



2012 Budget Analysis

(Unaudited)

Quarterly Financial Review

January 1 - March 31, 2012

Table of Contents

Introduction	3
Budget Summary	4
Introduction	4
Budgeted Revenue 2012.....	4
Allocation of Budgeted Revenue 2012	4
First Quarter Results Summary	6
Revenue	6
Expenditures	6
Outlook	6
Revenue Summary	7
Analysis	7
Maintenance and Operations (M&O) Summary	8
Analysis	9
Debt Service Summary	11
Transfers for Debt Service and Other Bond-Related Costs	11
Analysis	11
Derivatives	12
Capital Program Summary	13
Capital Budget 2012.....	13
Allocation of Capital Budget 2012	14
Capital Program Expenditures	16
Analysis	17
Financial Summary – Budget vs. Actual	19
2012 First Quarter	20
2012 Budget Realized	22
2011 vs. 2012 First Quarter Actual	24

INTRODUCTION

In December 2011, the Tollway Board of Directors adopted the annual budget for 2012. To monitor performance against this budget, each quarter the Finance Department reviews and compares actual revenue and expenditures of the Tollway to the budget, and presents the resulting analysis in this quarterly report to the Finance, Administration and Operations Committee meeting.

The annual budget is prepared in conformance with provisions of the Tollway's Trust Indenture. This quarterly financial report is unaudited and is prepared on a basis of accounting that comports with the Trust Indenture, which is a basis of accounting other than generally accepted accounting principles. Revenue and expenditures are reported on an accrual basis net of certain allowances for bad debt. Capital expenditures are expensed in the period incurred, and no accommodation is made for depreciation of capital assets.

Tollway revenue sources include Toll Revenue and Evasion Recovery, Concessions, Investment Income, and Miscellaneous Income.

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

This report provides an analysis of actual revenue and expenditures through the first quarter of fiscal year 2012. The purpose of this analysis is to assess the actual financial performance of the Tollway relative to the 2012 Budget. The report indicates variances from budgeted amounts. A favorable variance contributes to a higher fund balance, while an unfavorable variance reduces the fund balance.

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

BUDGET SUMMARY

Introduction

The Illinois Tollway Board of Directors on August 25, 2011 adopted the 15-year, \$12 billion capital program, *Move Illinois: The Illinois Tollway Driving the Future*, funded by bonds, and toll revenue generated through a toll rate increase for passenger vehicles in 2012 and previously approved increases for commercial vehicles beginning in 2015. The 2012 Budget, approved by the Board of Directors in December 2011, includes the Maintenance & Operations (M&O) Budget, Debt Service Transfers and Capital Budget in support of the first year of the Move Illinois Program.

Budgeted Revenue 2012

To support the Move Illinois Program, on August 25, 2011 the Illinois Tollway Board of Directors approved a toll rate increase on passenger vehicles. Effective January 1, 2012, the new I-PASS toll rate at a typical mainline toll plaza increased from 40 cents to 75 cents, with cash-paying passenger vehicles continuing to pay double the I-PASS rate.

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

Allocation of Budgeted Revenue 2012

2012 Revenue Sources and Allocations	
(\$ millions)	
SOURCES OF REVENUE	
	2012 Budget
Toll Revenue & Evasion Recovery	\$963
Investment Income	1
Concessions & Misc.	9
Total Revenue	\$973
ALLOCATIONS OF REVENUE	
	2012 Budget
Maintenance and Operations	\$268
Operating Reserve	10
Debt Service Transfers	255
Deposit to RR & I	440
Total Allocation	\$973

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

FIRST QUARTER RESULTS SUMMARY

Revenue

Revenue for the first quarter 2012 totaled to \$225.8 million, \$3.5 million more than budgeted for the period. Toll and evasion recovery revenue totaled \$223.8 million, \$4 million more than budgeted for the first quarter 2012. Concessions revenue totaled \$532 thousand, \$32 thousand more than budgeted. Investment Income totaled \$198 thousand, \$52 thousand less than budgeted for the first quarter. Miscellaneous Income totaled \$1.2 million, \$495 thousand less than budgeted for the first three months of 2012. The first quarter Revenue comprised 23 percent of the \$973 million annual Revenue budget.

Expenditures

The Tollway's 2012 first quarter operating expenditures totaled \$60.7 million, representing a \$2.4 million favorable variance compared to budget. The first quarter expenditures comprise 23 percent of the \$268 million annual Maintenance and Operations budget.

The Tollway's 2012 first quarter Debt Service transfers totaled \$60.5 million, or \$1.7 million less than the budgeted amount. The first quarter Debt Service transfers comprise 24 percent of the \$255 million annual budget.

The Tollway's Capital Program expenditures totaled \$17.6 million compared to the budget of \$43.2 million through March 31, 2012. The first quarter Capital expenditures included \$12.4 million for the Move Illinois Program and the Congestion-Relief Program expenses and \$5.2 million for the Other Capital Projects expenses. In addition, Intergovernmental Agreement reimbursements for work performed in prior periods totaled \$33 thousand in the first quarter.

Outlook

First Quarter toll revenue exceeded estimates by 2.1 percent. While results were favorable during the first quarter, slow economic growth and/or an increase in fuel prices could impact the Tollway's ability to meet or exceed budgeted revenue projection for the remainder of the year. The Tollway will continue to monitor such external factors and their impact on revenue.

Overall, the Maintenance and Operations expenses were under budget for the first quarter. The Tollway will continue to monitor the categories that were over budget, including Payroll and Related Costs, Group Insurance and Utilities.

The Capital Program is under budget for the first quarter and projected to remain under budget for the rest of 2012 based on a favorable bidding environment, scheduling modifications and effective program management. The Tollway will continue to monitor the Capital Program and project progress.

REVENUE SUMMARY

Budget vs. Unaudited Actual

First Quarter 2012
(\$ thousands)

	1st Qtr		Variance	
	Budget	Actual	\$	%
Toll Revenue & Evasion Recovery	\$219,806	\$223,836	\$4,030	1.8%
Concessions	500	532	32	6.4%
Investment Income	250	198	(52)	-20.6%
Miscellaneous	1,722	1,227	(495)	-28.7%
Total Revenue	\$222,278	\$225,794	\$3,515	1.6%

% of BUDGET REALIZED (Unaudited)

First Quarter Ending March 31, 2012
(\$ thousands)

	Budget	YTD Actual	% Budget Realized
	Toll Revenue & Evasion Recovery	\$963,000	\$223,836
Concessions	2,000	532	26.6%
Investment Income	1,000	198	19.8%
Miscellaneous	7,000	1,227	17.5%
Total Revenue	\$973,000	\$225,794	23.2%

Analysis

Revenue for the first quarter ending March 31, 2012 totaled \$225.8 million, or \$3.5 million more than budgeted for the same period. The first quarter revenue comprised 23 percent of the 2012 budget of \$973 million.

Toll revenue and evasion recovery had a favorable variance of \$4 million for the first quarter. Toll revenue totaled \$4.4 million, or 2.1 percent more than budget.

Toll transactions for all vehicle classes declined 1.3 percent compared to the same period in 2011, but better than the projected 3.3 percent decrease. Passenger vehicle transactions declined 2.2 percent while commercial vehicle transactions grew 6.3 percent.

MAINTENANCE AND OPERATIONS (M&O) SUMMARY

Budget vs. Unaudited Actual First Quarter 2012

(\$ thousands)

	1st Qtr		Variance	
	Budget	Actual	\$	%
Payroll and Related Costs	\$37,218	\$37,248	(\$30)	-0.1%
Group Insurance	6,962	7,173	(211)	-3.0%
Contractual Services	8,494	7,725	769	9.1%
Materials/Oper. Supplies/Other Exp.	2,240	1,272	968	43.2%
Utilities	1,572	1,640	(69)	-4.4%
All Other Insurance	2,400	2,216	184	7.7%
Parts & Fuel	1,420	690	730	51.4%
Equipment / Office Rental & Maint.	3,240	3,041	199	6.1%
Employee Development	225	214	11	4.9%
Recovery of Expenses	(592)	(487)	(105)	-17.8%
Total Maintenance & Operations Expenditures	\$63,180	\$60,733	\$2,447	3.9%

Notes:

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

% of BUDGET REALIZED (Unaudited)

First Quarter Ending March 31, 2012

(\$ thousands)

	Budget	YTD Actual	% Budget
			Realized
Payroll and Related Costs	\$150,881	\$37,248	24.7%
Group Insurance	27,848	7,173	25.8%
Contractual Services	46,322	7,725	16.7%
Materials/Oper. Supplies/Other Exp.	8,962	1,272	14.2%
Utilities	6,287	1,640	26.1%
All Other Insurance	9,600	2,216	23.1%
Parts & Fuel	6,129	690	11.3%
Equipment/Office Rental & Maint.	12,962	3,041	23.5%
Employee Development	901	214	23.8%
Recovery of Expenses	(2,369)	(487)	20.6%
Total Maintenance & Operations Expenditure:	\$267,523	\$60,733	22.7%

Analysis

The Tollway's 2012 first quarter operating expenditures totaled \$60.7 million, representing a favorable variance of \$2.4 million. The first quarter expenditures comprise 22.7 percent of the \$267.5 million annual Maintenance and Operations budget.

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

Payroll and Related Costs for the first quarter totaled \$37.2 million, \$30 thousand over budget. This unfavorable variance is attributable to overtime partially offset by vacant positions in both the salary and wage categories. This category also includes wage adjustments for the SEIU, Teamster, AFSCME and MAP collective bargaining units.

Group Insurance totaled \$7.2 million during the first quarter, \$211 thousand over budget. This variance is the result of paid PPO claims being a little higher than in the previous two years, especially in January 2012.

Contractual Services for the first quarter totaled \$7.7 million, \$769 thousand under budget. This variance is mainly attributable to reduced costs in Business Systems. This is the result of a price decrease for image review, as well as less than anticipated expenses for the I-PASS Customer Call Center, Secretary of State and Hearing Officer services.

Materials/Operational Supplies/Other Expense totaled \$1.3 million during the first quarter, \$968 thousand under budget. This variance is the result of the mild winter weather and reduced demand for winter roadway materials such as rock salt, calcium chloride and abrasives.

Utilities, which includes electricity, natural gas, water and telephone expenses, totaled \$1.6 million, \$69 thousand over budget during the first quarter. All four categories were close to being on budget for the quarter.

All Other Insurance expenses totaled \$2.2 million, \$184 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 variance is due to timing of billing statements.

Parts and Fuel expenses totaled \$690 thousand, \$730 thousand under the first quarter budget. This favorable variance is attributable to the following circumstances: a mild winter resulting in reduced consumption of gasoline and diesel fuel by snowplow trucks, the ongoing effort by the Fuel Task Force Team to reduce Tollway vehicle fuel consumption, and delayed billing. Unfortunately, these favorable results may be negatively impacted by additional spikes in fuel prices or the changeover to seasonal gasoline blends during the summer months.

Equipment/Office Rental & Maintenance expenditures totaled \$3.0 million during the first quarter, \$199 thousand under budget. The majority of this variance is due to reduced expenditures for the maintenance of electronic tolling equipment. Certain aspects of electronic tolling equipment maintenance and application development have been scaled

back pending the expected future procurement of a next generation back office toll collection system.

Employee Development expenses totaled \$214 thousand, \$11 thousand under the first quarter budget. This cost category includes travel, training, dues, books, subscriptions, uniforms and accessories.

Recovery of Expenses totaled \$487 thousand, \$105 thousand over budget. This category includes reimbursement for services (ambulances or fire trucks) or damage to Tollway property caused by others.

Budget Transfers: Budget to Actual comparisons in this analysis are based on the Original 2012 M&O Budget adopted by the Board in December 2011. During the budget year, management approves transfers from accounts that incur surpluses to those requiring additional funds due to shortfalls. These transfers do not change the dollar amount of the 2012 M&O Budget.

DEBT SERVICE SUMMARY

For annual budgeting and quarterly reporting purposes, debt service consists of the sum of monthly transfers from the Revenue Account to the Trustee-held Debt Service Account, in accordance with the Indenture, to provide for the 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 2012, the Tollway budgeted \$255 million for transfers from the Revenue Account to the Debt Service Account to provide for these payments. That budgeted amount assumed an additional source of funds of \$16.2 million from federal subsidies associated with the Tollway’s Series 2009A and Series 2009B Build America Bonds.

Following are unaudited quarterly results through March 31, 2012 with comparisons to budget.

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

	Budget	Actual	Variance	
			\$	%
Debt Service Transfers – 1 st Qtr	\$62,250	\$60,506	\$1,744	3.3%

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

	Annual Budget	YTD Actual	Realized
Debt Service Transfers	\$255,000	\$60,506	23.7%

Analysis

The \$1.744 million favorable variance for the quarter was primarily due to a provision for additional debt service from refunding synthetic fixed rate bonds and/or incurring variable bond interest in excess of variable swap receipts, neither of which occurred during the first quarter 2012.

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 March 31, 2012. The four swap agreements related to the Series 2007A Bonds were originally entered into as forward agreements in September 2005, and became effective upon the closing of the Series 2007A Bonds on November 1, 2007. The three swap agreements related to the Series 2008A Bonds were originally entered into in December 2007, and became effective upon the closing of the Series 2008A Bonds on February 7, 2008.

The Illinois State Toll Highway Authority						
Swap Portfolio as of March 30, 2012						
(Note: Valuations do not include Accrued interest)						
(\$ thousands)						
Series	Provider	Notional Amount	Fixed Rate Paid	Variable Rate Rec'd	Maturity	Valuation
1998 SERIES B	Goldman Sachs Mitsui Marine	67,705	4.3250%	Actual	1/1/2017	(9,807)
1998 SERIES B	JP Morgan Chase Bank*	55,395	4.3250%	Actual	1/1/2017	(8,024)
1998 SERIES B TOTAL		\$123,100				(\$17,830)
2007 SERIES A-1	Citibank N.A., New York	175,000	3.9720%	SIFMA	7/1/2030	(\$37,622)
2007 SERIES A-1	Goldman Sachs Bank USA	175,000	3.9720%	SIFMA	7/1/2030	(\$37,622)
2007 SERIES A-1 TOTAL		\$350,000				(\$75,244)
2007 SERIES A-2	Bank of America, N.A.	262,500	3.9925%	SIFMA	7/1/2030	(\$57,143)
2007 SERIES A-2	Wells Fargo Bank**	87,500	3.9925%	SIFMA	7/1/2030	(\$19,048)
2007 SERIES A-2 TOTAL		\$350,000				(\$76,191)
2008 SERIES A-1	The Bank of New York	191,550	3.7740%	SIFMA	1/1/2031	(\$36,497)
2008 SERIES A-1	Deutsche Bank AG, New York Branch	191,550	3.7740%	SIFMA	1/1/2031	(\$36,497)
2008 SERIES A-1 TOTAL		\$383,100				(\$72,995)
2008 SERIES A-2	Bank of America, N.A.***	95,775	3.7640%	SIFMA	1/1/2031	(\$18,124)
2008 SERIES A-2 TOTAL		\$95,775				(\$18,124)
TOTAL		\$1,301,975				(\$260,384)

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; this swap was novated to Bank of America, N.A. in October 2011.

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

CAPITAL PROGRAM SUMMARY

Capital Budget 2012

The majority of the expenditures for the Capital Program are for major capital renewal or repair projects and for improvements made to the system. Variances from year to year are due to the schedule of work and the differing values for projects included in the overall capital program.

The Capital Budget is comprised of two major programs. The newest program, Move Illinois: *The Illinois Tollway Driving the Future*, was approved by the Board of Directors on August 25, 2011. The Move Illinois Program is a 15-year program which extends from 2012 through 2026 and includes anticipated capital investments totaling an estimated \$12 billion. The Fiscal Year 2012 Capital Budget allocates \$240.9 million to fund the first year of the Move Illinois Program.

The second program is the Congestion-Relief Program (CRP). The 12-year Congestion-Relief Program, which began in 2005 and will be completed by 2016, is currently estimated at \$5.8 billion. The Fiscal Year 2012 Capital Budget allocates \$290.6 million to fund the eighth year of the CRP. Additionally, the Fiscal Year 2012 Capital Budget allocates approximately \$77.2 million to fund "Other" capital projects to support ongoing operations of the Tollway; it is anticipated \$60 million will be earned.

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

2011 October Estimate & Expenditures; 2012 Approved Budget
(\$ millions)

	2011 October Estimate	2011 Earned Expenditure	2012 Budget
Tri-State Tollway (I-94/I-294/I-80)	\$21.2	\$13.8	\$156.4
Reagan Memorial Tollway (I-88)	6.0	4.5	90.5
Jane Addams Memorial Tollway (I-90)	72.3	62.6	98.8
Veterans Memorial Tollway (I-355)	6.3	4.3	23.7
Open Road Tolling (ORT)	4.4	1.7	2.0
Systemwide Improvements	46.2	35.6	133.4
I-294/I-57 Interchange	-	0.0	11.9
Elgin O'Hare West Bypass	-	0.0	14.9
Move Illinois & CRP Subtotal	\$156.5	\$122.4	\$531.5
Other Capital Projects	45.8	44.9	77.2*
Capital Program Subtotal	\$202.3	\$167.4	\$608.6
Intergovernmental Agreement Reimbursements	(21.7)	(24.0)	-
Other Miscellaneous Adjustments	-	(0.7)	-
Total Capital Program	\$180.5	\$142.7	\$608.6

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

Allocation of Capital Budget 2012

The Tri-State Tollway

\$156.4 Million

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

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

The Reagan Memorial Tollway

\$90.5 Million

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

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

The Jane Addams Memorial Tollway

\$98.8 Million

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

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

The Veterans Memorial Tollway

\$23.7 Million

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

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

Open Road Tolling (ORT)

\$2.0 Million

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

Systemwide

\$133.4 Million

The Move Illinois Program capital budget allocates \$80.4 million for systemwide improvements, including reconstruction of the I-90 Route 47 Interchange, upgrades for toll collection and non-toll collection technology, land acquisition, begin development of a master plan and site development plan for the nine maintenance facilities, program management and other miscellaneous similar related projects.

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

I-294/ I-57 Interchange

\$11.9 Million

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

Elgin O'Hare West Bypass

\$14.9 Million

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

Other Capital Projects

\$77.2 Million

In addition to the Move Illinois and CRP, other projects are needed to support ongoing operations of the Tollway and to ensure that the existing roadway network is maintained and safe for travel. While the Move Illinois and CRP are the major components of the Tollway's Capital Program, other elements include new technologies to manage congestion, reduce travel times, and provide enhanced customer service; improvements to maintenance buildings and other structures to maintain Tollway assets; and additional equipment for the State Police District 15 and maintenance staff to improve efficiency and enhance public safety. The 2012 Budget anticipates spending \$60 million of the \$77.2 million budgeted for Other Capital projects.

Capital Program Expenditures

Projection vs. Unaudited Actual First Quarter 2012

(\$ thousands)

	1st Qtr		Variance	
	Projection	Actual ⁽¹⁾	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$1,004	\$581	\$423	42.1%
Reagan Memorial Tollway (I-88)	1,267	395	872	68.8%
Jane Addams Memorial Tollway (I-90)	9,745	6,519	3,225	33.1%
Veterans Memorial Tollway (I-355)	447	(351)	798	178.4%
Open Road Tolling (ORT)	850	(40)	890	104.7%
Systemwide Improvements	20,920	5,253	15,666	74.9%
Move Illinois & CRP Subtotal	\$34,232	\$12,358	\$21,873	63.9%
"Other" Capital Projects	9,000	5,233	3,767	41.9%
Capital Program Subtotal	\$43,232	\$17,591	\$25,641	59.3%
Intergovernmental Agreements Reimbursement ²	-	(33)	33	N/A
Total Capital Program Expenditures	\$43,232	\$17,558	\$25,674	59.4%

¹ Capital Program Actual included \$14,295 thousand in work completed for which payments have not been made as of March 31, 2012.

² Intergovernmental Agreement Reimbursements were for work performed in prior periods.

% of PROJECTION REALIZED (Unaudited)

First Quarter Ending March 31, 2012

(\$ thousands)

	2012	YTD ⁽¹⁾	% Projection
	Projection	Actual ¹	Realized
Tri-State Tollway (I-94/I-294/I-80)	\$156,406	\$581	0.4%
Reagan Memorial Tollway (I-88)	90,489	395	0.4%
Jane Addams Memorial Tollway (I-90)	98,766	6,519	6.6%
Veterans Memorial Tollway (I-355)	23,718	(351)	-1.5%
Open Road Tolling (ORT)	1,983	(40)	-2.0%
Systemwide Improvements	133,364	5,253	3.9%
I-294/I-57 Interchange	11,880	-	0.0%
Elgin O'Hare West Bypass	14,874	-	0.0%
Move Illinois & CRP Subtotal ⁽¹⁾	\$531,481	\$12,358	2.3%
"Other" Capital Projects ²	60,000	5,233	8.7%
Capital Program Subtotal	\$591,481	\$17,591	3.0%
Intergovernmental Agreements Reimbursements ³	-	(33)	N/A
Total Capital Program Expenditures	\$591,481	\$17,558	3.0%

¹ Capital Program Actual included \$14,295 thousand in work completed for which payments have not been made as of March 31, 2012.

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

³ Intergovernmental 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, 2012, unaudited capital program expenditures totaled \$17.6 million. This amount included expenses paid during the first quarter, as well as \$14.3 million of work completed during the quarter and/or in prior periods for which payments have not been made as of March 31, 2012. Move Illinois and CRP expenditures totaled \$12.4 million, and Other Capital project expenditures totaled \$5.2 million. In addition, Intergovernmental Agreement reimbursements for work performed in prior periods totaled \$33 thousand in the quarter.

The first quarter favorable variance of \$25.7 million for the Capital Program can be attributed to:

- Savings/lower cost of construction – an estimated \$3 million
- Scheduling or timing of work and payments – an estimated \$23 million

The Tri-State Tollway

\$581 thousand

During the first quarter, design and construction management services contract for ramp reconstruction at eight locations along the Tri-State was awarded. Construction efforts are underway for roadway resurfacing and bridge improvements on the Central Tri-State between 95th Street and Balmoral Avenue in both the southbound and northbound directions. In addition, construction work to improve the riding surface between Half Day Road and Lake Cook Road, as well as between Atkinson Road and Rockland Road has started during the first quarter. Contributing factor for the favorable variance of \$423 thousand include delayed start on the construction management work and utility relocation, as well as the designs for the Central Tri-State were anticipated to carry over into 2012 but were completed in 2011.

The Reagan Memorial Tollway

\$395 thousand

During the first quarter, design and construction management services contract for ramp reconstruction at three locations, including eastbound to Highland, Spring Road and eastbound to York Road ramps was awarded. Construction efforts are underway for the rehabilitation and repair of the pavement and bridges between IL Route 251 and IL Route 56, as well as for the reconstruction and widening of I-88 between IL Route 56 and Deerpath Road. Delayed in construction starts contributed to the \$872 thousand favorable variance realized for this corridor.

The Jane Addams Memorial Tollway

\$6.5 million

During the first quarter, three design contracts for the reconstruction and widening of roadway and structures between I-90 over the Chicago and Northwestern Railroad and I-39 were awarded. In addition, a design corridor manager has been awarded a contract to coordinate this effort. A design and construction management services contract for ramp reconstruction at Business Route 20 was awarded. Design efforts are underway for bridge

widening and reconstruction including the bridges over the Kishwaukee River, the Fox River, Mosquito Creek, Coon Creek and U.S. Route 20.Roadway. A master plan contract was also awarded in preparation of the reconstruction and widening from U.S. Route 20 to the Elgin Toll Plaza and design services for the bridge reconstruction of bridges of I-90 over the Chicago and Northwestern Railroad. A construction contract was awarded for the Interchange at IL Route 47 to include widening and reconstruction of IL Route 47 over the Jane Addams Tollway and intersection improvements at Jim Dhamer Drive and Freeman Road. During the first quarter, a transit and supporting highway infrastructure study on the Jane Addams Memorial Tollway is underway. The favorable variance of \$3.2 million for this corridor is mainly due to construction contract savings.

The Veterans Memorial Tollway

\$(351) thousand

During the first quarter, a design services contract was awarded to replace tunnel lighting under I-88 on the Veterans Memorial Tollway. The negative expenditure for this corridor is due to a reimbursement from a contract claim.

Open Road Tolling (ORT)

\$(40) thousand

The quarter expenditure total for this corridor is due to a reimbursement for work at Balmoral Avenue toll facilities on the Tri-State Tollway.

Systemwide

\$5.3 million

During the first quarter, contracts for surveying and land acquisition services, utility relocation, geotechnical services and materials engineering services upon-request that support efforts on the Elgin O'Hare West Bypass, Jane Addams memorial and other locations were awarded. Repairs on northbound bridges over Center Street and southbound bridges over Dixie Highway and Atkinson Road in Lake County, as well as the Tri-Level Bridge on the Tri-State Tollway are ongoing. Intermittent pavement repairs on the Jane Addams Memorial progressed in resumed during the first quarter. Work will be substantially complete by the end of 2012. Landscaping and roadside improvements along I-88, I-355, I-94/I-294 and the Edens Spur are progressing. The favorable variance of \$15.7 million for this corridor is mainly attributed to rescheduled projects with Business Systems, IT and Operations.

Other Capital Projects

\$5.2 million

Project expenditures in this corridor include Fleet, General Engineering and Traffic Consultant services, the purchase of transponders, Maintenance Facility Management Program services, Traffic Incident Management System (TIMS), Intelligent Transportation Systems (ITS), HVAC replacements/upgrades and other small capital equipment purchases.

Financial Summaries

Quarterly Financial Review March 31, 2012

ILLINOIS TOLLWAY					
BUDGET vs. UNAUDITED ACTUAL					
First Quarter Ending March 31, 2012					
		1st Quarter		Variance	
	Budget	Actual	\$	%	
REVENUE					
Toll Revenue & Evasion Recovery	\$219,806,394	\$223,836,257	\$4,029,863	1.8%	
Concessions	500,000	532,124	32,124	6.4%	
Investment Income	250,000	198,477	(51,523)	-20.6%	
Miscellaneous	1,722,000	1,227,005	(494,995)	-28.7%	
Total Revenue	\$222,278,394	\$225,793,863	\$3,515,470	1.6%	
Maintenance & Operations (M&O) Expenditures					
Payroll and Related Costs	\$37,218,391	\$37,248,487	(\$30,096)	-0.1%	
Group Insurance	6,962,000	7,172,941	(210,941)	-3.0%	
Contractual Services	8,493,935	7,724,737	769,199	9.1%	
Materials/Oper. Supplies/Other Exp.	2,240,407	1,271,955	968,452	43.2%	
Utilities	1,571,703	1,640,216	(68,514)	-4.4%	
All Other Insurance	2,400,000	2,215,615	184,385	7.7%	
Parts & Fuel	1,420,157	690,117	730,040	51.4%	
Equipment/Office Rental & Maint.	3,240,434	3,041,433	199,001	6.1%	
Employee Development	225,203	214,116	11,086	4.9%	
Recovery of Expenses	(592,125)	(486,956)	(105,169)	-17.8%	
Total M&O Expenditures	\$63,180,104	\$60,732,661	\$2,447,442	3.9%	
Net Revenue					
Revenue Less M&O Expenditures	\$159,098,290	\$165,061,202	\$5,962,912	3.7%	
Debt Service Transfers					
Existing Debt	\$62,250,000	\$60,506,260	\$1,743,740	2.8%	
New Debt	-	-	-	N/A	
Total Debt Service Transfers	\$62,250,000	\$60,506,260	\$1,743,740	2.8%	
Net Revenue Less Debt Service Transfers	\$96,848,290	\$104,554,942	\$7,706,652	8.0%	

Quarterly Financial Review March 31, 2012

ILLINOIS TOLLWAY				
PROJECTION vs. UNAUDITED ACTUAL				
First Quarter Ending March 31, 2012				
()	1st Quarter ()		Variance	
	Projection	Actual ²	\$	%
Capital Program ¹				
Tri-State Tollway (I-94/I-294/I-80)	\$1,003,589	\$580,827	\$422,761	42.1%
Reagan Memorial Tollway (I-88)	1,266,680	395,177	871,503	68.8%
Jane Addams Memorial Tollway (I-90)	9,744,653	6,519,363	3,225,290	33.1%
Veterans Memorial Tollway (I-355)	447,195	(350,821)	798,016	178.4%
Open Road Tolling (ORT)	850,002	(39,692)	889,694	104.7%
Systemwide Improvements	20,919,591	5,253,393	15,666,198	74.9%
Move Illinois & CRP Subtotal	\$34,231,710	\$12,358,247	\$21,873,463	63.9%
"Other" Capital Projects	9,000,000	5,232,681	3,767,319	41.9%
Capital Program Subtotal ()	\$43,231,710	\$17,590,929	\$25,640,782	59.3%
Intergovernmental Agreement Reimbursements ³	-	(33,162)	33,162	N/A
Total Capital Program Expenditures	\$43,231,710	\$17,557,766	\$25,673,944	59.4%
¹ Capital Program expenses are financed by funds available in the Renewal/ Replacement and Improvement accounts. ² Capital Program Actual included \$14,295,235 in work completed for which payments have not been made as of March 31, 2012. ³ Intergovernmental Agreement Reimbursements were for work performed in prior periods.				

Quarterly Financial Review March 31, 2012

ILLINOIS TOLLWAY			
% of BUDGET REALIZED (UNAUDITED)			
First Quarter Ending March 31, 2012			
	2012	YTD	% Budget
	Budget	Actual	Realized
<u>REVENUE</u>			
Toll Revenue & Evasion Recovery	\$963,000,000	\$223,836,257	23.2%
Concessions	2,000,000	532,124	26.6%
Investment Income	1,000,000	198,477	19.8%
Miscellaneous	7,000,000	1,227,005	17.5%
Total Revenue	\$973,000,000	\$225,793,863	23.2%
Maintenance & Operations (M&O) Expenditures			
Payroll and Related Costs	\$150,881,038	\$37,248,487	24.7%
Group Insurance	27,848,000	7,172,941	25.8%
Contractual Services	46,322,045	7,724,737	16.7%
Materials/Oper. Supplies/Other Exp.	8,961,626	1,271,955	14.2%
Utilities	6,286,810	1,640,216	26.1%
All Other Insurance	9,600,000	2,215,615	23.1%
Parts & Fuel	6,128,939	690,117	11.3%
Equipment/Office Rental & Maint.	12,961,736	3,041,433	23.5%
Employee Development	900,810	214,116	23.8%
Recovery of Expenses	(2,368,500)	(486,956)	20.6%
Total M&O Expenses	\$267,522,504	\$60,732,661	22.7%
Net Revenue			
Revenue Less M&O Expenditures	\$705,477,496	\$165,061,202	23.4%
Debt Service Transfers			
Existing Debt	\$248,846,905	\$60,506,260	24.3%
New Debt	6,000,000	-	N/A
Total Debt Service Transfers	\$254,846,905	\$60,506,260	23.7%
Net Revenue Less Debt Service Transfers	\$450,630,591	\$104,554,942	23.2%

Quarterly Financial Review March 31, 2012

ILLINOIS TOLLWAY			
% of PROJECTION REALIZED (UNAUDITED)			
First Quarter Ending March 31, 2012			
	2012	YTD ⁽²⁾	% Projection
	Projection	Actual ¹	Realized
Capital Program			
Tri-State Tollway (I-94/I-294/I-80)	\$156,406,398	\$580,827	0.4%
Reagan Memorial Tollway (I-88)	90,489,389	395,177	0.4%
Jane Addams Memorial Tollway (I-90)	98,765,737	6,519,363	6.6%
Veterans Memorial Tollway (I-355)	23,718,392	(350,821)	-1.5%
Open Road Tolling (ORT)	1,983,338	(39,692)	-2.0%
Systemwide Improvements	133,363,830	5,253,393	3.9%
I-294/I-57 Interchange	11,880,000	-	0.0%
Elgin O'Hare West Bypass	14,873,500	-	0.0%
Move Illinois & CRP Subtotal	\$531,480,584	\$12,358,247	2.3%
"Other" Capital Projects ²	60,000,000	5,232,681	8.7%
Capital Program Subtotal	\$591,480,584	\$17,590,929	3.0%
Intergovernmental Agreement Reimbursements ³	-	(33,162)	N/A
Total Capital Program Expenditures	591,480,584	17,557,766	3.0%

¹ Capital Program Actual included \$14,295,235 in work completed for which payments have not been made as of March 31, 2012.

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

³ Intergovernmental Agreement Reimbursements were for work performed in prior periods.

Quarterly Financial Review March 31, 2012

ILLINOIS TOLLWAY				
2011 Actual vs. 2012 Unaudited Actual				
First Quarter Ending March 31st				
	1st Qtr		Variance	
	2011	2012	\$	%
<u>REVENUE</u>				
Toll Revenue & Evasion Recovery	\$157,152,366	\$223,836,257	\$66,683,891	42.4%
Concessions	559,442	532,124	(27,317)	-4.9%
Investment Income	412,715	198,477	(214,238)	-51.9%
Miscellaneous	1,255,202	1,227,005	(28,197)	-2.2%
Total Revenue	\$159,379,724	\$225,793,863	\$66,414,139	41.7%
Maintenance & Operations (M&O) Expenditures				
Payroll and Related Costs	\$35,830,356	\$37,248,487	(\$1,418,131)	-4.0%
Group Insurance	6,855,324	7,172,941	(317,617)	-4.6%
Contractual Services	7,264,664	7,724,737	(460,073)	-6.3%
Materials/Oper. Supplies/Other Exp.	3,128,160	1,271,955	1,856,205	59.3%
Utilities	1,436,342	1,640,216	(203,875)	-14.2%
All Other Insurance	2,685,969	2,215,615	470,355	17.5%
Parts & Fuel	1,498,960	690,117	808,843	54.0%
Equipment/Office Rental & Maint.	2,858,351	3,041,433	(183,082)	-6.4%
Employee Development	205,801	214,116	(8,315)	-4.0%
Recovery of Expenses	(623,558)	(486,956)	(136,602)	-21.9%
Total M&O Expenditures	\$61,140,368	\$60,732,661	\$407,707	0.7%
Net Revenue				
Revenue Less M&O Expenditures	\$98,239,356	\$165,061,202	\$66,821,846	68.0%
Debt Service Transfers				
Existing Debt	\$60,383,265	\$60,506,260	(\$122,995)	-0.2%
New Debt	-	-	-	N/A
Total Debt Service Transfers	\$60,383,265	\$60,506,260	(\$122,995)	-0.2%
Net Revenue Less Debt Service Transfers	\$37,856,091	\$104,554,942	\$66,698,851	176.2%

Quarterly Financial Review March 31, 2012

ILLINOIS TOLLWAY				
2011 Actual vs. 2012 Unaudited Actual				
First Quarter Ending March 31st				
	1st Qtr		Variance	
	2011	2012	\$	%
Capital Program				
Tri-State Tollway (I-94/I-294/I-80)	\$3,281,934	\$580,827	\$2,701,106	82.3%
Reagan Memorial Tollway (I-88)	200,980	395,177	(\$194,197)	-96.6%
Jane Addams Memorial Tollway (I-90)	2,140,443	6,519,363	(\$4,378,920)	-204.6%
Veterans Memorial Tollway (I-355)	500,633	(350,821)	\$851,454	170.1%
Open Road Tolling (ORT)	137,983	(39,692)	\$177,675	128.8%
Systemwide Improvements	3,431,040	5,253,393	(\$1,822,353)	-53.1%
Move Illinois & CRP Subtotal	\$9,693,012	\$12,358,247	(\$2,665,235)	-27.5%
"Other" Capital Projects	6,850,463	5,232,681	1,617,782	23.6%
Capital Program Subtotal	\$16,543,476	\$17,590,929	(\$1,047,453)	-6.3%
Intergovernmental Agreement Reimbursements and Other Adjustments ¹	(397,189)	(33,162)	(364,026)	91.7%
Total Capital Program Expenditures	\$16,146,287	\$17,557,766	(\$1,411,479)	-8.7%
¹ Intergovernmental Agreement Reimbursements were for work performed in prior periods, and Other Adjustments were accounting adjustments made for the quarter.				