



2015 Budget Analysis

(Unaudited)

Quarterly Financial Review

January 1 - March 31, 2015

Quarterly Financial Review March 31, 2015

Table of Contents

Introduction	3
Budget Summary	4
Introduction	4
Budgeted Revenue 2015.....	4
First Quarter Results Summary	5
Revenue	5
Expenditures	5
Outlook	6
Revenue Summary	7
Analysis	7
Maintenance and Operations (M and O) Summary	9
Analysis	10
Debt Service Summary	12
Transfers for Debt Service and Other Bond-Related Costs	12
Analysis	12
Derivatives	13
Capital Program Summary	14
Capital Budget 2015.....	14
Allocation of Capital Budget 2015	15
Capital Program Expenditures	17
Analysis	17
Financial Summaries – Budget vs. Actual	20
2015 First Quarter	22
2015 Budget Realized	24
2015 vs. 2014 First Quarter Actual	26

INTRODUCTION

In December 2014, the Tollway Board of Directors adopted the annual budget for 2015. 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 and the Tollway Board.

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. Reimbursements for capital expenditures are treated as reduction in expenses.

Tollway revenue sources include toll revenue and evasion recovery, concessions, investment income and miscellaneous income.

- Toll revenue is collected from Tollway users either by cash or electronic toll collection for users of I-PASS.
- Evasion recovery revenue includes fines, fees and tolls collected from toll violators.
- Concessions revenue is generated from the Tollway's oases, where third-party vendors provide fuel, food and other conveniences to users of the Tollway.
- Investment income is primarily interest earned on Tollway funds and I-PASS escrow accounts.
- Miscellaneous revenue includes revenue from overweight truck fines, rental and easement income, tower co-location fees, rental income from fiber optic lines and other miscellaneous receipts.

This report provides an analysis of actual revenue and expenditures through the first quarter of fiscal year 2015. The purpose of this analysis is to assess the actual financial performance of the Tollway relative to the 2015 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.

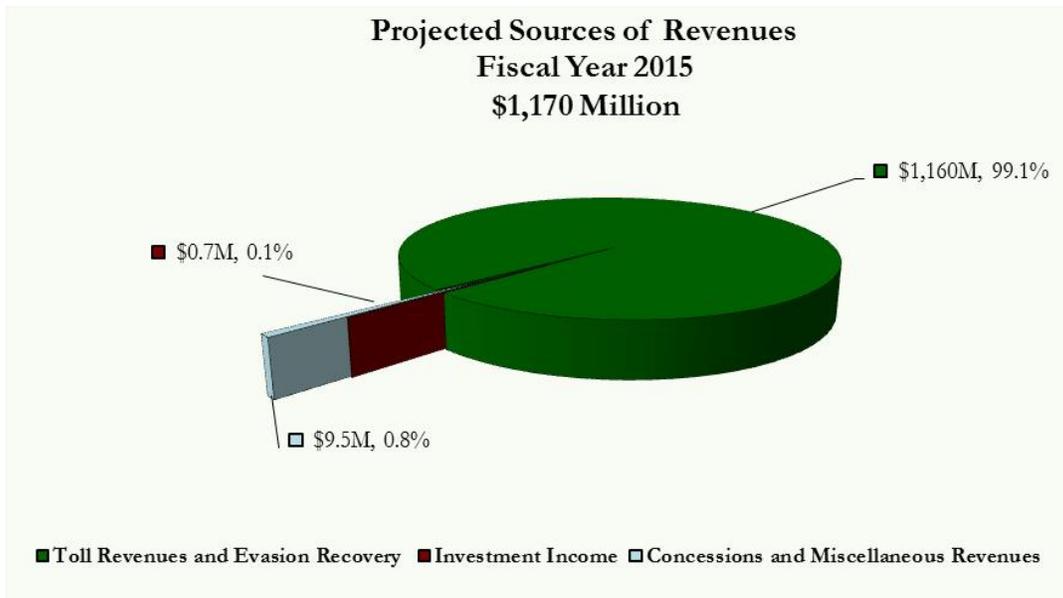
BUDGET SUMMARY

Introduction

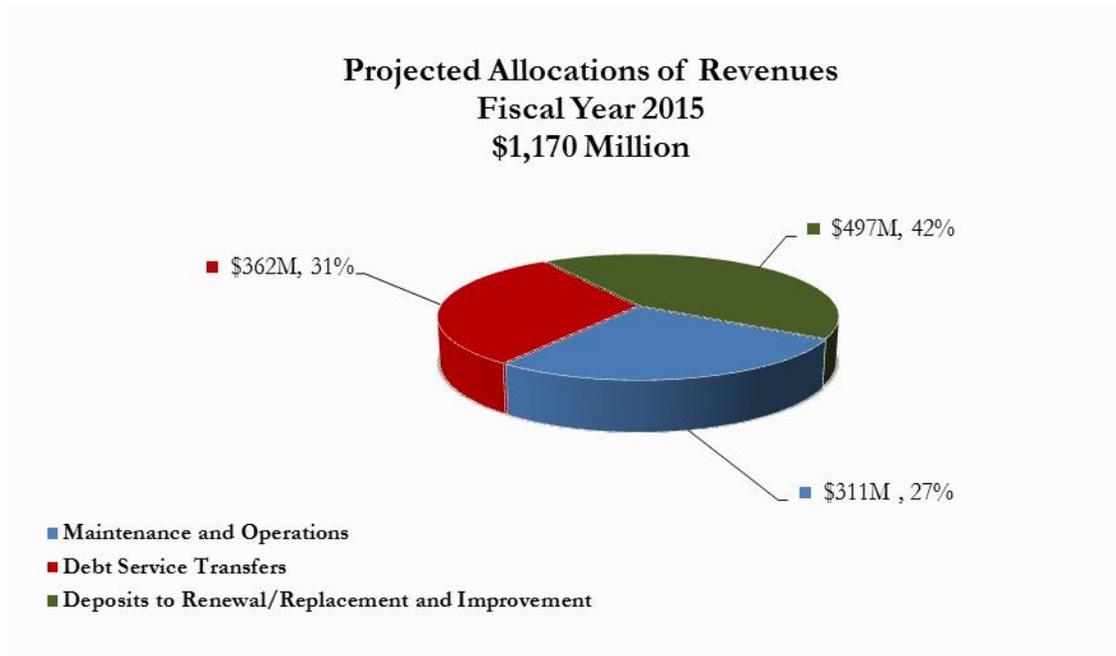
The Illinois Tollway Board of Directors on August 25, 2011, adopted the 15-year, \$12 billion capital program, *Move Illinois: The Illinois Tollway Driving the Future*, funded by bonds, and toll revenue generated through a toll rate increase for passenger vehicles in 2012 and previously approved increases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

Budgeted Revenue 2015

The 2015 budget estimates annual revenue totaling \$1,170 million, including \$1,160 million from toll revenue and evasion recovery, \$0.7 million from investment income and \$9.3 million from concessions revenue and miscellaneous income.



The Tollway's 2015 Budget allocates \$311 million for maintenance and operations expenses, \$362 million for debt service transfers and \$497 million for the *Move Illinois* and Congestion-Relief programs and other non-roadway capital investments (deposits to the renewal/replacement and improvement accounts).



FIRST QUARTER RESULTS SUMMARY

Revenue

Revenue for the 2015 first quarter totaled \$271.6 million, which comprised 23.2 percent of the \$1,170 million annual budget. Toll and evasion recovery revenue totaled \$269.4 million, miscellaneous income totaled \$1.4 million, concessions revenue totaled \$480 thousand and investment income totaled \$409 thousand.

Expenditures

The Tollway's 2015 first quarter operating expenditures totaled \$73.8 million, which comprised 23.8 percent of the \$310.6 million annual maintenance and operations budget.

The Tollway's 2015 first quarter debt service transfers totaled \$91.4 million, or \$4 million more than the budgeted amount. The first quarter debt service transfers comprise 25.2 percent of the \$362.7 million annual debt service transfers budget.

Capital program expenditures through March 31, 2015 totaled \$199.9 million, which comprised 12.3 percent of the \$1,625 million annual capital program budget. These capital expenditures included \$187.9 million for the *Move Illinois* Program and the Congestion-Relief Program expenses and \$12.0 million for other capital project expenses. Intergovernmental (IGA) and fiber optic agreement reimbursements for work performed in prior periods and other adjustments reduced first quarter capital expenditures by \$20 thousand.

Outlook

The Tollway anticipates the second quarter revenue to stay on a positive growth trend as warmer weather and the continued economic recovery will bring about higher traffic volumes. The Tollway will continue to monitor these external factors and their impact on revenue.

Maintenance and operations expenses were less than budget for the first quarter. The Tollway anticipates operating expenditures during the second quarter to track closer to budget as spending is likely to pickup and vacancies are expected to be filled. The Tollway will continue to monitor payroll/related costs and vacancies, as well as other categories that are sensitive to price fluctuations including fuels, utilities and roadway materials.

Capital program expenditures exceeded budget projection for the first quarter. The Tollway anticipates expenses to track close to the annual projection as the construction season continues to advance during the second quarter.

REVENUE SUMMARY

REVENUE
Budget vs. Unaudited Actual
First Quarter 2015
 (\$ thousands)

	1st Qtr		Variance	
	Budget	Actual	\$	%
Toll Revenue and Evasion Recovery	\$262,725	\$269,352	\$6,627	2.5%
Concessions	480	480	(0)	0.0%
Investment Income	175	409	234	133.6%
Miscellaneous	1,637	1,400	(237)	-14.5%
Total Revenue	\$265,017	\$271,640	\$6,623	2.5%

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

REVENUE
% of ANNUAL BUDGET REALIZED (Unaudited)
Year-To-Date March 31, 2015
 (\$ thousands)

	2015	YTD	% Budget
	Budget	Actual	Realized
Toll Revenue and Evasion Recovery	\$1,160,000	\$269,352	23.2%
Concessions	2,000	480	24.0%
Investment Income	700	409	58.4%
Miscellaneous	7,300	1,400	19.2%
Total Revenue	\$1,170,000	\$271,640	23.2%

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

Analysis

On January 1, 2015, the previous Board approved toll rate increase for commercial vehicle went into effect.

Revenue for the 2015 first quarter totaled \$271.6 million, \$6.6 million more than budgeted for the period. The first quarter revenue comprised 23.2 percent of the \$1,170 million annual revenue budget.

Toll and evasion recovery revenue totaled \$269.4 million, \$6.6 million more than budget.

Quarterly Financial Review March 31, 2015

Toll transactions for all vehicle classes grew 6.7 percent compared to the same period in 2014, and exceeded the first quarter projection by 2.4 percent. Passenger car transactions grew 7 percent from first quarter 2014, and exceeded the quarterly projection by 2.2 percent. First quarter commercial vehicle transactions exceeded projection by 4.2 percent, and grew 4.9 percent compared to the same period in 2014.

Investment income totaled \$409 thousand, or \$234 thousand more than budget. Concessions revenue tracked to budget and totaled \$480 thousand. Miscellaneous income totaled \$1.4 million, or \$ 237 thousand less than budget.

MAINTENANCE AND OPERATIONS SUMMARY

Budget vs. Unaudited Actual First Quarter 2015

(\$ thousands)

	1st Qtr		Variance	
	Budget	Actual	\$	%
Payroll and Related Costs	\$41,242	\$40,849	\$393	1.0%
Group Insurance	7,819	8,147	(328)	-4.2%
Contractual Services	13,409	12,928	480	3.6%
Materials/Operational Supplies/Other Expenses	1,884	1,203	681	36.1%
Utilities	1,593	2,148	(555)	-34.8%
All Other Insurance	2,998	2,775	223	7.4%
Parts and Fuel	1,851	1,527	324	17.5%
Equipment/Office Rental and Maintenance	4,897	4,441	456	9.3%
Other Miscellaneous Expenses	321	245	76	23.8%
Recovery of Expenses	(541)	(430)	(111)	-20.5%
Total Maintenance and Operations Expenditures	\$75,472	\$73,832	\$1,640	2.2%

Notes:

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

Year-To-Date March 31, 2015

(\$ thousands)

	2015	YTD	% Budget
	Budget	Actual	Realized
Payroll and Related Costs	\$165,212	\$40,849	24.7%
Group Insurance	31,635	8,147	25.8%
Contractual Services	63,953	12,928	20.2%
Materials/Operational Supplies/Other Expenses	7,931	1,203	15.2%
Utilities	6,672	2,148	32.2%
All Other Insurance	12,448	2,775	22.3%
Parts and Fuel	8,170	1,527	18.7%
Equipment/Office Rental and Maintenance	15,790	4,441	28.1%
Other Miscellaneous Expenses	1,089	245	22.5%
Recovery of Expenses	(2,321)	(430)	18.5%
Total Maintenance and Operations Expenditures	\$310,579	\$73,832	23.8%

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

Analysis

The Tollway's 2015 first quarter operating expenditures totaled \$73.8 million, representing a favorable variance of \$1.6 million. The first quarter expenditures comprised 23.8 percent of the \$310.6 million annual maintenance and operations budget.

The variances to budget during the first quarter of 2015 are explained below:

Payroll and related costs for the first quarter totaled \$40.8 million, \$393 thousand under budget. This favorable variance is mainly attributable to unfilled vacancies, both in the salaries and wages area, partially offset by additional costs related to labor union contract approved during the quarter.

Group insurance expenses totaled \$8.1 million, \$328 thousand more than budget due to additional insurance costs associated with a new labor contract approved during the quarter. For the remaining three quarters in 2015, the Tollway expects this contract to have an unfavorable impact of approximately \$700 thousand per quarter; partially offset by similar savings in the Payroll category.

Contractual services for the first quarter totaled \$12.9 million, \$480 thousand under budget. The favorable variance is mainly attributable to Information Technology Services contract for IT support has not yet been approved, and spending for website maintenance and general consulting services are slower than projected.

Materials/operational supplies/other expenses totaled \$1.2 million during the first quarter, \$681 thousand under budget. This variance is mainly due to timing of payments for operational materials and supplies.

Utilities, which include electricity, natural gas, water and telephone expenses, totaled \$2.1 million, \$555 thousand over budget for the first quarter. This unfavorable variance was in the electricity category where usage was higher than projected, as well as new stations went online during the quarter.

All other insurance expenses totaled \$2.8 million, \$223 thousand under the first quarter budget. This category includes expenses for property and liability insurance, as well as amounts allocated to the workers' compensation claim fund. The favorable variance is mainly attributable to less property and liability claims.

Parts and fuel expenses totaled \$1.5 million, \$324 thousand under the first quarter budget. This favorable variance is partially due to lower fuel prices. In addition, during the quarter, fewer snow events occurred resulting in decreased consumption of fuel by snow plow trucks and of gasoline used by other Tollway vehicles, as well as slower replenishing rate for related replacements parts.

Equipment/office rental and maintenance expenditures totaled \$4.4 million during the first quarter, \$456 thousand under budget. This variance is mainly due to slower spending for software maintenance and licensing. The Tollway anticipates expenditures in this category to pick up during the second quarter.

Other Miscellaneous Expenses totaled \$245 thousand, \$76 thousand under the first quarter budget. This cost category includes travel, training, dues, books, subscriptions, uniforms and accessories.

Recovery of expenses totaled \$430 thousand, a \$111 thousand favorable variance in comparison to budget. This category includes reimbursement for services (ambulances and/or fire trucks) or damage to Tollway property caused by others.

Budget Transfers

Budget to actual comparisons in this analysis are based on the 2015 maintenance and operations budget adopted by the Tollway Board. During the budget year, management approves transfers from accounts that incur surpluses to those requiring additional funds due to shortfalls. These transfers approved by management, do not change the total dollar amount of the maintenance and operations budget approved by the Board in December 2014.

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 related to bond credit/liquidity agreements, bond remarketing agreements and bond ratings.

For 2015, the Tollway budgeted \$362.7 million for transfers from the Revenue Account to the Debt Service Account to provide for these payments. That budgeted amount assumed an additional source of funds of \$15.1 million from federal subsidies associated with the Tollway’s Series 2009A and Series 2009B Build America Bonds.

Following are unaudited quarterly results through March 31, 2015, with comparisons to budget.

Budget vs. Actual (Unaudited)

(\$ thousands)

	Budget	Actual	Variance	
			\$	%
Debt Service Transfers – 1 st Qtr	\$87,414	\$91,380	\$3,966	4.5%

% of Budget Realized (Unaudited)

(\$ thousands)

	Annual	YTD	Realized
	Budget	Actual	
Debt Service Transfers	\$362,654	\$91,380	25.2%

Analysis

The primary contributor to the \$4.0 million unfavorable variance was increased transfers for a \$36.81 million Series 2005A principal payment due January 1, 2016. Such \$36.81 million was budgeted to be transferred in twelve level monthly payments from January through December. Pursuant to authorization from a Tollway Board Resolution dated January 29, 2015, the Tollway elected to accelerate the July through December transfers for this Series 2005A principal payment to the months of February through June, so that all \$36.81 million will be available before July 1, 2015, on which date such bonds become subject to optional early redemption. The Tollway plans to optionally redeem such bonds early on July 1, 2015, which will reduce Tollway interest expense by approximately \$900,000 in the second half of 2015. The amount of transfers for the Series 2005A principal payment that were accelerated into the first quarter was \$7.4 million.

Quarterly Financial Review March 31, 2015

The following favorable contributors to the first quarter variance partially offset the \$7.4 million unfavorable variance described in the preceding paragraph: an unrealized provision for additional debt service resulting from refunding synthetic fixed rate bonds and/or incurring variable bond interest in excess of variable swap receipts; reduced debt service from refunding a portion of the Tollway's Series 2006A Bonds; and favorable variances related to the timing of monthly transfers for debt service for the Series 2007A and 2008A synthetic fixed rate bonds.

DERIVATIVES

The Tollway employed the use of interest rate exchange (swap) agreements and forward-starting interest rate exchange agreements (forward agreements) to hedge against increases in interest rates by providing synthetic fixed rates associated with the Tollway's variable rate bonds. The following chart presents the Tollway's swap portfolio as of quarter-end March 31, 2015. 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 March 31, 2015						
(Note: Valuations are net of accrued interest.)						
(\$ thousands)						
Series	Provider	Notional Amount	Fixed Rate Paid	Variable Rate Rec'd	Maturity	Valuation
1998 SERIES B	Goldman Sachs Mitsui Marine	67,705	4.3250%	Actual	1/1/2017	(3,514)
1998 SERIES B	JP Morgan Chase Bank*	55,395	4.3250%	Actual	1/1/2017	(2,875)
1998 SERIES B TOTAL		\$123,100				(\$6,389)
2007 SERIES A-1	Citibank N.A., New York	175,000	3.9720%	SIFMA	7/1/2030	(\$43,915)
2007 SERIES A-1	Goldman Sachs Bank USA	175,000	3.9720%	SIFMA	7/1/2030	(\$43,915)
2007 SERIES A-1 TOTAL		\$350,000				(\$87,830)
2007 SERIES A-2	Bank of America, N.A.	262,500	3.9925%	SIFMA	7/1/2030	(\$66,481)
2007 SERIES A-2	Wells Fargo Bank**	87,500	3.9925%	SIFMA	7/1/2030	(\$22,160)
2007 SERIES A-2 TOTAL		\$350,000				(\$88,641)
2008 SERIES A-1	The Bank of New York	191,550	3.7740%	SIFMA	1/1/2031	(\$43,258)
2008 SERIES A-1	Deutsche Bank AG, New York Branch	191,550	3.7740%	SIFMA	1/1/2031	(\$43,258)
2008 SERIES A-1 TOTAL		\$383,100				(\$86,516)
2008 SERIES A-2	Bank of America, N.A.***	95,775	3.7640%	SIFMA	1/1/2031	(\$21,523)
2008 SERIES A-2 TOTAL		\$95,775				(\$21,523)
TOTAL		\$1,301,975				(\$290,899)

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 2015

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 2015 Capital Budget allocates \$1,331.7 million to fund the fourth year of the *Move Illinois* Program.

The second program is the Congestion-Relief Program (CRP). The 12-year Congestion-Relief Program, which began in 2005 and will be completed by 2016, is currently estimated at \$5.7 billion. The fiscal year 2015 Capital Budget allocates \$228.3 million to fund the eleventh year of the CRP. Additionally, the fiscal year 2015 Capital Budget allocates approximately \$65 million to fund “other” capital projects to support ongoing operations of the Tollway.

Finally, capital expenditures for 2014 totaled \$67.2 million less than the October 2014 estimate. Approximately \$11.5 million was credited to realized project savings, \$40.9 million was due to schedule changes and \$14.8 million due to intergovernmental agreement reimbursements and other adjustments. The Tollway estimates, based on 2015 first quarter results, the rescheduled work from 2014 can be accommodated within the 2015 Capital Budget of \$1,625 million.

CAPITAL PROGRAM
2014 Estimate and Expenditures; 2015 Approved Budget
(\$ millions)

	2014 October Estimate	2014 Expenditure	2015 Budget
Tri-State Tollway (I-94/I-294/I-80)	\$9.3	\$3.0	\$19.0
Reagan Memorial Tollway (I-88)	11.4	13.5	107.9
Jane Addams Memorial Tollway (I-90)	646.1	616.5	839.6
Veterans Memorial Tollway (I-355)	5.0	2.2	0.9
Open Road Tolling (ORT)	2.7	1.9	5.4
Systemwide Improvements	172.2	162.4	241.1
I-294/I-57 Interchange	46.4	40.9	20.2
Elgin O'Hare Western Access	235.5	241.7	319.8
Illinois Route 53/120/Other Planning Studies	2.7	1.5	6.1
Move Illinois and CRP Subtotal	\$1,131.1	\$1,083.6	\$1,560.0
Other Capital Projects	55.4	50.6	65.0
Capital Program Subtotal	\$1,186.5	\$1,134.1	\$1,625.0
Intergovernmental Agreement Reimbursements	0.0	(14.7)	-
Total Capital Program	\$1,186.5	\$1,119.3	\$1,625.0

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

Allocation of Capital Budget 2015

CORRIDOR

2015 Budget

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

\$19.0 Million

The *Move Illinois* Program capital budget for the Tri-State Tollway corridor is \$18.1 million for master plan development for the reconstruction from 95th Street to Balmoral Avenue as well as design services for reconstruction of the Mile Long bridge over the Des Plaines River and the BNSF railroad over I-294 which will begin in advance of construction planned for 2021.

The CRP budget for the Tri-State Tollway corridor is \$874 thousand to complete the right-of-way acquisitions for the new I-294/I-57 Interchange that is being constructed under *Move Illinois*.

The Reagan Memorial Tollway (I-88)

\$107.9 Million

The 2015 budget of \$7.0 million for this corridor is for design work for roadway reconstruction east of York Road, both on the connector road to the Tri-State Tollway (I-294) and the east segment ending at I-290.

The CRP budget allocates \$100.8 million for resurfacing between Illinois Route 251 and U.S. Route 30.

The Jane Addams Memorial Tollway (I-90)

\$839.6 Million

The *Move Illinois* Program budget allocates \$791.7 million for work on the corridor in 2015. Reconstruction and widening of the westbound lanes from Mill Road to the Elgin Toll Plaza was completed in 2014 with closeout extending into early 2015. Several interchanges and ramps will also see improvements in 2015 including Genoa Road reconfiguration, Irene Road, U.S. Route 20, I-90 over the Fox River, Illinois Route 25, and Roselle, Meacham and Barrington Roads. 2015 will also be the first year of mainline reconstruction and widening from Elgin Toll Plaza to the Tri-State Tollway (I-294) with work on the outside lanes. Design will continue to finalize plans for the inside lanes for 2016 construction as well as landscaping and other corridor completion contracts. Critical work to relocate the Northwest Suburban Metropolitan Joint Action Water Association (NSMJAWA) water main on the east segment of the corridor will provide the access necessary for the reconstruction and widening. Other activities will continue such as right of way acquisition, utility relocations, wetland mitigation, and installation of ITS elements along the corridor.

The CRP budget of \$47.9 million for this corridor is required for bridge reconstruction and improvements at Higgins and Barrington Roads and the reconstruction of several crossroad bridges including Tripp, Spring Center, Garden Prairie and Anthony Roads.

The Veterans Memorial Tollway (I-355)

\$914 thousand

The *Move Illinois* Program capital budget for this corridor is only \$500 thousand for right-of-way services for systemwide repair work on I-355 that may require surveys or assessments in the near future.

The CRP budget for this corridor is \$414 thousand, mainly to complete design of the southbound resurfacing and widening from 71st Street to 75th Street.

Open Road Tolling

\$5.4 Million

The 2014 Capital Budget allocates \$5.4 million for upgrades and enhancement for the Tollway's electronic toll collection equipment - Traffic Revenue Management and Maintenance Project (TRMMP).

Systemwide

\$241.1 Million

The *Move Illinois* Program capital budget allocates \$168.2 million on systemwide improvements, including bridge, pavement and safety improvements; toll collection and IT related projects; and maintenance facility upgrades, which includes the reconstruction of the M-1 maintenance site in Alsip and rehabilitation of sites M-2 in Hillside, M-11 in DeKalb, M-12 in Dixon, and M-14 in Downers Grove. Additionally, funds will be spent on program support activities, including support staff, project management, materials, utility relocations, engineering and land acquisition support services.

The CRP budget allocates \$72.9 million for systemwide improvements including pavement improvements to ensure the integrity of the system, bridge improvements and environmental projects, landscaping, program management and other related projects. It also includes bridge reconstruction related to planned interchange improvements at the Reagan Memorial Tollway (I-88) and Farnsworth Avenue.

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

\$20.2 Million

The budget for this corridor is \$20.2 million to complete closeout activities for the first phase of construction of the new interchange at the Tri-State Tollway (I-294) and I-57, which was completed in 2014. Landscaping and completion of payments for completed utility work will also occur.

Elgin O'Hare Western Access Project

\$319.8 Million

The *Move Illinois* Program 2015 budget for this corridor is \$319.8 million. Engineering work includes final design services for the extension of Illinois Route 390, preliminary design of the Illinois Route 390 system interchange providing western access, as well as select advance design elements. Construction includes Bridge and Roadway rehabilitation and remaining widening of the Illinois Route 390 existing portion, ongoing construction of the new I-290 / Illinois Route 390 Interchange, construction along the new Illinois Route 390 extension interchange improvements at Park Boulevard and Arlington Heights Road and bridge construction at Salt Creek, Mittel Boulevard, Wood Dale Road and Lively Boulevard. Work also includes completion of the new interchange on the Jane Addams Memorial Tollway (I-90) at Elmhurst Road, Northwest Suburban Metropolitan Joint Action Water Association (NSMJAWA) water relocation on I-90. Additionally, 2015 work includes construction of ITS/ electronic tolling elements for converting Illinois Route 390 from U.S. Route 20 to I-290 into a toll road, as well as right-of-way acquisitions and utility relocations to support the Elgin O'Hare Western Access project.

Illinois Route 53/120 Project/Other Planning Studies

\$6.1 Million

The 2015 budget for this corridor will fund planning studies, environmental surveys, and the start of phase one design services on the extension of Illinois Route 53/120 from Lake Cook Road north into Lake County.

Other Capital Projects

\$65 Million

In addition to the *Move Illinois* and CRP, other projects are needed to support ongoing operations of the Tollway and to ensure that the existing roadway network is maintained and safe for travel. While the *Move Illinois* and CRP are the major components of the Tollway's capital program, other elements include new technologies to manage congestion, reduce travel

Quarterly Financial Review March 31, 2015

times and provide enhanced customer service, improvements to maintenance buildings and other structures to maintain Tollway assets and additional equipment for the Illinois State Police District 15 and maintenance staff to improve efficiency and enhance public safety. The Tollway anticipates spending \$65 million in 2015 for other capital projects.

Capital Program Expenditures

Projection vs. Unaudited Actual

First Quarter 2015

(\$ thousands)

	1st Qtr		Variance	
	Projection	Actual ⁽¹⁾	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$350	\$63	\$287	81.9%
Reagan Memorial Tollway (I-88)	2,255	939	1,316	58.4%
Jane Addams Memorial Tollway (I-90)	94,598	109,501	(14,902)	-15.8%
Veterans Memorial Tollway (I-355)	136	215	(79)	-58.0%
Open Road Tolling (ORT)	1,339	903	436	32.6%
Systemwide Improvements	44,828	25,287	19,542	43.6%
Tri-State Tollway (I-294)/I-57 Interchange	3,784	3,873	(88)	-2.3%
Elgin O'Hare Western Access	28,171	46,884	(18,713)	-66.4%
Illinois Route 53/120/Other Planning Studies	989	238	751	75.9%
Move Illinois and CRP Subtotal	\$176,451	\$187,902	(\$11,451)	-6.5%
"Other" Capital Projects	12,187	11,968	219	1.8%
Capital Program Subtotal	\$188,638	\$199,870	(\$11,232)	-6.0%
Agreement Reimbursement and other Adjustments ⁽²⁾	-	(20)	20	N/A
Total Capital Program Expenditures	\$188,638	\$199,851	(\$11,212)	-5.9%

⁽¹⁾ Capital Program Actual included accrued expenses for which payments have not been made as of March 31, 2015.

⁽²⁾ Intergovernmental and Fiber Optic Agreement Reimbursements were for work performed in prior periods.

Analysis

Capital program expenditures are reported on an accrual basis. For the quarter ending March 31, 2015, unaudited capital program expenditures totaled \$199.9 million. This amount included expenses paid during the first quarter, as well as \$142.6 million of work completed during the quarter and/or in prior periods for which payments have not been made as of March 31, 2015. *Move Illinois* and CRP expenditures totaled \$187.9 million and other capital project expenditures totaled \$12 million. In addition, other adjustments made during the quarter reduced expenditures by \$20 thousand.

Expenditures for the first quarter Capital program exceeded projection by \$11.2 million, which is primarily attributed to scheduling changes, including the timing of reimbursements.

CORRIDOR

2015 First Quarter Expenditures

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

\$63 thousand

During the first quarter, minor efforts continued for closeout of ramp reconstruction at I-55 and the wetland mitigation contracts.

Expenditures for this corridor were \$287 thousand less than the first quarter projection.

The Reagan Memorial Tollway

\$939 thousand

During the first quarter, design continued for roadway resurfacing from U.S. Route 30 to U.S. Route 52, as well as the east end of the corridor from York Road to I-290 and on the East-West Connector.

The corridor expenditures were less than projection by \$1.3 million and can be attributed to repackaging of the reconstruction between U.S. Route 30 to U.S. Route 52 and the lower than expected spending for other design contracts.

The Jane Addams Memorial Tollway (I-90)

\$109.5 million

Reconstruction and widening along the west section from Mill Road to Elgin Plaza (Plaza 9) was completed in 2014 with closeout continuing into the first quarter of 2015. Several interchanges in the west section saw continued efforts as well, including Irene Road and U.S. Route 20 and the reconfiguration at Genoa Road.

Construction of retaining walls and noise walls continued in the first quarter in advance of the start of mainline reconstruction and widening of the outside lanes from the Elgin Toll Plaza (Plaza 9) to the Tri-State Tollway (I-294). Construction continued on several mainline interchange improvements, including Lee Street, I-90 over the Fox River, Illinois Route 25, Roselle Road and Meacham Road. Relocation of the Northwest Suburban Metropolitan Joint Action Water Association (NSMJAWA) is also critical work that will continue throughout 2015 in order to complete mainline work.

First quarter expenditures exceeded projection by \$14.9 million mostly due to schedule changes from projections in four areas: continuing design contracts representing \$1.2 million, \$940 thousand in utility payments, \$14.4 million in construction spending on east noise walls, retaining walls and outside mainline reconstruction and widening to catch up from 2014 progress, offset by right-of-way acquisitions of \$2.1 million.

The Veterans Memorial Tollway (I-355)

\$215 thousand

During the first quarter, there were minor efforts on balancing and closing out previous contracts.

Expenditures were \$79 thousand more than projection and can be attributed to the extended closeout schedule of several south extension right of way and study activities.

Open Road Tolling (ORT)

\$903 thousand

Expenditures for the Traffic Revenue Management and Maintenance Project (TRMMP) were \$436 thousand less than the first quarter projection.

Systemwide **\$25.3 million**

During the first quarter, reconstruction of the M-1 maintenance site facility in Alsip continued. Various pavement, bridge, and ramp repair contracts also progressed, including ramp and interchange improvements at Grand Avenue on the Tri-State Tollway.

First quarter expenditures were \$19.5 million less than projection mainly due to \$9 million related to later start for Business Systems and IT projects, offset by \$1.4 million on the reconstruction at M-1 in Alsip due to piping revisions. In addition, \$2.5 million was due to a later start on right-of-way acquisition for the relocation of M-8 in Naperville.

The Tri-State Tollway (I-294/I-57) Interchange **\$3.9 million**

During the first quarter, progress continued towards closeouts this spring on ramp construction from northbound I-57 to northbound I-294, from southbound I-294 to southbound I-57, and reconstruction efforts along 147th Street.

Expenditures for the corridor were \$88 thousand less than projected.

The Elgin O'Hare Western Access Project **\$46.9 million**

During the first quarter of 2015, Roadway improvements continued along the existing western segment of Illinois Route 390 between Lake Street and Rohlwing Road, with two noise wall contracts achieving contract close-out. Ramp and mainline construction continued along the central segment of Illinois Route 390 and included work on the Westbound I-290 to IL-390 project, the I-290 Interchange and bridge work at Salt Creek, Mittel Boulevard, Wood Dale Road and Lively Boulevard as well as the Elmhurst Road Interchange at I-90. Construction of the central and eastern segments of Illinois Route 390 mainline from Park Boulevard to Arlington Heights Boulevard and Wood Dale Road to Lively Boulevard will begin later this year.

The first quarter actual spending exceeded the anticipated Tollway spending by \$18.7 million primarily due to the timing of reimbursements and CMAQ fund reporting. Actual total expenditures for all other phases including design, construction management, construction, right-of-way and utilities are very close to the projected quarterly totals.

Illinois Route 53/120 Project/Other Planning Studies **\$238 thousand**

Feasibility studies continued in the first quarter for the possible extension of Illinois Route 53 north of Lake Cook Road.

Expenditures for this corridor were \$751 thousand less than projected as less studies were carried out during the quarter.

Other Capital Projects **\$12 million**

Expenditures in this corridor included purchases for fleet, transponders, maintenance site equipment, police equipment and other small capital equipment. In addition, first quarter expenditures funded other projects including general engineering, traffic consultant and other consulting services, Traffic Incident Management System (TIMS), intelligent transportation systems (ITS), system wide signage, Truck scale installation, environmental and other planning studies, station battery plant upgrade, roof repair/replacement and computer infrastructure upgrades. Expenses were \$219 thousand under projection mainly attributed to approval for projects anticipated to start during the first quarter did not occur.

Financial Summaries

Quarterly Financial Review March 31, 2015

ILLINOIS TOLLWAY				
BUDGET vs. UNAUDITED ACTUAL				
First Quarter Ending March 31, 2015				
	1st Quarter		Variance	
	Budget	Actual	\$	%
REVENUE				
Toll Revenue and Evasion Recovery	\$262,725,000	\$269,351,629	\$6,626,629	2.5%
Concessions	480,000	479,833	(167)	0.0%
Investment Income	175,000	408,848	233,848	133.6%
Miscellaneous	1,637,000	1,400,179	(236,821)	-14.5%
Total Revenue	\$265,017,000	\$271,640,489	\$6,623,489	2.5%
Maintenance and Operations (M and O) Expenditures				
Payroll and Related Costs	\$41,241,881	\$40,849,025	\$392,856	1.0%
Group Insurance	7,818,764	8,146,579	(327,815)	-4.2%
Contractual Services	13,408,677	12,928,406	480,271	3.6%
Materials/Operational Supplies/Other Expenses	1,883,501	1,202,917	680,584	36.1%
Utilities	1,592,914	2,147,737	(554,823)	-34.8%
All Other Insurance	2,997,951	2,774,686	223,265	7.4%
Parts and Fuel	1,850,649	1,526,617	324,032	17.5%
Equipment/Office Rental and Maintenance	4,897,390	4,441,211	456,179	9.3%
Other Miscellaneous Expenses	320,905	244,631	76,274	23.8%
Recovery of Expenses	(540,718)	(429,898)	(110,820)	-20.5%
Total Maintenance and Operations Expenditures	\$75,471,914	\$73,831,912	\$1,640,002	2.2%
Net Revenue				
Revenue Less M and O Expenditures	\$189,545,086	\$197,808,577	\$8,263,491	4.4%
Debt Service Transfers				
Existing Debt	\$87,413,574	\$91,379,671	(\$3,966,097)	-4.5%
New Debt	-	-	-	N/A
Total Debt Service Transfers	\$87,413,574	\$91,379,671	(\$3,966,097)	-4.5%
Net Revenue Less Debt Service Transfers	\$102,131,512	\$106,428,906	\$4,297,395	4.2%

Quarterly Financial Review March 31, 2015

ILLINOIS TOLLWAY				
PROJECTION vs. UNAUDITED ACTUAL				
First Quarter Ending March 31, 2015				
	First Quarter		Variance	
	Projection	Actual ⁽²⁾	\$	%
Capital Program ⁽¹⁾				
Tri-State Tollway (I-94/I-294/I-80)	\$350,328	\$63,292	\$287,036	81.9%
Reagan Memorial Tollway (I-88)	2,254,820	938,657	1,316,163	58.4%
Jane Addams Memorial Tollway (I-90)	94,598,434	109,500,673	(14,902,239)	-15.8%
Veterans Memorial Tollway (I-355)	136,245	215,285	(79,040)	-58.0%
Open Road Tolling (ORT)	1,338,857	902,913	435,944	32.6%
Systemwide Improvements	44,828,234	25,286,603	19,541,631	43.6%
Tri-State Tollway (I-294)/I-57 Interchange	3,784,235	3,872,547	(88,312)	-2.3%
Elgin O'Hare Western Access	28,171,002	46,884,258	(18,713,256)	-66.4%
Illinois Route 53/120/Other Planning Studies	989,217	238,090	751,127	75.9%
Move Illinois and CRP Subtotal	\$176,451,372	\$187,902,319	(\$11,450,947)	-6.5%
"Other" Capital Projects	12,187,000	11,968,111	218,889	1.8%
Capital Program Subtotal	\$188,638,372	\$199,870,429	(\$11,232,057)	-6.0%
Agreement Reimbursements ⁽³⁾ and Other Adjustments	-	(19,590)	19,590	N/A
Total Capital Program Expenditures	\$188,638,372	\$199,850,839	(\$11,212,467)	-5.9%

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

⁽²⁾ Capital Program Actual included accrued expenses for which payments have not been made as of March 31, 2015.

⁽³⁾ Intergovernmental and Fiber Optic Agreement Reimbursements were for work performed in prior periods.

Quarterly Financial Review March 31, 2015

ILLINOIS TOLLWAY			
% of ANNUAL BUDGET REALIZED (UNAUDITED)			
Year-To-Date March 31, 2015			
	2015 Budget	YTD Actual	% Budget Realized
REVENUE			
Toll Revenue and Evasion Recovery	\$1,160,000,000	\$269,351,629	23.2%
Concessions	2,000,000	479,833	24.0%
Investment Income	700,000	408,848	58.4%
Miscellaneous	7,300,000	1,400,179	19.2%
Total Revenue	\$1,170,000,000	\$271,640,489	23.2%
Maintenance and Operations (M and O) Expenditures			
Payroll and Related Costs	\$165,212,486	\$40,849,025	24.7%
Group Insurance	31,635,065	8,146,579	25.8%
Contractual Services	63,952,787	12,928,406	20.2%
Materials/Operational Supplies/Other Expenses	7,931,483	1,202,917	15.2%
Utilities	6,671,546	2,147,737	32.2%
All Other Insurance	12,447,800	2,774,686	22.3%
Parts and Fuel	8,170,220	1,526,617	18.7%
Equipment/Office Rental and Maintenance	15,789,832	4,441,211	28.1%
Other Miscellaneous Expenses	1,088,785	244,631	22.5%
Recovery of Expenses	(2,321,000)	(429,898)	18.5%
Total Maintenance and Operations Expenditures	\$310,579,004	\$73,831,912	23.8%
Net Revenue			
Revenue Less M and O Expenditures	\$859,420,996	\$197,808,577	23.0%
Debt Service Transfers			
Existing Debt	\$345,987,631	\$91,379,671	26.4%
New Debt	16,666,667	-	0.0%
Total Debt Service Transfers	\$362,654,298	\$91,379,671	25.2%
Net Revenue Less Debt Service Transfers	\$496,766,698	\$106,428,906	21.4%

Quarterly Financial Review March 31, 2015

ILLINOIS TOLLWAY			
% of PROJECTION REALIZED (UNAUDITED)			
Year-To-Date March 31, 2015			
	2015	YTD	% Projection
	Projection	Actual ⁽²⁾	Realized
Capital Program ⁽¹⁾			
Tri-State Tollway (I-94/I-294/I-80)	\$18,985,955	\$63,292	0.3%
Reagan Memorial Tollway (I-88)	107,870,760	938,657	0.9%
Jane Addams Memorial Tollway (I-90)	839,647,644	109,500,673	13.0%
Veterans Memorial Tollway (I-355)	913,712	215,285	23.6%
Open Road Tolling (ORT)	5,355,428	902,913	16.9%
Systemwide Improvements	241,052,695	25,286,603	10.5%
Tri-State Tollway (I-294)/I-57 Interchange	20,245,308	3,872,547	19.1%
Elgin O'Hare Western Access	319,818,257	46,884,258	14.7%
Illinois Route 53/120/Other Planning Studies	6,099,065	238,090	3.9%
Move Illinois and CRP Subtotal	\$1,559,988,824	\$187,902,319	12.0%
"Other" Capital Projects	65,000,000	11,968,111	18.4%
Capital Program Subtotal	\$1,624,988,824	\$199,870,429	12.3%
Agreement Reimbursements and Other Adjustments ⁽³⁾	-	(19,590)	N/A
Total Capital Program Expenditures	\$1,624,988,824	\$199,850,839	12.3%

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

⁽²⁾ Capital Program Actual included accrued expenses or which payments have not been made as of March 31, 2015.

⁽³⁾ Intergovernmental and Fiber Optic Agreement Reimbursements were for work performed in prior periods.

Quarterly Financial Review March 31, 2015

ILLINOIS TOLLWAY				
2015 vs. 2014 Unaudited Actual				
First Quarter Ending March 31st				
	First Quarter		Variance	
	2014	2015	\$	%
REVENUE				
Toll Revenue and Evasion Recovery	\$222,733,126	\$269,351,629	\$46,618,503	20.9%
Concessions	531,124	479,833	(51,291)	-9.7%
Investment Income	124,223	408,848	284,625	229.1%
Miscellaneous	2,585,151	1,400,179	(1,184,972)	-45.8%
Total Revenue	\$225,973,624	\$271,640,489	\$45,666,865	20.2%
Maintenance and Operations (M and O) Expenditures				
Payroll and Related Costs	\$42,212,937	\$40,849,025	\$1,363,912	3.2%
Group Insurance	7,048,086	8,146,579	(\$1,098,493)	-15.6%
Contractual Services	11,765,387	12,928,406	(\$1,163,020)	-9.9%
Materials/Operational Supplies/Other Expenses	2,045,430	1,202,917	\$842,513	41.2%
Utilities	1,485,768	2,147,737	(\$661,969)	-44.6%
All Other Insurance	2,568,318	2,774,686	(\$206,368)	-8.0%
Parts and Fuel	2,235,493	1,526,617	\$708,876	31.7%
Equipment/Office Rental and Maintenance	4,810,116	4,441,211	\$368,905	7.7%
Other Miscellaneous Expenses	223,929	244,631	(\$20,702)	-9.2%
Recovery of Expenses	(731,880)	(429,898)	(\$301,982)	-41.3%
Total Maintenance and Operations Expenditures	\$73,663,582	\$73,831,912	(\$168,330)	-0.2%
Net Revenue				
Revenue Less M and O Expenditures	\$152,310,042	\$197,808,577	\$45,498,535	29.9%
Debt Service Transfers				
Existing Debt	\$75,851,296	\$91,379,671	(\$15,528,375)	-20.5%
New Debt	-	-	-	N/A
Total Debt Service Transfers	\$75,851,296	\$91,379,671	(\$15,528,375)	-20.5%
Net Revenue Less Debt Service Transfers	\$76,458,746	\$106,428,906	\$29,970,160	39.2%

Quarterly Financial Review March 31, 2015

ILLINOIS TOLLWAY				
2015 Actual vs. 2014 Unaudited Actual				
First Quarter Ending March 31st				
	1st Quarter		Variance	
	2014	2015	\$	%
Capital Program				
Tri-State Tollway (I-94/I-294/I-80)	\$2,223,122	63,292	\$2,159,831	97%
Reagan Memorial Tollway (I-88)	176,341	938,657	(762,315)	-432%
Jane Addams Memorial Tollway (I-90)	64,802,067	109,500,673	(44,698,606)	-69%
Veterans Memorial Tollway (I-355)	27,113	215,285	(188,173)	-694%
Open Road Tolling (ORT)	11,941	902,913	(890,972)	-7461%
Systemwide Improvements	20,040,592	25,286,603	(5,246,011)	-26%
Tri-State Tollway (I-294)/I-57 Interchange	6,445,605	3,872,547	2,573,058	40%
Elgin O'Hare Western Access	40,353,366	46,884,258	(6,530,892)	-16%
Illinois Route 53/120/Other Planning Studies	314,112	238,090	76,022	24%
Move Illinois and CRP Subtotal	\$134,394,258	\$187,902,319	(\$53,508,060)	-40%
"Other" Capital Projects	11,180,128	11,968,111	(787,983)	-7%
Capital Program Subtotal	\$145,574,386	\$199,870,429	(\$54,296,043)	-37%
Agreement Reimbursements and Other Adjustments	40,987	(19,590)	60,577	148%
Total Capital Program Expenditures	\$145,615,373	\$199,850,839	(\$54,235,466)	-37%