery	\$ 138,570,720	\$ 133,540,503	\$ (5,030,217)	-3.6%
Concession	474,000	440,598	(33,402)	-7.0%
Investment Income	6,050,000	10,575,404	4,525,404	74.8%
Miscellaneous	486,000	776,868	290,868	59.8%
Total Revenues	\$ 145,580,720	\$ 145,333,373	\$ (247,347)	-0.2%
EXPENDITURES				
Maintenance & Operations				
Payroll/Employee Benefits	\$ 31,182,689	\$ 29,227,955	\$ 1,954,734	6.3%
Group Insurance	4,627,058	4,210,653	416,405	9.0%
Contractual Services	2,206,455	780,649	1,425,806	64.6%
Materials/Oper. Supplies/Other Exp.	2,102,603	3,337,443	(1,234,840)	-58.7%
Utilities	1,305,544	860,577	444,967	34.1%
All Other Insurance	1,140,148	1,263,443	(123,295)	-10.8%
Parts & Fuel	653,629	890,312	(236,683)	-36.2%
Equipment/Office Rental & Maint.	2,642,748	2,193,585	449,163	17.0%
Employee Development	211,065	252,103	(41,038)	-19.4%
Recovery of Expenses	(503,493)	(602,650)	99,157	19.7%
Total M&O Expenses	\$ 45,568,446	\$ 42,414,070	\$ 3,154,376	6.9%
Capital Program				
Open Road Tolling (ORT)	\$ 46,533,384	\$ 43,949,443	\$2,583,941	5.6%
Tri-State (I-294/I-94)	50,019,410	44,748,738	5,270,672	10.5%
Northwest (I-90)	2,614,187	2,498,969	115,218	4.4%
Reagan Memorial (I-88)	19,063,598	15,117,031	3,946,567	20.7%
North-South (I-355)	60,942,799	59,249,997	1,692,802	2.8%
Systemwide Improvements	11,606,665	12,052,342	(445,677)	-3.8%
Congestion-Relief Program Subtotal	\$ 190,780,043	\$ 177,616,520	\$ 13,163,523	6.9%
"Other" Capital Projects Subtotal	22,092,231	18,960,029	3,132,202	14.2%
Total Capital Program Expenses	\$ 212,872,274	\$ 196,576,549	\$ 16,295,725	7.7%
Debt Service				
Previous Debt	\$ 41,877,242	\$ 41,877,242	\$ 0	0.0%
New Debt	-	-	-	0.0%
Total Debt Service	\$ 41,877,242	\$ 41,877,242	\$ 0	0.0%
Total Expenditures	\$ 300,317,962	\$ 280,867,861	\$ 19,450,101	6.5%

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ILLINOIS TOLLWAY
 FULL YEAR BUDGET vs. 1st QUARTER YTD ACTUAL
 For the 1ST Quarter YTD Ended March 31, 2007

	2007 Budget	1st Qtr Actual	1st Qtr Actual as % of Budget
REVENUES			
Toll Revenue & Evasion Recovery	\$ 607,000,000	\$ 133,540,503	22.0%
Concession	2,000,000	440,598	22.0%
Investment Income	25,000,000	10,575,404	42.3%
Miscellaneous	2,000,000	776,868	38.8%
Total Revenues	\$ 636,000,000	\$ 145,333,373	22.9%
EXPENDITURES			
Maintenance & Operations			
Payroll/Employee Benefits	\$ 124,124,208	\$ 29,227,955	23.5%
Group Insurance	25,878,400	4,210,653	16.3%
Contractual Services	27,040,100	780,649	2.9%
Materials/Oper. Supplies/Other Exp.	16,223,786	3,337,443	20.6%
Utilities	6,002,500	860,577	14.3%
All Other Insurance	5,826,000	1,263,443	21.7%
Parts & Fuel	4,554,909	890,312	19.5%
Equipment/Office Rental & Maint.	15,891,700	2,193,585	13.8%
Employee Development	1,224,983	252,103	20.6%
Recovery of Expenses	(2,140,700)	(602,650)	28.2%
Total M&O Expenses	\$ 224,625,886	\$ 42,414,070	18.9%
Capital Program			
Open Road Tolling (ORT)	\$ 103,407,519	\$ 43,949,443	42.5%
Tri-State (I-294/I-94)	312,621,312	44,748,738	14.3%
Northwest (I-90)	16,338,670	2,498,969	15.3%
Reagan Memorial (I-88)	119,147,490	15,117,031	12.7%
North-South (I-355)	380,892,493	59,249,997	15.6%
Systemwide Improvements	72,541,657	12,052,342	16.6%
Congestion-Relief Program Subtotal	\$ 1,004,949,141	\$ 177,616,520	17.7%
"Other" Capital Projects Subtotal	138,076,442	18,960,029	13.7%
Total Capital Program Expenses	\$ 1,143,025,583	\$ 196,576,549	17.2%
Debt Service			
Previous Debt	\$ 182,000,000	\$ 41,877,242	23.0%
New Debt	-	-	-
Total Debt Service	\$ 182,000,000	\$ 41,877,242	23.0%
Total Expenditures	\$ 1,549,651,469	\$ 280,867,861	18.1%