



2009 Budget Analysis

*(Unaudited)*

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Quarterly Financial Review

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January 1 – March 31, 2009

## INTRODUCTION

In December 2008, the Board of Directors adopted the annual budget for 2009. Each quarter, the Finance Department reviews the actual revenues and expenditures against the budget, and then presents analysis in this quarterly report to the Board's Audit Committee.

The 2009 Budget adopted by the Board last December included estimated Total Revenues of \$680 million. In March 2009, Wilbur Smith Associates revised their toll collection estimates downward, and a new total revenue estimate of \$640 million was presented at the Audit Committee's March meeting. The new estimate also reflected a downward adjustment of investment income. This revised projection was also included in the May 2009 Official Statement.

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, fees and tolls 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. Concessions revenues also include tower co-location fees and rental income from fiber optic lines. Investment Income is primarily interest income on Tollway funds and I-PASS cash escrow accounts. Miscellaneous Income includes revenue from overweight truck fines, rental and easement income, and other minor receipts.

SOURCES OF REVENUE			
	2009 Budget	2009 March Estimate*	CHANGE
Toll & Evasion Recovery	\$650	\$620	(\$30)
Investment Income	22	12	(10)
Concessions	6	6	0
Miscellaneous	2	2	0
<b>TOTAL REVENUES</b>	<b>\$680</b>	<b>\$640</b>	<b>(\$40)</b>
*Toll revenue estimates were revised in March by WSA in advance of the Series 2009 A Bond Issue.			
ALLOCATIONS OF REVENUE			
	2009 Budget	2009 March Estimate*	CHANGE
<b>ALLOCATIONS</b>			
Maintenance and Operations	\$258	\$258	\$0
Debt Service Transfer	210	186	(24)
Deposit to RR & I	212	196	(16)
<b>TOTAL ALLOCATIONS</b>	<b>\$680</b>	<b>\$640</b>	<b>(\$40)</b>

Tollway expenditures are divided into three categories: Maintenance and Operations (M&O), Debt Service and Capital. The Tollway's 2009 M&O Budget is \$257.6 million. Debt Service expenditures provide for the payment of principal and interest on bonds issued to finance Tollway capital projects; the 2009 Debt Service Budget totals \$210.0 million. In March 2009, the Debt Service projection was revised to \$186 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 2009 Budget for the capital program is \$1,095.7 million.

This report provides an analysis of unaudited actual revenues and expenditures through the first quarter of fiscal year 2009. The purpose of this analysis is to assess the actual financial performance of the Tollway relative to the 2009 annual budgeted plan. The report indicates variances from Budget amounts. A favorable variance contributes to a higher fund balance, while an 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. This first quarter review includes expenditures paid during the first quarter, as well as accrued expenses not reflected at the time of General Ledger closing.

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

## OVERVIEW

Through March 31, 2009 the Tollway generated \$157.2 million of revenue, or \$6.4 million less than the budget amount for the first quarter, but \$692 thousand more than the March estimated amount. Revenues realized 23.1 percent of the budget of \$680.0 million for all of 2009.

Operating expenditures (M&O) totaled \$63.2 million, or \$176 thousand more than the first quarter budget, and expended 24.5 percent of the annual projected M&O budget of \$257.6 million.

Debt Service expenditures totaled \$39.3 million, or \$7.3 million under budget, and \$1.9 million less than the March estimated amount for the quarter. Debt Services expended 18.7 percent of the 2009 Debt Service budget of \$210.0 million.

Capital expenditures totaled \$97.5 million, \$51.9 million under the first quarter projection. At the end of March 31, 2009 capital expenses reached 7.6 percent of the 2009 annual capital budget projections of \$1,282.4 million, which included 2009 approved capital budget of \$1,095.7 million plus 2008 carryover of \$245.3 million.

Capital Program expenses are financed by funds available in the Renewal/ Replacement and Improvement accounts, as well as proceeds from the sale of Tollway bonds.

The following tables summarize budgeted amounts for Revenues and Expenditures vs. unaudited actual expenses. Revenues below do not reflect proceeds from sale of Tollway bonds.

<b>SUMMARY</b>				
Budget vs. Unaudited Actual				
First Quarter Ending March 31, 2009				
(\$ millions)				
	1st Qtr Budget	1st Qtr Unaudited Actual	Variance \$	Variance %
<b>Total Revenues</b>	\$163.6	\$157.2	(\$6.4)	-3.9%
<b>M&amp;O Expenses</b>	\$63.0	\$63.2	(\$0.2)	-0.3%
<b>Debt Service Expenses</b>	46.6	39.3	7.3	15.7%
<b>Capital Program Expenses</b>	149.4	97.5	51.9	34.7%
<b>Total Expenditures</b>	\$259.0	\$200.0	\$59.1	22.8%

*Notes: Numbers may not add to totals due to rounding.*

<b>SUMMARY</b>			
<b>% of ANNUAL BUDGET REALIZED</b>			
<b>First Quarter 2009</b>			
<b>(\$ millions)</b>			
	<b>2009</b>	<b>2009 1st Qtr</b>	<b>%</b>
	<b>Budget</b>	<b>Unaudited Actual</b>	<b>Realized</b>
<b>Total Revenues</b>	<b>\$680.0</b>	<b>\$157.2</b>	<b>23.1%</b>
<b>M&amp;O Expenses</b>	<b>\$257.6</b>	<b>\$63.2</b>	<b>24.5%</b>
<b>Debt Service Expenses</b>	<b>210.0</b>	<b>39.3</b>	<b>18.7%</b>
<b>Capital Program Expenses *</b>	<b>1,282.4</b>	<b>97.5</b>	<b>7.6%</b>
<b>Total Expenditures</b>	<b>\$1,750.1</b>	<b>\$200.0</b>	<b>11.4%</b>

\*2009 Capital Program Budget included 2008 Carryover of \$245.3 million.

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

## REVENUES

Total revenues for the period ending March 31, 2009 generated \$157.2 million, or \$6.4 million less than the first quarter budget projection of \$163.6 million. The first quarter Total revenues collected accounted for 23.1 percent of the \$680.0 million annual Revenues budget.

The largest category, Tolls and Evasion Recovery, totaled \$153.7 million, or \$2.4 million less than the budget amount for the first quarter 2009. Toll revenues collected were 3.5 percent down from budget due to reduced passenger and truck traffic during the first quarter, while Evasion Recovery revenues were higher than the budget projection by \$2.5 million. First quarter Tolls and Evasion Recovery revenues realized 23.7 percent of the 2009 budget of \$650 million.

Through March 31, 2009, Concession revenues totaled \$1.8 million, or \$343 thousand more than the budget amount for the quarter. The favorable variance is mainly due to increased revenues collected from fiber optic agreements. First quarter Concession revenues collected accounted for 29.4 percent of the 2009 budget projection of \$6.0 million.

Investment Income for the first quarter 2009 generated \$1.5 million, or \$4.0 million below the budget amount. The decrease correlates to the general decline of interest rates. First quarter revenues collected in this category comprised 6.8 percent of the 2009 budget of \$22.0 million.

Through March 31, 2009, Miscellaneous revenues totaled \$214 thousand, or \$288 thousand less than the budget projection for the first quarter, and accounted for 10.7 percent of the 2009 budget amount of \$2.0 million.

The following tables summarize budgeted amounts vs. unaudited actual revenues, as well as the March estimate vs. unaudited actual revenues for the first quarter 2009.

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<b>REVENUES</b>				
Budget vs. Unaudited Actual				
First Quarter Ending March 31, 2009				
(\$ millions)				
	1st Qtr	1st Qtr	Variance	Variance
	Budget	Unaudited Actual	(\$)	(%)
<b>REVENUES</b>				
Toll Revenue & Evasion Recovery	\$156.2	\$153.7	(\$2.4)	-1.6%
Concession	1.4	1.8	0.3	24.2%
Investment Income	5.5	1.5	(4.0)	-72.6%
Miscellaneous	0.5	0.2	(0.3)	-56.4%
<b>Total Revenues</b>	<b>\$163.6</b>	<b>\$157.2</b>	<b>(\$6.4)</b>	<b>-3.9%</b>

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

<b>REVENUES</b>				
March Estimate vs. Unaudited Actual				
First Quarter Ending March 31, 2009				
(\$ millions)				
	1st Qtr	1st Qtr	Variance	Variance
	March Estimate	Unaudited Actual	(\$)	(%)
<b>REVENUES</b>				
Toll Revenue & Evasion Recovery	\$151.6	\$153.7	\$2.1	1.4%
Concession	1.4	1.8	0.3	24.2%
Investment Income	3.0	1.5	(1.5)	-49.8%
Miscellaneous	0.5	0.2	(0.3)	-56.4%
<b>Total Revenues</b>	<b>\$156.5</b>	<b>\$157.2</b>	<b>\$0.7</b>	<b>0.4%</b>

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

The following table reviews unaudited revenues collected for the first quarter vs. 2009 annual budget.

<b>% of Revised ANNUAL BUDGET REALIZED</b>			
First Quarter 2009			
(\$ millions)			
	2009	2009 1st Qtr	%
	Budget	Unaudited Actual	Realized
<b>REVENUES</b>			
Toll Revenue & Evasion Recovery	\$650.0	\$153.7	23.7%
Concession	6.0	1.8	29.4%
Investment Income	22.0	1.5	6.8%
Miscellaneous	2.0	0.2	10.7%
<b>Total Revenues</b>	<b>\$680.0</b>	<b>\$157.2</b>	<b>23.1%</b>

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

## **MAINTENANCE AND OPERATIONS EXPENDITURES**

The Tollway's 2009 first quarter M&O expenditures totaled \$63.2 million representing an unfavorable variance of \$176 thousand, or approximately 0.3 percent above the first quarter budget. The first quarter expenditures comprise 24.5 percent of the \$257.6 million annual M&O budget.

Payroll and Related Costs for the first quarter resulted in an unfavorable variance of \$1.4 million over the first quarter budget. Although there were a significant number of phased vacancies in the first quarter, this was more than off-set by payroll accruals as well as substantial overtime costs for snow plow drivers and State Police during another severe winter.

Group Insurance, which includes health and life coverage, had a favorable variance of \$1.3 million or 18.9 percent under the first quarter budget. This favorable variance is linked to the level of vacancies experienced during the first quarter.

Contractual Service expenditures, including certain expenses related to IPASS, in the first quarter resulted in an unfavorable variance of \$0.6 million or 6.0 percent over the first quarter budget. First quarter costs for these services were higher than expected.

Materials and Operational Supplies had an unfavorable variance of \$1.0 million or 38.9 percent over the first quarter budget. A major portion of this variance is attributable to the severe winter weather and the demand for roadway materials such as rock salt, calcium chloride and abrasives.

The Utilities category, which includes electricity, natural gas, water and telephone, had a favorable variance of \$0.2 million or 11.3 percent below the first quarter budget. This was the result of a decrease in incoming calls to the Customer Call Center as well as decreasing costs of natural gas and electricity.

Expenditures in the Parts and Fuel category had a favorable variance of \$0.8 million in the first quarter or 41.0 percent under budget. The contributing factor was the decrease in fuel costs during the first quarter.

Equipment/Office Rental & Maintenance had a favorable variance of \$0.8 million or 23.9 percent under the first quarter budget. This category includes the maintenance for electronic toll collection equipment as well as the maintenance on IT hardware and software. This category should remain within budget through year end.

All Other Insurance, which includes Worker's Compensation and Property Insurance, had an unfavorable variance of \$52 thousand or 2.4 percent over budget in the first quarter.

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Employee Development had an unfavorable variance of \$126 thousand or 38.5 percent over the first quarter budget. This is due to the Tollway's cost to host the 2009 IBTTA Conference as well as IAG interagency fees in the first quarter.

Recovery of Expenses also had an unfavorable variance of \$0.1 million for the first quarter.

<b>M&amp;O EXPENSES</b>				
<b>Budget vs. Unaudited Actual</b>				
<b>First Quarter Ending March 31, 2009</b>				
<b>(\$ millions)</b>				
	<b>1st Qtr</b>	<b>1st Qtr</b>	<b>Variance</b>	<b>Variance</b>
	<b>Budget</b>	<b>Unaudited Actual</b>	<b>(\$)</b>	<b>(%)</b>
<b><u>Maintenance &amp; Operations</u></b>				
Payroll and Related Costs	\$34.5	\$35.9	(\$1.4)	-4.1%
Group Insurance	7.0	5.7	1.3	18.9%
Contractual Services	9.6	10.2	(0.6)	-6.0%
Materials/Oper. Supplies/Other Exp.	2.7	3.7	(1.0)	-38.9%
Utilities	2.0	1.7	0.2	11.3%
All Other Insurance	2.2	2.2	(0.1)	-2.4%
Parts & Fuel	1.9	1.1	0.8	41.0%
Equipment / Office Rental & Maint.	3.3	2.6	0.8	23.9%
Employee Development	0.3	0.5	(0.1)	-38.5%
Recovery of Expenses	(0.4)	(0.3)	(0.1)	-26.2%
<b>Total M&amp;O Expenses</b>	<b>\$63.0</b>	<b>\$63.2</b>	<b>(\$0.2)</b>	<b>-0.3%</b>

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

<b>M&amp;O</b>			
<b>Unaudited Actual</b>			
<b>First Quarter Ending March 31, 2009</b>			
<b>(\$ millions)</b>			
	<b>1st Qtr</b>	<b>1st Qtr</b>	<b>1st Qtr</b>
	<b>General Ledger</b>	<b>Post Closing Accruals*</b>	<b>Unaudited Actual</b>
<b><u>Maintenance &amp; Operations</u></b>			
Payroll and Related Costs	\$35.9	\$0.0	\$35.9
Group Insurance	4.6	1.0	5.7
Contractual Services	\$3.6	\$6.6	\$10.2
Materials/Oper. Supplies/Other Exp.	3.2	\$0.5	3.7
Utilities	\$0.8	\$1.0	\$1.7
All Other Insurance	2.2	0.0	2.2
Parts & Fuel	0.4	0.7	1.1
Equipment / Office Rental & Maint.	1.1	1.4	2.6
Employee Development	0.5	0.0	0.5
Recovery of Expenses	(0.3)	0.0	(0.3)
<b>Total M&amp;O Expenses</b>	<b>\$51.9</b>	<b>\$11.2</b>	<b>\$63.2</b>

\*Post Closing Accruals not reflected at time of 1st Qtr General Ledger closing.

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

<b>M&amp;O EXPENSES</b>			
<b>% of ANNUAL BUDGET REALIZED</b>			
<b>First Quarter 2009</b>			
<b>(\$ millions)</b>			
	<b>2009 Budget</b>	<b>2009 1st Qtr Unaudited Actual</b>	<b>% Realized</b>
<b>Maintenance &amp; Operations</b>			
Payroll and Related Costs	\$143.6	\$35.9	25.0%
Group Insurance	28.0	5.7	20.3%
Contractual Services	38.3	10.2	26.5%
Materials/Oper. Supplies/Other Exp.	10.6	3.7	34.7%
Utilities	7.9	1.7	22.2%
All Other Insurance	8.6	2.2	25.6%
Parts & Fuel	7.6	1.1	14.8%
Equipment/Office Rental & Maint.	13.4	2.6	19.0%
Employee Development	1.3	0.5	34.6%
Recovery of Expenses	(1.7)	(0.3)	18.5%
<b>Total M&amp;O Expenses</b>	<b>\$257.6</b>	<b>\$63.2</b>	<b>24.5%</b>

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

## DEBT SERVICE

Debt service expenditures consist of the retirement of principal at maturity or redemption plus the payment of interest due on the Tollway's outstanding bonds. Transfers from the Revenue Fund for the quarter ended March 31, 2009 were approximately \$39.3 million, as opposed to a budgeted amount of approximately \$46.6 million. The approximately (\$7.3 million) favorable variance in the first quarter of 2009 is comprised of: (i) (\$11.6 million) of reduced debt service due to the early redemption of the Tollway's Series 1993B Bonds; and (ii) \$4.3 million of increased transfers for interest expense on the Tollway's variable rate bonds caused by the credit deterioration of financial institutions providing credit enhancement for the Tollway's variable rate bonds. These items are further described below.

- (i) On January 28, 2009, the Tollway redeemed in full its outstanding \$44,400,000 Toll Highway Refunding Revenue Bonds, 1993 Series B (the "1993B Bonds"), in advance of their originally scheduled final maturity of January 1, 2010. In connection with this redemption, an interest rate hedge agreement in the outstanding notional amount of \$44,400,000 with Societe Generale that was entered into in connection with the issuance of the 1993B Bonds (the "Agreement") was terminated. A termination amount, including accrued interest, of \$1,750,000 was paid by the Tollway to Societe Generale in connection with the termination of the Agreement. The Tollway used existing

funds on hand to redeem the 1993B Bonds and terminate the Agreement. As a result of the redemption, previously budgeted transfers to the Trustee for 1993B debt service in amounts of \$3.9 million monthly (annual total of \$46.6 million) were not necessary; and

- (ii) Transfers for debt service for the Tollway's variable rate bonds in the first quarter of 2009 exceeded budgeted amounts by \$4.3 million because of increased interest expense caused by the credit concerns of the Liquidity Provider on the Tollway's Series 2007A and Series 2008A Bonds.

*Bond Costs – Credit Enhancement Providers, Remarketing Agents and Miscellaneous*

Transfers to the Trustee for debt service in the first quarter of 2009 included \$0.5 million for costs related to the Tollway's outstanding bond issues. The majority of these costs are fees for banks providing liquidity and remarketing agent services, and annual rating agency fees related to the Tollway's variable rate bonds. Such costs are typically paid from a Provider Payment Account held by the Trustee. In January of 2009, the Tollway deposited \$0.5 million to the Provider Payment Account to help fund such costs during fiscal year 2009. This \$0.5 million amount equaled the excess investment earnings that had accumulated throughout fiscal year 2008 in various Tollway debt service accounts.

## **DERIVATIVES**

The Tollway has employed the use of interest rate exchange agreements (agreements) and forward-starting interest rate exchange agreements (forward agreements) to hedge against increases in interest rates, and to provide synthetic fixed rates associated with the Tollway's variable rate bonds issued in 1993, 1998, 2007 and 2008. As stated earlier, the Tollway terminated the agreement related to its Series 1993B Bonds on January 28, 2009. This termination was done in connection with the early redemption of the Series 1993B Bonds, also on January 28, 2009, in advance of their originally scheduled final maturity of January 1, 2010. A termination payment of \$1.75 million (including accrued interest) was made in connection with the termination of the agreement. The termination and redemption generated savings to the Tollway of approximately \$700,000.

As of the end of the first quarter of 2009, the Tollway had two agreements attached to the Series 1998B bond issue, four agreements attached to the Series 2007A bond issue (two each to Series 2007A-1 and 2007A-2) and four agreements attached to the Series 2008A bond issue (two each to Series 2008A-1 and 2008A-2). The four agreements attached to Series 2007A were originally entered into as forward agreements in September 2005, and became effective upon closing of the \$700 million Series 2007A Bonds on November 1, 2007. The four agreements attached to Series 2008A were originally entered into in December 2007, and became effective upon the closing the \$766.2 million Series 2008A Bonds on February 7, 2008.

Mark-to-market valuations of the Tollway's agreements typically decline in value when interest rates decline and increase in value when interest rates increase. Thus to the extent that any negative valuation of the Tollway's derivatives were to become realized by an agreement termination, it is possible (although not certain) that such a realization would

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be mitigated by a lower cost of capital expected to be available in that lower-interest rate market.

The (\$154) million estimated total valuation as of March 31, 2009 compares favorably to the total valuation as of December 31, 2008, which was (\$248) million. The total valuation as of June 22, 2009 was (\$69) million.

Swap Portfolio as of 3/31/2009					
(Note: Valuations do not include Accrued interest)					
(\$ thousand)					
Series	Provider	Notional Amount	Rate	Maturity	Valuation
1998 SERIES B	Goldman Sachs Mitsui Marine Derivative Products L.P.	67,705	4.3250%	1/1/2017	(8,644)
1998 SERIES B	Bear Stearns Financial Products Inc.*	55,395	4.3250%	1/1/2017	(7,072)
<b>1998 SERIES B TOTAL</b>		<b>\$123,100</b>			<b>(\$15,716)</b>
2007 SERIES A-1	Citibank N.A., New York	175,000	3.9720%	7/1/2030	(18,750)
2007 SERIES A-1	Goldman Sachs Capital Markets, L.P.	175,000	3.9720%	7/1/2030	(18,750)
<b>2007 SERIES A-1 TOTAL</b>		<b>\$350,000</b>			<b>(\$37,500)</b>
2007 SERIES A-2	Bank of America, N.A.	262,500	3.9925%	7/1/2030	(28,895)
2007 SERIES A-2	Wachovia Bank, National Association **	87,500	3.9925%	7/1/2030	(9,632)
<b>2007 SERIES A-2 TOTAL</b>		<b>\$350,000</b>			<b>(\$38,527)</b>
2008 SERIES A-1	The Bank of New York	191,550	3.7740%	1/1/2031	(15,804)
2008 SERIES A-1	Deutsche Bank AG, New York Branch	191,550	3.7740%	1/1/2031	(15,804)
<b>2008 SERIES A-1 TOTAL</b>		<b>\$383,100</b>			<b>(\$31,608)</b>
2008 SERIES A-2	Depfa Bank, PLC	287,325	3.7640%	1/1/2031	(23,299)
2008 SERIES A-2	Merrill Lynch Capital Services, Inc.***	95,775	3.7640%	1/1/2031	(7,766)
<b>2008 SERIES A-2 TOTAL</b>		<b>\$383,100</b>			<b>(\$31,065)</b>
<b>TOTAL</b>		<b>\$1,589,300</b>			<b>(\$154,416)</b>

\* Obligation assumed by JP Morgan Chase.

\*\* Acquisition by Wells Fargo completed in December 2008.

\*\*\* Acquisition by Bank of America completed in December 2008.

## CAPITAL PROGRAM

Capital expenditures include Renewal/Replacement costs related to repairs of the existing system and non-roadway capital investments, and Improvement costs related to expanded system capacity and Open Road Tolling (ORT).

The majority of the expenditures for the Capital Program are for one-time non-recurring payments 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 fiscal year 2009 capital budget reflects the Tollway's pledge to maintain and upgrade the existing facilities and infrastructure of the system. The budget includes funding for the fifth year of the multi-year Congestion-Relief Program (CRP). In December 2008 the Tollway's Board of Directors approved \$1,095.7 million for the Fiscal Year 2009 Capital Budget. The budget allocates \$977.1 million to the CRP and \$118.6 million to support other needs such as roadway equipment and vehicles, building repair and improvements and technological equipment and enhancements.

The primary 2009 CRP expenditures are budgeted to rebuild and widen the Tri-State Tollway (\$562.9 million), which includes \$177.4 million for 159<sup>th</sup> Street to 95<sup>th</sup> Street; \$44.8 million for Balmoral Avenue to Dempster Street; \$124.9 million for Dempster Street to Lake-Cook Road; \$136.7 million for Half Day Road to IL 137; and \$77.8 million for IL 137 to Russell Road. In addition, \$1.3 million is budgeted on the Tri-State Tollway for improvements at the I-57 interchange.

The 2009 CRP budget allocates \$140.2 million to rebuild and widen the Reagan Memorial Tollway from York Road to Washington Street and from the Aurora Toll Plaza to IL 56.

Additionally, \$121.6 million is allocated to continue the Jane Addams Memorial Tollway improvements, which includes rebuild and widen from Newburg Road to Rockton Road, the I-39 interchange improvements, and the East Riverside interchange Inter-Agency project.

The 2009 approved capital budget allocated \$111.6 million for Systemwide Improvements which includes bridge improvements, interchange improvements, environmental and intermittent pavement projects.

The majority of the \$40.9 million budgeted for the Veterans Memorial Tollway will be expended to resurface and widen between 75<sup>th</sup> Street and the Reagan Memorial Tollway (I-88) and from I-55 to Army Trail Road. In addition, the 2009 CRP budget also provides funding for ongoing restoration of wetlands adjacent to the Des Plaines River and other roadside completion improvements.

Additionally, \$118.6 million is included in the 2009 capital budget for non-roadway capital projects in the areas of traffic management, communications equipment, maintenance and roadway equipment, technology initiatives, maintenance facility building improvements and other miscellaneous projects. For 2009, it is anticipated that \$60.0 million will be earned for projects in this category

For the quarter ending March 31, 2009, unaudited capital program expenditures totaled \$97.5 million. This amount included expenses paid during the first quarter, as well as \$48.1 million of work completed during the first quarter 2009, for which payments have not been made as of March 31, 2009. The CRP portion expended \$88.0 million, while the expenditures for the Non-CRP portion totaled \$9.6 million.

As of March 31, 2009, \$52.3 million was expended to improve the Tri-State Tollway corridor. Rebuild and widening projects along the South Tri-State from 159<sup>th</sup> Street to 95<sup>th</sup> Street on the northbound lanes are on-going. Construction work continues on the southbound lanes along the Central Tri-State from Balmoral Avenue to Touhy Avenue, as well as on the northbound lanes from Lake Cook Road to Dempster Street. On-going work on the North Tri-State includes construction of the O'Plaine Road Bridge, Grand Avenue Bridge, and the Half Day Road Interchange. Additionally, construction to rebuild the northbound Tri-State Tollway Bridge over IL Route 176 began during the first quarter 2009.

More than \$18.3 million was expended during the first quarter for the rebuild and widening projects along the Ronald Reagan Memorial corridor. On-going work includes construction on the eastbound lanes from IL Route 83 to York Road, advance work on the eastbound lanes from IL Route 83 to Finley Road, noise wall installation from Washington

Street to Finley Road, and construction on the westbound side of the Fox River Bridge. The construction contract for the Eola Road Interchange was awarded in February, and construction is scheduled to begin in April. Construction on the new interchange is scheduled to be complete by the end of this year.

At the end of March 2009, approximately \$7.0 million was expended on the Jane Addams Memorial corridor to rebuild and widen Newburg Road to Rockton Road, as well as the reconfiguration of the Cherry Valley Interchange. During the first quarter, reconstruction began on the exit ramp from westbound I-90 to southbound I-39/U.S. Route 51.

Approximately \$10.7 million was expended during the first quarter 2009 on the Systemwide corridor. On-going Systemwide Improvement projects include bridge repairs, culvert reconstruction and repairs, as well as pavement repairs and patching.

At the end of the first quarter 2009, \$138 thousand was expended on the Veterans Memorial Tollway corridor. Construction work to widen and resurface lanes between 75<sup>th</sup> Street and Ogden Avenue on the southbound is on-going, while punch list work and restoration of wetlands adjacent to the Des Plaines River are ongoing on the South Extension of the Veterans Memorial Tollway.

Approximately \$9.6 million was expended during the first quarter 2009 for projects to support the Congestion-Relief Program in the Non-CRP category including building repairs, maintenance equipment, and professional and roadway services.

The following table indicates the 2009 capital program budget used for this first quarter analysis. It includes the 2009 capital program budget approved in December 2008 as well as the 2008 carry-over amounts by Corridor.

<b>CAPITAL PROGRAM</b>			
<b>2009 Budget for the First Quarterly Review</b>			
	<b>2008 Carry-Over</b>	<b>2009 Approved Budget</b>	<b>2009 Approved Budget Plus 2008 Carry-Over</b>
<b>Capital Program</b>			
Tri-State Tollway (I-294/I-94)	\$85.7	\$562.9	\$648.6
Ronald Reagan Memorial Tollway (I-88)	38.9	140.2	179.0
Jane Addams Memorial Tollway (I-90)	9.3	121.6	130.9
Veterans Memorial Tollway (I-355)	3.9	40.9	44.7
Open Road Tolling (ORT)	24.5	-	24.5
Systemwide Improvements	24.5	111.6	136.1
<b>Congestion-Relief Program Subtotal</b>	<b>\$186.7</b>	<b>\$977.1</b>	<b>\$1,163.8</b>
<b>"Other" Capital Projects Subtotal</b>	<b>0.0</b>	<b>118.6</b>	<b>118.6</b>
<b>Total Capital Program Expenses</b>	<b>\$186.7</b>	<b>\$1,095.7</b>	<b>\$1,282.4</b>

The 2008 carry-over of \$186.7 million for the CRP reflects less than anticipated spending on the CRP during 2008. Reduced expenditures in 2008 were a result of aggressive bids by contractors, effective project management, schedule changes, and timing of payments. The "Other" Non-CRP portion of the Capital Program Budget totals \$118.6 million, of which \$58.6 million was planned and previously included in the 2009 Budget. For 2009, it is anticipated \$60.0 million will be expended for "Other" Non-CRP projects.

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<b>CAPITAL PROGRAM</b>				
<b>Revised Budget vs. Unaudited Actual</b>				
<b>First Quarter Ending March 31, 2009</b>				
<b>(\$ millions)</b>				
	<b>1st Qtr</b>	<b>1st Qtr</b>	<b>Variance</b>	<b>Variance</b>
	<b>Revised Budget</b>	<b>Unaudited Actual*</b>	<b>(\$)</b>	<b>(%)</b>
<b>Capital Program</b>				
Tri-State Tollway (I-294/I-94)	\$70.8	\$52.3	\$18.5	26.1%
Ronald Reagan Memorial Tollway (I-88)	28.7	18.3	10.4	36.2%
Jane Addams Memorial Tollway (I-90)	12.9	7.0	5.9	45.9%
Veterans Memorial Tollway (I-355)	4.3	0.1	4.1	96.8%
Open Road Tolling (ORT)	8.3	(0.4)	8.7	0.0%
Systemwide Improvements	9.6	10.7	(1.1)	-11.8%
<b>Congestion-Relief Program Subtotal</b>	<b>\$134.4</b>	<b>\$88.0</b>	<b>\$46.5</b>	<b>34.6%</b>
<b>"Other" Capital Projects Subtotal**</b>	<b>15.0</b>	<b>9.6</b>	<b>5.4</b>	<b>36.3%</b>
<b>Total Capital Program Expenses</b>	<b>\$149.4</b>	<b>\$97.5</b>	<b>\$51.9</b>	<b>34.7%</b>

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

The Tollway's first quarter unaudited actual expenditures total \$97.5 million. The CRP portion expended \$88.0 million, which is \$46.5 million under the first quarter projection of \$134.4 million. Approximately half of the reduced expenditures are due to construction delays resulting from excessive precipitation weather conditions and the remaining is a result of anticipated project costs being under budget. The Non-CRP portion expended \$9.6 million, which is \$5.4 million under the first quarter projection of \$15.0 million. It is estimated that \$60.0 million will be expended in 2009.

## **SUMMARY**

As the first quarter 2009 concluded, the Tollway's revenues collected were \$6.4 million less than the budget projection of \$163.6 million, \$692 thousand more than the March estimate of \$156.5 million. Revenues in this category accounted for 23.1 percent of the 2009 Revenue budget of \$680.0 million.

Through March 31, 2009 Operating expenditures totaled \$63.2 million, an unfavorable variance of \$176 thousand over the first quarter budget. The first quarter M&O expenses comprised 24.5 percent of the 2009 annual M&O budget of \$257.6 million.

Debt Service expenditures totaled \$39.3 million, \$7.3 million under the first quarter budget of \$46.6 million, and \$1.9 million lower than the March estimate of \$41.2 million. Expenses in this category realized 18.7 percent of the 2009 budget of \$210.0 million.

At the end of March 31, 2009, capital expenditures totaled \$97.5 million, or 34.7 percent under the first quarter projections of \$149.4 million. The first quarter capital expenses represented 7.6 percent of the projected 2009 annual Capital Program budget of \$1,282.4 million. The "Other" Non-CRP portion of the Capital Program budget totals \$118.6 million, of which it is anticipated \$60.0 million will be expended.

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ILLINOIS TOLLWAY				
BUDGET vs Unaudited ACTUAL				
First Quarter Ending March 31, 2009				
	1st Quarter	1st Quarter	Variance	Variance
	Budget	Unaudited Actual	(\$)	(%)
<b>REVENUES</b>				
Toll Revenue & Evasion Recovery	\$156,182,195	\$153,746,791	(\$2,435,404)	-1.6%
Concession	1,422,000	1,765,495	343,495	24.2%
Investment Income	5,500,000	1,506,295	(3,993,705)	-72.6%
Miscellaneous	492,000	214,466	(277,534)	-56.4%
<b>Total Revenues</b>	<b>\$163,596,195</b>	<b>\$157,233,046</b>	<b>(\$6,363,149)</b>	<b>-3.9%</b>
<b>EXPENDITURES</b>				
<b>Maintenance &amp; Operations (M&amp;O)</b>				
Payroll and Related Costs	\$34,465,546	\$35,867,184	(\$1,401,638)	-4.1%
Group Insurance	6,987,500	5,666,065	1,321,435	18.9%
Contractual Services	9,581,807	10,157,806	(575,999)	-6.0%
Materials/Oper. Supplies/Other Exp.	2,660,840	3,694,790	(1,033,950)	-38.9%
Utilities	1,962,775	1,741,012	221,763	11.3%
All Other Insurance	2,153,000	2,205,312	(52,312)	-2.4%
Parts & Fuel	1,908,613	1,126,968	781,644	41.0%
Equipment/Office Rental & Maint.	3,349,931	2,550,524	799,406	23.9%
Employee Development	327,425	453,581	(126,156)	-38.5%
Recovery of Expenses	(422,050)	(311,523)	(110,527)	-26.2%
<b>Total M&amp;O Expenses</b>	<b>\$62,975,385</b>	<b>\$63,151,718</b>	<b>(\$176,333)</b>	<b>-0.3%</b>
<b>Debt Service</b>				
Existing Debt	\$46,603,120	\$39,278,762	\$7,324,358	15.7%
New Debt	-	-	-	N/A
<b>Total Debt Service Expenses</b>	<b>\$46,603,120</b>	<b>\$39,278,762</b>	<b>\$7,324,358</b>	<b>15.7%</b>
<b>Capital Program*</b>				
Tri-State Tollway (I-294/I-94)	\$70,750,548	\$52,299,222	\$18,451,326	26.1%
Ronald Reagan Memorial Tollway (I-88)	28,714,401	18,312,343	10,402,058.3	36.2%
Jane Addams Memorial Tollway (I-90)	12,860,660	6,958,872	5,901,788	45.9%
Veterans Memorial Tollway (I-355)	4,272,887	138,143	4,134,744.0	96.8%
Open Road Tolling (ORT)	8,276,056	(421,076)	8,697,132.2	0.0%
Systemwide Improvements	9,563,469	10,687,622	(1,124,153.4)	-11.8%
<b>Congestion-Relief Program Subtotal</b>	<b>\$134,438,021</b>	<b>\$87,975,126</b>	<b>\$46,462,895</b>	<b>34.6%</b>
"Other" Capital Projects Subtotal	15,000,000	9,556,954	5,443,046	36.3%
<b>Total Capital Program Expenses</b>	<b>\$149,438,021</b>	<b>\$97,532,080</b>	<b>\$51,905,941</b>	<b>34.7%</b>
<b>Total Expenditures</b>	<b>\$259,016,526</b>	<b>\$199,962,560</b>	<b>\$59,053,966</b>	<b>22.8%</b>
<i>*Capital Program expenses are financed by funds available in the Renewal/ Replacement and Improvement accounts, as well as proceeds from the Sale of Tollway bonds.</i>				

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<b>ILLINOIS TOLLWAY</b>			
<b>% of BUDGET REALIZED</b>			
<b>First Quarter 2009</b>			
	<b>2009</b>	<b>2009 First Quarter</b>	<b>%</b>
	<b>Budget</b>	<b>Unaudited Actual</b>	<b>Realized</b>
<b>REVENUES</b>			
Toll Revenue & Evasion Recovery	\$650,000,000	\$153,746,791	23.7%
Concession	6,000,000	1,765,495	29.4%
Investment Income	22,000,000	1,506,295	6.8%
Miscellaneous	2,000,000	214,466	10.7%
<b>Total Revenues</b>	<b>\$680,000,000</b>	<b>\$157,233,046</b>	<b>23.1%</b>
<b>EXPENDITURES</b>			
<b>Maintenance &amp; Operations (M&amp;O)</b>			
Payroll and Related Costs	\$143,606,443	\$35,867,184	25.0%
Group Insurance	27,950,000	5,666,065	20.3%
Contractual Services	38,327,227	10,157,806	26.5%
Materials/Oper. Supplies/Other Exp.	10,643,358	3,694,790	34.7%
Utilities	7,851,100	1,741,012	22.2%
All Other Insurance	8,612,000	2,205,312	25.6%
Parts & Fuel	7,634,450	1,126,968	14.8%
Equipment/Office Rental & Maint.	13,399,722	2,550,524	19.0%
Employee Development	1,309,700	453,581	34.6%
Recovery of Expenses	(1,688,200)	(311,523)	18.5%
<b>Total M&amp;O Expenses</b>	<b>\$257,645,800</b>	<b>\$63,151,718</b>	<b>24.5%</b>
<b>Debt Service</b>			
Existing Debt	\$193,537,467	\$39,278,762	20.3%
New Debt	16,500,000	-	0.0%
<b>Total Debt Service Expenses</b>	<b>\$210,037,467</b>	<b>\$39,278,762</b>	<b>18.7%</b>
<b>Capital Program*</b>			
Tri-State Tollway (I-294/I-94)	\$648,603,669	\$52,299,222	8.1%
Ronald Reagan Memorial Tollway (I-88)	179,042,826	18,312,343	10.2%
Jane Addams Memorial Tollway (I-90)	130,894,868	6,958,872	5.3%
Veterans Memorial Tollway (I-355)	44,706,036	138,143	0.3%
Open Road Tolling (ORT)	24,496,411	(421,076)	-1.7%
Systemwide Improvements	136,101,641	10,687,622	7.9%
<b>Congestion-Relief Program Subtotal</b>	<b>\$1,163,845,452</b>	<b>\$87,975,126</b>	<b>7.6%</b>
"Other" Capital Projects Subtotal	118,585,291	9,556,954	8.1%
<b>Total Capital Program Expenses</b>	<b>\$1,282,430,743</b>	<b>\$97,532,080</b>	<b>7.6%</b>
<b>Total Expenditures</b>	<b>\$1,750,114,010</b>	<b>\$199,962,560</b>	<b>11.4%</b>
<i>*Capital Program expenses are financed by funds available in the Renewal/ Replacement and Improvement accounts, as well as proceeds from the Sale of Tollway bonds.</i>			