



RESPONSIBILITY



MAINE TURNPIKE AUTHORITY

ANNUAL REPORT 2005

Table of Contents

A year of excellence	1
A legacy of service	2
Maine Turnpike Authority	4
Major capital improvements and maintenance	6
<i>E-ZPass</i>	10
Traffic and revenues	12
Independent Auditors' Report	15
Executive staff	24
Road to recovery	25



A year of excellence

Maine Better Transportation Association

2005 Maine Transportation Achievement Award
Paul Violette, Maine Turnpike Executive Director

For his innovation and leadership in shaping the future of transportation in Maine



American Road Transportation Builders Association

2005 Annual Pride Award for Media, Public Relations and Education
For outstanding public communications during the Widening Project



The Project Management Institute

2005 Project of the Year Award
For outstanding planning and management of the Widening Project



American Council of Engineering Companies

2005 National Award for Engineering Excellence
For outstanding project design and engineering of the Widening Project



Maine Historic Preservation Society

2005 Annual Statewide Historic Preservation Honor Award
For excellence in historic preservation and the protection of the Mitchell-Hatch Cemetery (1819-1883) during the Widening Project



American Road Transportation Builders Association

Transportation Development Foundation
2005 Globe Award for Environmental Excellence

For innovation and commitment to the environment during the Widening Project



A legacy of service

Fifty years ago, on December 13, 1955, a youthful Governor Edmund S. Muskie cut a ribbon that opened an extension of the Turnpike from Portland to Lewiston to Augusta. That simple action represented a major milestone on a long journey. Nearly two decades before, that journey had begun when a group of visionary citizens set out to build the first superhighway in New England.

The 64 miles of four-lane highway and 91 bridges of the extension were completed in just two years. The new stretch of highway opened eight years, to the very day, after the original length of Turnpike from Kittery to Portland was completed in 1947.

The opening of the new section of highway created new economic, social and cultural opportunities for Maine people and millions of visitors to the state. Maintaining this critical piece of infrastructure, keeping it safe and efficient, has been the primary responsibility of the Maine Turnpike Authority.

The Maine Turnpike Authority has fulfilled this responsibility. Over the last 20 years, the Authority has systematically repaved roughly seven miles of highway each year and re-decked and replaced more than 60 bridges, completing an average of three and as many as 10 bridges each year. All of the bridges between Kittery and Portland have been either re-decked or replaced — their progress accelerated by the 30-mile Widening Project executed between 2000 and 2004.



Governor Edmund Muskie cuts ribbon opening the Turnpike Extension from Portland to Augusta in December 1955.

This past year marked the beginning of a new phase of the Maine Turnpike's capital improvement plan. The program focuses primarily on the 64 miles of highway that Governor Muskie opened five decades ago. Annual traffic volumes have increased from 3.4 million transactions in 1956 to 75.6 million in 2005. Bridges built half a century ago are nearing the end of their anticipated lifespan. The buildings and systems that support the highway's operation must keep pace with public demand

and changing technologies. While a previous generation conceived and built this extraordinary piece of infrastructure, this generation must fulfill its responsibility to maintain, rehabilitate and enhance the highway for modern travelers.

50

RESPONSIBILITY

FIFTIETH ANNIVERSARY OF TURNPIKE EXTENSION 1955-2005



A remarkable achievement

The completion of the the Maine Turnpike extension from South Portland to Augusta, which at the time was the largest construction project on record, was a remarkable achievement:

- To construct the highway, contractors moved more than 20 million cubic yards of earth, sand and gravel — the rough equivalent of nearly 3 million 1950-era dump truck loads.
- More than 1 million cubic yards of rock was excavated.
- 38 miles of concrete and metal drainage pipes were laid.
- 110,000 cubic yards of concrete, 11.5 million gallons of asphalt, and 350,000 tons of bituminous concrete were used to build the road surface.
- More than 47 million pounds of steel were used to construct the 91 bridges, the most impressive being the Androscoggin River Bridge, which spans 846 feet across the river.

As if the project were not challenging enough, more than 2,000 construction workers battled the weather, as well — 100 days of rain and two severe hurricanes in 1954. Recorded rainfall during the last eight months of the project was a full 14 inches above normal.



Clockwise from top: The new highway shortly after it opened in 1955; at work on the piers that would support the Presumpscot River Bridge on the Falmouth Spur; crews paving the 64-mile extension.



Gerard P. Conley, Sr.

Paul E. Violette



Dear Travelers,

Two thousand and five has been an important year of transition for the Maine Turnpike Authority. During each of the proceeding five years, the Authority remained focused intently on the challenges of the 30-mile, \$135 million Widening Project between York and South Portland. With that project successfully completed, this past year has been an opportunity for the Authority to redirect its thinking and resources toward a new and vital set of priorities.

The Maine Turnpike has been maintained and operated to the highest standards over the years, but the mere age of New England's oldest superhighway continues to be the key factor in determining the schedule of capital improvements. Now that we have rebuilt and revitalized the southern section of the highway, we must shift our focus to preserving the safety and efficiency of the 64 miles of highway and 91 bridges between South Portland and Augusta.

This past year marked the beginning of a steady and determined effort to upgrade this section of highway. It also began a renewed effort to fulfill our long-term commitment to maintain the safety, convenience and efficiency of the highway for future generations. The first of these challenges was the smooth and successful transition from our first generation electronic toll collection system to the new *E-ZPass* system.

E-ZPass has functioned beautifully in its inaugural year, and we deeply appreciate the cooperation of our customers and fellow *E-ZPass* agencies for helping us accomplish this important goal. We also wish to express our appreciation to our customers for understanding and accepting the need to raise revenues through a toll increase in 2005. Be assured that these additional revenues will be used to make the Maine Turnpike safer, more efficient and more convenient for your travel.

On behalf of the Turnpike Authority, we wish to thank Governor Baldacci, the Maine Legislature, our customers, employees, consulting engineers, bond holders and financial and legal advisors for enabling the Maine Turnpike to continue its tradition of innovation and service.

Gerard P. Conley, Sr.
Chairman

Paul E. Violette
Executive Director

The Maine Turnpike Authority

Established by the Maine Legislature as an independent state agency in 1941, the Maine Turnpike Authority was charged with creating a toll highway from “some point at or near Kittery to some point at or near Fort Kent.” The initial 45-mile length of the Maine Turnpike from Kittery to Portland was completed in 1947. It was the first “superhighway” in New England and only the second modern toll highway built in the United States. A 64-mile extension between Portland and Augusta, including a three-mile spur in Falmouth, was completed in 1955.

At the conclusion of 2005, the 109-mile Maine Turnpike included 65 miles of divided four-lane and 44 miles of divided six-lane highway, 133 bridges and 17 interchanges, 19 toll plazas, nine maintenance facilities, six service plazas, an administrative building, an ETC customer service center and a State Police Headquarters. The Maine Turnpike continues to serve as Maine’s economic lifeline, handling an average of more than 206,000 vehicle transactions per day and a total of more than 75.5 million vehicle transactions in 2005.

A seven-person board appointed by Maine’s governor and confirmed by the Maine Senate governs the Maine Turnpike Authority. This board oversees maintenance, construction, operation and management of Maine’s most traveled highway. In 2005, the following seven individuals served on the Maine Turnpike Authority.



Gerard P. Conley, Sr.

Chairman

Retired, Chairman, Maine Unemployment Compensation Commission
Former President, Maine Senate
Residence: Portland, Cumberland County



Lucien B. Gosselin

Vice Chairman

President, Lewiston/Auburn Economic Growth Council
Residence: Lewiston, Androscoggin County



Samuel M. Zaitlin

Member

Business Consultant; Founder & CEO, Crystal Pacific Seafoods
Residence: Biddeford, York County



Major General (Ret.) Earl L. Adams

Member

Retired, Adjutant General/Commissioner of the Maine Department of Defense, Veterans and Emergency Management
Residence: East Pittston, Kennebec County



Harland C. Goodwin

Member

General Manager, Spring Hill Restaurant and Banquet Facility
Residence: South Berwick, York County



Douglas A. Volk

Member

President, Volk Packaging Corporation
Residence: Portland, Cumberland County



Gregory G. Nadeau

Member Ex-Officio

Deputy Commissioner, Maine Department of Transportation
Residence: Lewiston, Androscoggin County

Major capital improvements and maintenance

Keeping the public trust and maintaining Maine's most important highway requires a disciplined approach to all aspects of the Turnpike maintenance operations, from snow removal to pavement rehabilitation and bridge reconstruction.

Turnpike engineers and crews work

throughout the year to keep the highway safe and efficient for Turnpike travelers.

Pavement rehabilitation

This past year, the Maine Turnpike Authority embarked on a new five-year plan to upgrade and rehabilitate the aging northern section of the highway. Pavement rehabilitation is a key element in that maintenance program. Studies show that steps taken early can save 75 percent or more in maintenance costs and extend the life of the pavement. In 2005, contractors repaved a total of 23.3 lane miles, including the two northbound lanes between Mile 59.4

and Mile 64.2 in Gray, and the two northbound and two southbound lanes between Mile 85.2 and Mile 88.6 in Lewiston.

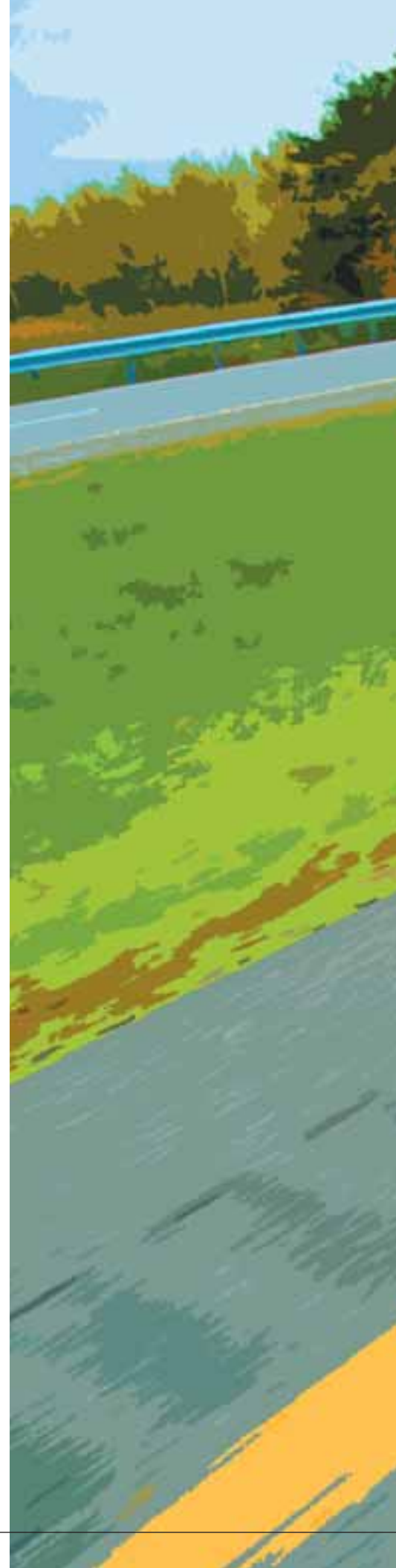
Bridge reconstruction

The 2005 capital improvement program also included two major bridge rehabilitation projects: the Brighton Avenue Bridge in Portland and the Northern Avenue Bridge in Farmingdale.

Carrying an average of 35,000 vehicles per day the Brighton Avenue Bridge in Portland is one of the most heavily traveled bridges to cross over the Maine Turnpike. The fact that it was already four lanes wide enabled the Authority to replace the bridge while maintaining traffic over it throughout the project. When contractors were not sloshing through ankle deep mud and record-breaking rainfall, they were managing the steady stream of traffic that traveled over the bridge in its diminished state. The project began in the spring of 2000 and was completed in November of 2005.



The Authority successfully completed two major bridge projects, including Brighton Avenue Bridge (above) which carries 35,000 vehicles a day.





Financing future capital improvements

On August 18, 2004, the Maine Turnpike Authority voted unanimously to raise toll revenues by \$13.5 million to fund the continuing rehabilitation of the 56-year-old highway. The increase took effect on February 1, 2005.

Under the new toll plan, cash-paying passenger cars pay 3.8 cents per mile to travel the length of the highway. A five-axle tractor-trailer pays an average of 15.1 cents per mile. The Maine Turnpike's per-mile cash rate is the 11th lowest rate out of 49 comparable toll agencies in the United States. Heavy consumer participation in the Authority's three discount programs — the standard *E-ZPass* program, the Commuter program and the Commercial program — means more than 103,000 customers with *E-ZPass* devices enjoy even lower toll rates.

The toll increase, combined with bond proceeds, will finance a five-year, \$143 million capital improvement plan including the following:

- Rehabilitation of 15-20 bridges
- Paving of 37 miles of highway
- Relocation and reconstruction of the York Toll Plaza
- Expansion of Park & Ride Lots
- Rehabilitation of aging administrative offices, maintenance facilities and toll plazas
- Mainline and interchange traffic flow and safety improvements
- Highway and bridge guardrail upgrades and clear zone safety improvements
- Service plaza rehabilitation and paving

Pavement Rehabilitation Program

Year	Location	Town
1995	Mile 54-62	Cumberland
	Mile 56-64 NB	Gray
1996	Mile 50-54	Falmouth
	Mile 52-56	Falmouth
	Mile 90-95	Litchfield
	Mile 93-98	Litchfield
1997	Mile 34-42	Saco
	Mile 36-44	Saco
1998	Mile 28-34	Arundel
	Mile 30-36	Biddeford/Saco
1999	Mile 46-50	Portland
	Mile 48-52	Portland
2000	Mile 86-90	Sabattus
	Mile 89-93	Litchfield
2001	Mile 27-30	Arundel
2002	Mile 102-109	West Gardiner/Augusta
2003	Mile 23-25	Kennebunk
	Mile 56-59 NB	Cumberland
	Mile 68-75	Auburn
2004	Mile 102-109	West Gardiner/Augusta
	Mile 25-27	Kennebunk
	Mile 98-102	Litchfield
2005	Mile 59-64 NB	Gray
	Mile 85-89	Sabattus



Authority engineers employed an innovative construction strategy to reduce delays during the replacement of the mainline bridge over Northern Avenue in Farmingdale. Located just beyond where I-295 merges into the Maine Turnpike, the four-lane bridge carried as many as 3,600 vehicles per hour on busy summer days. A traditional construction plan would have created extensive backups during peak travel periods. The customized strategy called for contractors to work aggressively from April through June, but then suspend all construction activity during the heavy travel months of July

and August. Contractors were back on the job immediately after Labor Day. The strategy saved summer drivers considerable frustration, but placed added pressure on contractors to get the bridge built and paved before fall temperatures dropped too low. They succeeded, and the rebuilt bridge reopened in November 2005.

Guardrail replacement

Over the past five years, the Maine Turnpike Authority has undertaken a program to upgrade guardrail along the 109-mile highway. To date, Turnpike maintenance crews and contractors have completed safety upgrades on more than 53 miles of the highway. The upgrades have included removing old ramped end sections of guardrail and replacing them with special crash attenuating end treatments. In the median, crews have closed crossovers that are not critical for highway maintenance or public safety. This minimizes the potential of unauthorized



vehicles using the openings. In sections where openings remain, crews have equipped them with impact attenuating treatments. In 2005, contractors completed these improvements from Mile 13.4 in



York to Mile 36 in Saco. The program will continue in 2006, with upgrades planned from Mile 36 to Mile 43 in Scarborough

and from Mile 75 in Auburn to Mile 81 in Lewiston. Also planned are upgrades to guardrail from Mile 102 in Gardiner to the end of the Turnpike at Mile 109 in Augusta.

Bridge Rehabilitation Projects, 1995 - 2005

Year	Location	Town - Mile	
1995	Charles Chase Rd.	Wells - 15.6	
	Limerick Rd.	Arundel - 26.4	
	Boom Rd.	Saco - 31.5	
	S. Portland Int.	Scarborough - 42.8	
	Forest Ave.	Portland - 47.8	
	Route 9	Portland - 59.9	
	Route 202	Gray - 60.9	
	Auburn Int. 12	Auburn - 72.8	
	Androscoggin River	Lewiston - 76.3	
	Ferry Rd.	Lewiston - 78.3	
Grove St.	Lewiston - 81.1		
1996	Tatnic Rd.	Ogunquit - 13.8	
	Blackstrap Rd.	Cumberland - 56.0	
	Danville Corner Rd.	Auburn - 73.3	
	Saco River	Saco - 31.2	
	St. Lawrence RR	Auburn - 72.0	
	Maine Central RR & Route 196	Lewiston - 77.7	
	Old Lisbon Rd.	Lewiston - 81.7	
	Bowdoin Rd.	Sabattus - 86.4	
1997	St. Lawrence RR	Auburn - 72.0	
	Washington St.	Auburn - 73.1	
	Burnt Mill Rd. Underpass	Wells - 19.9	
	Forest Ave. Overpass (NB)	Portland - 50.0	
	Forest Ave. Overpass (SB)	Portland - 50.0	
	Riverside St. Overpass (NB)	Portland - 51.2	
	Riverside St. Overpass (SB)	Portland - 51.2	
	Goddard Rd. Overpass (NB)	Lewiston - 79.6	
	Goddard Rd. Overpass (SB)	Lewiston - 79.6	
	Huntington Hill Rd. Underpass	Litchfield - 91.9	
	High St. Underpass	West Gardiner - 103.6	
	Falmouth Rd. Underpass	Falmouth Spur - 52.0	
1998	Two Rod Rd. Underpass	Scarborough - 42.0	
	Broadturn Rd. Underpass	Scarborough - 39.9	
1999	Jetport Exit 46 Underpass	Portland - 46.3	
	Hunt's Hill Rd. Overpass (NB)	Gray - 61.6	
	Hunt's Hill Rd. Overpass (SB)	Gray - 61.6	
2000	Stevenstown Rd. Underpass	Litchfield - 96.5	
2001	Captain Thomas Rd. Underpass	Ogunquit - 14.8	
	B&M Railroad Overpass (NB)	Wells - 19.0	
	Route 109 Overpass (NB)	Wells - 19.1	
	Exit 19 Overpass (NB)	Wells - 19.3	
	Route 35 Underpass	Kennebunk - 25.3	
	Mousam River Overpass	Kennebunk - 25.0	
	New County Rd. Underpass	Biddeford - 34.4	
	Flag Pond Rd. Underpass	Scarborough - 38.1	
	Beech Ridge Rd. Underpass	Scarborough - 41.4	
	Holmes Rd. Underpass	Scarborough - 43.0	
	Center Rd. Underpass	Gray - 62.9	
	2002	Coles Hill Rd. Underpass	Wells - 21.7
		High St. Underpass	Kennebunk - 23.6
Cat Mousam Rd. Underpass		Kennebunk - 24.7	
South St. Underpass		Biddeford - 32.8	
North St. Underpass		Saco - 35.3	
Rand Rd. Underpass		Portland - 47.3	
Connector Rand Rd. Underpass		Portland - 47.7	
Exit 86 Sabattus Underpass	Sabattus - 86.1		
2003	Kennebunk River Overpass	Arundel - 27.2	
	Old Alfred Rd. Underpass	Arundel - 30.3	
	Exit 32 Biddeford Underpass	Biddeford - 31.6	
2005	Brighton Ave. Underpass	Portland - 48.3	
	Northern Ave. Overpass (NB)	Farmingdale-104.6	
	Northern Ave. Overpass (SB)	Farmingdale-104.6	

E-ZPass

The 64-mile extension from Portland to Augusta was a remarkable engineering achievement, a superhighway built with the best and latest technology available in 1955. Today, the Maine Turnpike Authority honors that legacy by operating the highway with the most advanced and efficient technology available.

On February 1, 2005, the Maine Turnpike Authority converted from its eight-year-old Transpass electronic toll collection system to a new *E-ZPass* system. The change made Maine's electronic toll collection system compatible with systems operating on more than 40 tolled facilities in nine states along the eastern seaboard.



To complete the conversion, the Authority retired its dashboard



mounted Transpass transponders in favor of the windshield-mounted Mark IV transponders common among all compatible *E-ZPass* agencies. The Authority also collected and recycled more than 42,000 of the now obsolete Transpass devices.

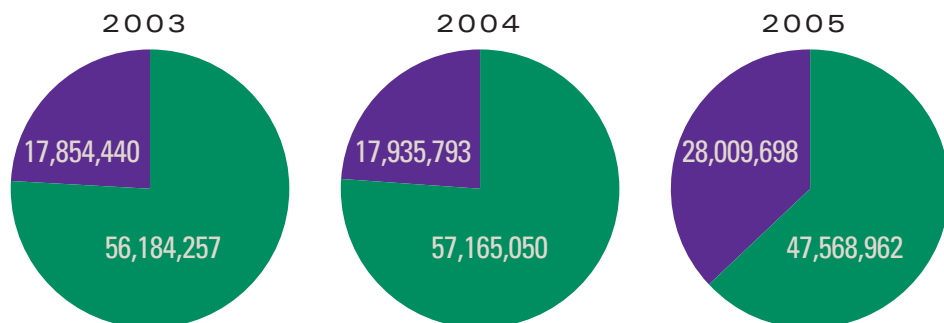
The new *E-ZPass* system provides customers with 24-hour account access through a secure web site and automated phone system. In addition, the Maine Turnpike Authority continues to be one of the few *E-ZPass* agencies that does not contract out its customer service center operations, ensuring that the service provided is personal, knowledgeable and accountable. In fact, most of our customer service representatives are former toll collectors who know the highway and our customers.

E-ZPass is all about customer convenience and satisfaction. A year-end survey of 400 randomly selected Maine citizens indicates that the introduction of *E-ZPass* was a popular move. More than 85 percent of all citizens surveyed — both *E-ZPass* users and non-users — said that *E-ZPass* was a positive change. Of those who use *E-ZPass*, more than 96 percent said that it was a positive change. When asked to name the primary benefit of *E-ZPass*, 76 percent of those surveyed noted that the system reduced congestion and improved traffic flow at toll plazas.

Electronic vs. Cash Toll Payment

The multi-state compatibility of the Maine Turnpike's new *E-ZPass* system resulted in a **56 percent** jump in electronic transactions and a significant shift from cash to electronic transactions.

■ Electronic
■ Cash





E-ZPass: **By the numbers**

With the introduction of *E-ZPass*, the number of electronic toll transactions on the Maine Turnpike increased by 56 percent over the previous year, an average of nearly 27,000 additional electronic transactions per day. *E-ZPass* transactions currently represent about 38 percent of all transactions on the Maine Turnpike.

The Turnpike Authority recorded more than 25 million *E-ZPass* transactions during the 11 months between the February 1 system startup and December 31, 2005. Seventeen million of those transactions came from tags issued by the Maine Turnpike Authority and eight million came from tags issued by other agencies, primarily those in Massachusetts, New Hampshire, New Jersey and New York. By year's end the Maine Turnpike Authority had issued 103,000 *E-ZPass* tags.



Traffic and revenues

More than 75.5 million vehicle transactions were recorded on the Maine Turnpike in 2005, an increase of less than 1 percent over the previous year. Net toll revenue, however, increased by 27.2 percent due to the February 1, 2005 toll increase and continuing growth in commercial vehicle traffic.

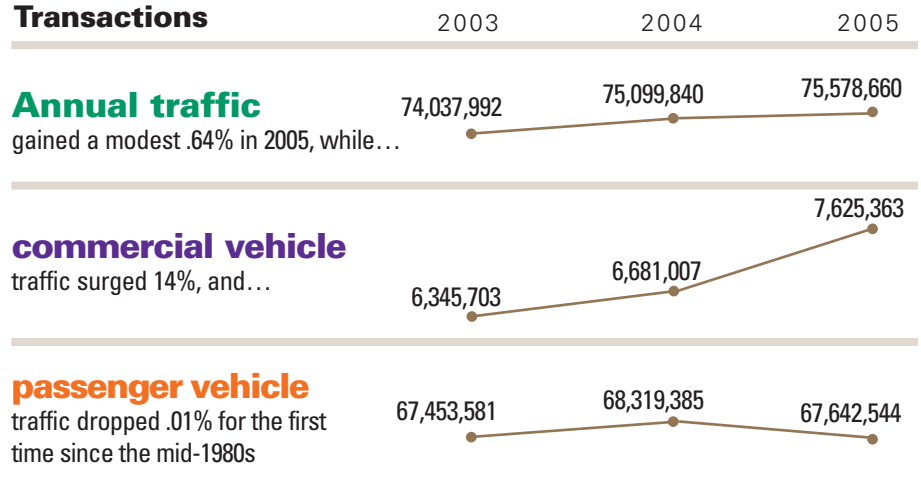
Rising gas prices, record-setting snow and rainfall amounts, and a sluggish economy combined to hold down traffic volumes through most of the year. A rebound late in the fourth quarter offered promise for a more prosperous 2006.

There were 15.5 million vehicle transactions during the first quarter of 2005, a decrease of 2.7 percent from the previous year. Nearly 19.2 million vehicle transactions were recorded during the second quarter, an increase of 1.8 percent

over the previous year. During the third quarter, 22.8 million transactions were recorded, an increase of less than 1 percent over the previous year. More than 18

million transactions took place on the Turnpike during the fourth quarter, representing an increase of 2 percent over the same period in 2004.

Maine Turnpike Transactions



**The Maine Turnpike Authority
Toll Revenue & Transaction Comparison 2005**

	Toll Revenue					Transactions			
	2005	2004	%	Change		2005	2004	%	Change
January									
Net Toll Revenue	4,046,193.55	4,002,886.88	1.08%	43,306.67	Passenger	3,735,871	3,961,589	-5.70%	(225,718)
Volume Discount	(152,571.52)	(129,099.88)	18.18%	(23,471.64)	Commercial	484,199	475,731	1.78%	8,468
Commuter Revenue	535,156.60	747,167.52	-28.38%	(212,010.92)	Commuter	672,779	693,374	-2.97%	(20,595)
Net Fare Revenue	4,428,778.63	4,620,954.52	-4.16%	(192,175.89)	Non Revenue	2,356	19,221	-87.74%	(16,865)
					Total Transactions	4,895,205	5,149,915	-4.95%	(254,710)
February									
Net Toll Revenue	5,266,642.02	4,107,956.74	28.21%	1,158,685.28	Passenger	3,958,464	4,018,151	-1.49%	(59,687)
Volume Discount	(134,462.92)	(133,466.23)	0.75%	(996.69)	Commercial	537,698	468,427	14.79%	69,271
Commuter Revenue	357,416.68	72,279.22	394.49%	285,137.46	Commuter	470,859	659,128	-28.56%	(188,269)
Net Fare Revenue	5,489,595.78	4,046,769.73	35.65%	1,442,826.05	Non Revenue	31,012	18,768	65.24%	12,244
					Total Transactions	4,998,033	5,164,474	-3.22%	(166,441)
March									
Net Toll Revenue	5,970,838.11	4,490,597.68	32.96%	1,480,240.43	Passenger	4,204,054	4,324,113	-2.78%	(120,059)
Volume Discount	(127,531.42)	(153,031.35)	-16.66%	25,499.93	Commercial	622,236	537,277	15.81%	84,959
Commuter Revenue	31,883.75	17,108.24	86.36%	14,775.51	Commuter	781,979	772,507	1.23%	9,472
Net Fare Revenue	5,875,190.44	4,354,674.57	34.92%	1,520,515.87	Non Revenue	36,692	20,921	75.38%	15,771
					Total Transactions	5,644,961	5,654,818	-0.17%	(9,857)
1ST QUARTER					1ST QUARTER				
Net Toll Revenue	15,283,673.68	12,601,441.30	21.29%	2,682,232.38	Passenger	11,898,389	12,303,853	-3.30%	(405,464)
Volume Discount	(414,565.86)	(415,597.46)	-0.25%	1,031.60	Commercial	1,644,133	1,481,435	10.98%	162,698
Commuter Revenue	924,457.03	836,554.98	10.51%	87,902.05	Commuter	1,925,617	2,125,009	-9.38%	(199,392)
Net Fare Revenue	15,793,564.85	13,022,398.82	21.28%	2,771,166.03	Non Revenue	70,060	58,910	18.93%	11,150
					Total Transactions	15,538,199	15,969,207	-2.70%	(431,008)
April									
Net Toll Revenue	6,293,553.63	4,789,770.52	31.40%	1,503,783.11	Passenger	4,458,164	4,552,921	-2.08%	(94,757)
Volume Discount	(120,969.95)	(129,224.64)	-6.39%	8,254.69	Commercial	637,957	557,144	14.50%	80,813
Commuter Revenue	858,299.80	732,823.54	17.12%	125,476.26	Commuter	736,209	716,080	2.81%	20,129
Net Fare Revenue	7,030,883.48	5,393,369.42	30.36%	1,637,514.06	Non Revenue	24,572	18,742	31.11%	5,830
					Total Transactions	5,856,902	5,844,887	0.21%	12,015
May									
Net Toll Revenue	6,895,184.99	5,255,143.32	31.21%	1,640,041.67	Passenger	4,968,721	5,001,538	-0.66%	(32,817)
Volume Discount	(143,557.98)	(139,583.67)	2.85%	(3,974.31)	Commercial	681,185	587,391	15.97%	93,794
Commuter Revenue	128,364.10	71,486.94	79.56%	56,877.16	Commuter	750,736	685,703	9.48%	65,033
Net Fare Revenue	6,879,991.11	5,187,046.59	32.64%	1,692,944.52	Non Revenue	25,893	5,573	364.62%	20,320
					Total Transactions	6,426,535	6,280,205	2.33%	146,330
June									
Net Toll Revenue	7,391,346.29	5,614,493.43	31.65%	1,776,852.86	Passenger	5,376,734	5,373,928	0.05%	2,806
Volume Discount	(149,931.81)	(155,607.01)	-3.65%	5,675.20	Commercial	708,834	619,278	14.46%	89,556
Commuter Revenue	27,018.26	15,893.58	69.99%	11,124.68	Commuter	781,404	725,806	7.66%	55,598
Net Fare Revenue	7,268,432.74	5,474,780.00	32.76%	1,793,652.74	Non Revenue	25,621	2,724	840.57%	22,897
					Total Transactions	6,892,593	6,721,736	2.54%	170,857
2ND QUARTER					2ND QUARTER				
Net Toll Revenue	20,580,084.91	15,659,407.27	31.42%	4,920,677.64	Passenger	14,803,619	14,928,387	-0.84%	(124,768)
Volume Discount	(414,459.74)	(424,415.32)	-2.35%	9,955.58	Commercial	2,027,976	1,763,813	14.98%	264,163
Commuter Revenue	1,013,682.16	820,204.06	23.59%	193,478.10	Commuter	2,268,349	2,127,589	6.62%	140,760
Net Fare Revenue	21,179,307.33	16,055,196.01	31.92%	5,124,111.32	Non Revenue	76,086	27,039	181.39%	49,047
					Total Transactions	19,176,030	18,846,828	1.75%	329,202
YTD 6/30					YTD 6/30				
Net Toll Revenue	35,863,758.59	28,260,848.57	26.90%	7,602,910.02	Passenger	26,702,008	27,232,240	-1.95%	(530,232)
Volume Discount	(829,025.60)	(840,012.78)	-1.31%	10,987.18	Commercial	3,672,109	3,245,248	13.15%	426,861
Commuter Revenue	1,938,139.19	1,656,759.04	16.98%	281,380.15	Commuter	4,193,966	4,252,598	-1.38%	(58,632)
Net Fare Revenue	36,972,872.18	29,077,594.83	27.15%	7,895,277.35	Non Revenue	146,146	85,949	70.04%	60,197
					Total Transactions	34,714,229	34,816,035	-0.29%	(101,806)

**The Maine Turnpike Authority
Toll Revenue & Transaction Comparison 2005**

	Toll Revenue					Transactions			
	2005	2004	%	Change		2005	2004	%	Change
July									
Net Toll Revenue	8,666,954.07	6,746,769.06	28.46%	1,920,185.01	Passenger	6,653,683	6,692,979	-0.59%	(39,296)
Volume Discount	(163,895.13)	(155,636.87)	5.31%	(8,258.26)	Commercial	675,994	606,661	11.43%	69,333
Commuter Revenue	861,150.03	724,797.61	18.81%	136,352.42	Commuter	691,625	654,049	5.75%	37,576
Net Fare Revenue	9,364,208.97	7,315,929.80	28.00%	2,048,279.17	Non Revenue	24,112	2,445	886.18%	21,667
					Total Transactions	8,045,414	7,956,134	1.12%	89,280
August									
Net Toll Revenue	8,929,522.13	6,831,383.16	30.71%	2,098,138.97	Passenger	6,760,042	6,876,238	-1.69%	(116,196)
Volume Discount	(168,162.18)	(154,157.30)	9.08%	(14,004.88)	Commercial	735,966	620,996	18.51%	114,970
Commuter Revenue	144,870.90	73,482.80	97.15%	71,388.10	Commuter	730,387	655,918	11.35%	74,469
Net Fare Revenue	8,906,230.85	6,750,708.66	31.93%	2,155,522.19	Non Revenue	25,184	2,287	1001.18%	22,897
					Total Transactions	8,251,579	8,155,439	1.18%	96,140
September									
Net Toll Revenue	6,625,149.32	5,507,652.24	20.29%	1,117,497.08	Passenger	5,126,683	5,258,161	-2.50%	(131,478)
Volume Discount	(154,509.12)	(145,609.90)	6.11%	(8,899.22)	Commercial	667,026	581,274	14.75%	85,752
Commuter Revenue	30,408.35	13,747.66	121.19%	16,660.69	Commuter	749,521	686,252	9.22%	63,269
Net Fare Revenue	6,501,048.55	5,375,790.00	20.93%	1,125,258.55	Non Revenue	23,796	2,091	1038.02%	21,705
					Total Transactions	6,567,026	6,527,778	0.60%	39,248
3RD QUARTER					3RD QUARTER				
Net Toll Revenue	24,221,625.52	19,085,804.46	26.91%	5,135,821.06	Passenger	18,540,408	18,827,378	-1.52%	(286,970)
Volume Discount	(486,566.43)	(455,404.07)	6.84%	(31,162.36)	Commercial	2,078,986	1,808,931	14.93%	270,055
Commuter Revenue	1,036,429.28	812,028.07	27.63%	224,401.21	Commuter	2,171,533	1,996,219	8.78%	175,314
Net Fare Revenue	24,771,488.37	19,442,428.46	27.41%	5,329,059.91	Non Revenue	73,092	6,823	971.26%	66,269
					Total Transactions	22,864,019	22,639,351	0.99%	224,668
October									
Net Toll Revenue	6,525,255.95	5,394,240.02	20.97%	1,131,015.93	Passenger	4,904,434	5,071,237	-3.29%	(166,803)
Volume Discount	(160,537.10)	(143,922.88)	11.54%	(16,614.22)	Commercial	648,144	573,676	12.98%	74,468
Commuter Revenue	916,106.46	711,616.13	28.74%	204,490.33	Commuter	757,745	711,717	6.47%	46,028
Net Fare Revenue	7,280,825.31	5,961,933.27	22.12%	1,318,892.04	Non Revenue	23,862	2,071	1052.20%	21,791
					Total Transactions	6,334,185	6,358,701	-0.39%	(24,516)
November									
Net Toll Revenue	6,234,407.63	4,870,442.70	28.00%	1,363,964.93	Passenger	4,517,738	4,479,223	0.86%	38,515
Volume Discount	(147,937.58)	(145,552.87)	1.64%	(2,384.71)	Commercial	622,287	531,864	17.00%	90,423
Commuter Revenue	73,670.55	86,905.61	-15.23%	(13,235.06)	Commuter	728,729	678,994	7.44%	50,435
Net Fare Revenue	6,160,140.60	4,811,795.44	28.02%	1,348,345.16	Non Revenue	25,516	2,139	1092.89%	23,377
					Total Transactions	5,894,270	5,691,520	3.56%	202,750
December									
Net Toll Revenue	5,982,116.95	4,583,000.36	30.53%	1,399,116.59	Passenger	4,389,422	4,351,733	0.87%	37,689
Volume Discount	(155,406.07)	(149,828.14)	3.72%	(5,577.93)	Commercial	603,837	521,288	15.84%	82,549
Commuter Revenue	16,727.80	175,454.69	-90.47%	(158,726.89)	Commuter	745,561	718,746	3.73%	26,815
Net Fare Revenue	5,843,438.68	4,608,626.91	26.79%	1,234,811.77	Non Revenue	33,137	2,466	1243.76%	30,671
					Total Transactions	5,771,957	5,594,233	3.18%	177,724
4TH QUARTER					4TH QUARTER				
Net Toll Revenue	18,741,780.53	14,847,683.08	26.23%	3,894,097.45	Passenger	13,811,594	13,902,193	-0.65%	(90,599)
Volume Discount	(463,880.75)	(439,303.89)	5.59%	(24,576.86)	Commercial	1,874,268	1,626,828	15.21%	247,440
Commuter Revenue	1,006,504.81	973,976.43	3.34%	32,528.38	Commuter	2,232,035	2,108,757	5.85%	123,278
Net Fare Revenue	19,284,404.59	15,382,355.62	25.37%	3,902,048.97	Non Revenue	82,515	6,676	1135.99%	75,839
					Total Transactions	18,000,412	17,644,454	2.02%	355,958
YTD 12/31					YTD 12/31				
Net Toll Revenue	78,827,164.64	62,194,336.11	26.74%	16,632,828.53	Passenger	59,054,010	59,961,811	-1.51%	(907,801)
Volume Discount	(1,779,472.78)	(1,734,720.74)	2.58%	(44,752.04)	Commercial	7,625,363	6,681,007	14.13%	944,356
Commuter Revenue	3,981,073.28	3,442,763.54	15.64%	538,309.74	Commuter	8,597,534	8,357,574	2.87%	239,960
Net Fare Revenue	81,028,765.14	63,902,378.91	26.80%	17,126,386.23	Non Revenue	301,753	99,448	203.43%	202,305
					Total Transactions	75,578,660	75,099,840	0.64%	478,820

Maine Turnpike Authority
Financial Statements
With Independent Auditors' Report

December 31, 2005



ALBIN, RANDALL & BENNETT
Certified Public Accountants • Business Consultants

INDEPENDENT AUDITORS' REPORT

Governing Board
Maine Turnpike Authority
Portland, Maine:

We have audited the accompanying statement of assets, liabilities and retained revenues of the Maine Turnpike Authority as of December 31, 2005, and the related statements of revenues and expenses for the six months and year ended December 31, 2005 and the year ended December 31, 2004. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As more fully described in Note 1 to the financial statements, the Authority's policy is to prepare its financial statements based on the provisions of the General Turnpike Revenue Bond Resolution and the Second Supplemental Resolution adopted April 7, 1994, the Third Supplemental Resolution adopted June 22, 1994, the Seventh Supplemental Resolution adopted February 13, 1997, the Eighth Supplemental Resolution adopted July 2, 1998, the Ninth Supplemental Resolution adopted March 23, 2000, the Tenth Supplemental Resolution adopted October 16, 2002, the Eleventh Supplemental resolution adopted May 1, 2003, the Twelfth Supplemental Resolution adopted October 15, 2004, the Thirteenth Supplemental Resolution adopted March 24, 2005, the General Special Obligation Bond Resolution and the First Supplemental Special Obligation Resolution adopted May 15, 1996, and the Second Supplemental Special Obligation Resolution adopted July 2, 1998; and the Authority's interpretation of said resolutions and other resolutions of the Authority. Consequently, the financial statements do not include certain assets, liabilities, revenues, expenses and disclosures required by accounting principles generally accepted in the United States of America. Accordingly, the financial statements are not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the assets, liabilities and retained revenues of the Maine Turnpike Authority at December 31, 2005, and the revenues and expenses for the six months and year ended December 31, 2005 and the year ended December 31, 2004, on the basis indicated in the preceding paragraph.

Albin, Randall & Bennett

Portland, Maine
March 3, 2006

MAINE TURNPIKE AUTHORITY
STATEMENT OF ASSETS, LIABILITIES AND RETAINED REVENUES
DECEMBER 31, 2005

ASSETS

PHYSICAL STRUCTURE		\$438,672,799
CAPITAL FUND:		
Temporary investments:		
Series 2004 turnpike projects	14,721,923	
Series 2005 turnpike projects	<u>1,156</u>	
Total Capital Fund		14,723,079
REVENUE FUND:		
Cash on deposit:		
Revenue fund	621,356	
Revolving account	<u>2,240</u>	623,596
Investments		623,362
Change fund for toll houses		42,461
Accounts receivable - tolls		2,606,937
Security deposit account		56,040
Commuter traveler account		35,786
Traveler account		73,519
Prepaid tolls		<u>1,395,908</u>
Total Revenue Fund		5,457,609
DEBT SERVICE FUND:		
Temporary investments:		
Interest Account Series 1994	269,516	
Interest Account Series 1997	250,021	
Interest Account Series 1998	1,273,758	
Interest Account Series 2000	405,494	
Interest Account Series 2003	1,277,964	
Interest Account Series 2004	2,865,376	
Interest Account Series 2005	1,923,523	
Principal Account Series 1994	47,350	
Principal Account Series 1997	1,629,907	
Principal Account Series 1998	22,133	
Principal Account Series 2004	3,409,323	
Principal Account Series 2005	<u>107,228</u>	
Total Debt Service Fund		13,481,593
RESERVE MAINTENANCE FUND - investments		11,083,111
GENERAL RESERVE FUND:		
Investments:		
Maine Department of Transportation Provision Account	233	
Interchange Account	9,291	
Improvement Account	666,346	
Subordinated debt - 1998 - Debt Service Fund Interest	563,408	
Subordinated debt - 1998 - Debt Service Fund Principal	1,345,539	
Prepaid Maine Department of Transportation transfers	<u>21,698,097</u>	
Total General Reserve Fund		<u>24,282,914</u>
		<u>\$507,701,105</u>

See accompanying notes to financial statements.

LIABILITIES AND RETAINED REVENUES

LIABILITIES:

Revenue bonds payable - Series 1994	\$ 7,240,000	
Revenue bonds payable - Series 1997	9,080,000	
Revenue bonds payable - Series 1998 (refunding)	47,970,000	
Revenue bonds payable - Series 2000	15,485,000	
Revenue bonds payable - Series 2003	51,000,000	
Revenue bonds payable - Series 2004	114,970,000	
Revenue bonds payable - Series 2005	76,715,000	
Special obligation bonds payable - Series 1998 (refunding)	23,275,000	
Deferred refunding costs	(12,301,258)	
Accounts payable	2,705,514	
Security deposits payable	56,040	
Unearned revenue	2,593,559	
Sales tax payable	(11,150)	
Interest rate agreement - Series 2004	<u>(1,385,418)</u>	
Total liabilities		<u>337,392,287</u>

RETAINED REVENUES:

Retained revenues - June 30, 2005	160,872,977	
Transfer to Maine Department of Transportation (special obligation bonds debt service)	(1,874,402)	
Net revenues for the six months ended December 31, 2005	<u>11,310,243</u>	
Total retained revenues		<u>170,308,818</u>

\$507,701,105

MAINE TURNPIKE AUTHORITY
STATEMENTS OF REVENUES AND EXPENSES

DECEMBER 31, 2005

	Six Months Ended Dec. 31, <u>2005</u>	Year Ended Dec. 31, <u>2005</u>	Year Ended Dec. 31, <u>2004</u>
REVENUES:			
Net fare revenue	\$44,055,893	81,028,765	63,902,380
Concession rentals	1,371,345	2,593,682	2,378,800
Miscellaneous	<u>256,485</u>	<u>384,241</u>	<u>401,446</u>
Total operating revenues	<u>45,683,723</u>	<u>84,006,688</u>	<u>66,682,626</u>
INVESTMENT INCOME (EXPENSE):			
Revenue Fund	54,387	81,685	(1,441)
Reserve Maintenance Fund	103,809	133,566	27,618
Improvement Account	(450)	7,738	26,800
Interchange Account	146	246	1,878
Maine Department of Transportation Account	<u>4</u>	<u>6</u>	<u>2</u>
Total investment income	<u>157,896</u>	<u>223,241</u>	<u>54,857</u>
Total revenues	<u>45,841,619</u>	<u>84,229,929</u>	<u>66,737,483</u>
OPERATING EXPENSES:			
Administrative and general	674,743	2,209,331	2,870,975
Accounting and data processing	349,048	942,607	1,014,363
Highway maintenance	2,402,399	6,048,869	5,303,398
Equipment maintenance	1,061,177	2,346,582	2,025,443
Fare collection	7,077,982	14,481,931	13,753,954
Patrol and dispatch	2,311,568	5,242,940	5,102,250
Building maintenance	<u>591,285</u>	<u>1,187,393</u>	<u>1,151,716</u>
Total operating expenses	<u>14,468,202</u>	<u>32,459,653</u>	<u>31,222,099</u>
RESERVE MAINTENANCE FUND EXPENDITURES	<u>12,452,227</u>	<u>20,898,771</u>	<u>19,277,899</u>
Net operating revenues	<u>18,921,190</u>	<u>30,871,505</u>	<u>16,237,485</u>
INVESTMENT INCOME (EXPENSE) ON NON-OPERATING INVESTMENTS:			
Capital Fund	171,000	464,889	102,435
Debt Service Fund interest accounts	108,560	164,207	50,663
Debt Service Fund principal accounts	62,605	124,069	32,402
Amortization of refinancing costs	<u>(692,382)</u>	<u>(111,867)</u>	<u>(991,575)</u>
Total investment income on non-operating investments	<u>(350,217)</u>	<u>641,298</u>	<u>(806,075)</u>
INTEREST EXPENSE	<u>7,260,730</u>	<u>15,313,157</u>	<u>15,647,404</u>
Net revenues (loss)	<u>\$11,310,243</u>	<u>16,199,646</u>	<u>(215,994)</u>

See accompanying notes to financial statements.

MAINE TURNPIKE AUTHORITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

1. SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING PRINCIPLES

Authority legislation - The Maine Turnpike Authority is a body corporate and politic created by an act of the Legislature of the State of Maine, Chapter 69 of the Private and Special Laws of 1941 as amended, authorized and empowered to construct, maintain and operate a turnpike at such location as shall be approved by the State Highway Commission and to issue turnpike revenue bonds of the Authority, payable solely from revenues of the Authority. Under the provisions of the Act, turnpike revenue bonds and interest thereon shall not be deemed to be a debt or liability or a pledge of the faith and credit of the State of Maine.

During 1982, the Legislature of the State of Maine, Chapter 595 of the Public Laws of the State of Maine 1982, authorized an act to amend the Maine Turnpike Authority Statutes. This act states that the Maine Turnpike Authority shall continue in existence until such a time as the Legislature shall provide for termination and all outstanding indebtedness of the Authority shall be repaid or an amount sufficient to repay that indebtedness shall be set aside in trust.

Accounts of the Authority continue to be maintained in accordance with the practices set forth in this summary which are based on the provisions and the Authority's interpretation of the General Turnpike Revenue Bond Resolution and, the Second Supplemental Resolution adopted April 7, 1994, the Third Supplemental Resolution adopted June 22, 1994, the Seventh Supplemental Resolution adopted February 13, 1997, the Eighth Supplemental Resolution adopted July 2, 1998, the Ninth Supplemental Resolution adopted March 23, 2000, the Tenth Supplemental Resolution adopted October 16, 2002, the Eleventh Supplemental Resolution adopted May 1, 2003, the Twelfth Supplemental Resolution adopted October 15, 2004, the Thirteenth Supplemental Resolution Adopted March 24, 2005, the General Special Obligation Bond Resolution, the First Supplemental Special Obligation Resolution adopted May 15, 1996, and the Second Supplemental Special Obligation Resolution adopted July 2, 1998. These practices differ in certain respects, which may be material, from those accounting principles generally accepted in the United States of America applied in the presentation of financial position and results of operations commonly followed by other types of enterprises. They are as follows:

- A. Depreciation of the Turnpike and related facilities is not included as an operating expense or otherwise provided. The cost of all maintenance, repairs and replacements deemed necessary to maintain such facilities in good operating condition is charged to operations. Major replacements, upgrades and turnpike projects are capitalized if financed through bond proceeds.
- B. Turnpike roadways and capitalized facilities are stated at cost. The cost of facilities replaced or abandoned is not eliminated from the accounts.
- C. Toll revenues are recorded as earned. Interest on investments, rental from concessions, commuter discount plan receipts and miscellaneous revenues are recorded when received.
- D. Investments are carried at cost. Investments consist of U.S. Treasury obligations whose cost approximates market value. Accrued interest paid upon the purchase of investments is charged against interest income in the period of purchase for all funds except the debt service reserve fund. In this fund, accrued interest is included in the cost of the investment until the period in which the interest is received, at which time it is charged against interest income. Gains and losses on investments are recognized when the investments are sold.

MAINE TURNPIKE AUTHORITY
NOTES TO FINANCIAL STATEMENTS, CONTINUED

1. SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING PRINCIPLES, CONT'D

Tolls and other revenue arising from the operations and ownership of the Turnpike are deposited to the Revenue Fund. Current expenses as provided for in the annual budget are paid out of the Revenue Fund. Monthly, the balance in the Revenue Fund in excess of 15% of the amount shown by the annual budget to be necessary for current expenses for the current fiscal year is transferred to the credit of the following accounts or funds in the following order:

- A. Debt Service Fund - Interest Accounts - until the sum on deposit is equal to the amount required to pay the interest portion of the debt service charges on all outstanding bonds which will become payable on the next ensuing payment date.
- B. Debt Service Fund - Principal Accounts - until the sum on deposit is equal to the amount required to pay the principal portion of debt service charges on all outstanding bonds which will become payable on the next ensuing principal payment date.
- C. Debt Service Reserve Fund - until the sum on deposit is equal to the debt service reserve requirement, provided certain qualifications (as outlined and detailed in the General Turnpike Revenue Bond Resolution, as adopted on July 7, 1994, February 13, 1997, July 2, 1998, March 23, 2000, May 1, 2003, October 15, 2004 and March 24, 2005 are met.
- D. Reserve Maintenance Fund - until the sum deposited in such fiscal year is equal to the amount recommended by the consulting engineers.
- E. General Reserve Fund - the balance remaining after making deposits under clauses (A), (B), (C), and (D) above.

Operating expenses and Reserve Maintenance Fund expenditures (other than salaries and related expenses) are charged to operations when incurred. Salaries and related expenses are charged to operations when paid.

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

MAINE TURNPIKE AUTHORITY
NOTES TO FINANCIAL STATEMENTS, CONTINUED

2. REVENUE BONDS

The Authority issues revenue bonds from time to time for the purpose of financing capital improvements and new projects. In July 1994, the Authority issued \$73,130,000 of Series 1994 Revenue Bonds. The major purpose of the Series 1994 bonds was to finance the electronic toll conversion and major bridge deck repairs. In February 1997, the Authority issued \$50,000,000 of Series 1997 Revenue Bonds. The major purpose of the Series 1997 bonds was to finance interchange constructions and reconstructions and to provide additional monies for the payment of a portion of the Debt Service Reserve Fund requirements. In July 1998, the Authority issued \$47,970,000 of Series 1998 Turnpike Refunding Revenue Bonds. The major purpose of the Turnpike Refunding Revenue Bonds was to advance refund principal amounts of the Series 1994 Turnpike Revenue Bonds maturing on July 1 in the year 2011, 2014 and 2018. In March 2000, the Authority issued \$126,000,000 of Series 2000 Revenue Bonds. The major purpose of the Series 2000 bonds was to finance modernization, widening, and interchange constructions and reconstructions. In May 2003, the Authority issued \$51,000,000 of Series 2003 Revenue Bonds. The major purpose of the Series 2003 bonds was to retire the 2002 Commercial Paper Subordinated Notes and to finance various turnpike projects. In October 2004, the Authority issued \$115,050,000 of Series 2004 Revenue Bonds. The major purpose of the Series 2004 bonds was to pay a portion of the costs of various turnpike projects and to advance refund a portion of the principal amount of outstanding bonds. In March 2005, the Authority issued \$76,715,000 of Series 2005 Revenue Bonds. The major purpose of the Series 2005 bonds was to advance refund a portion of the principal amount of the Series 2000 bonds.

Interest on all bonds is payable semi-annually on January 1 and July 1 of each year. The bonds will mature on July 1 in the years and principal amounts as noted below:

Details of outstanding revenue bonds are as noted below:

Series 1994, due 7/1/1995 to 2009, with interest at 3.75% to 7.50%	\$ 7,240,000
Series 1997, due 7/1/1998 to 2010, with interest at 4.50% to 6.00%	9,080,000
Series 1998, due 7/1/2009 to 2018, with interest at 4.50% to 5.00%	47,970,000
Series 2000, due 7/1/2007 to 2012 with interest at 5.00% to 5.30%	15,485,000
Series 2003, due 7/1/2011 to 2033, with interest at 3.50% to 5.25%	51,000,000
Series 2004, due 7/1/2005 to 2030, with interest at 3.00% to 5.25%	114,970,000
Series 2005, due 7/1/2006 to 2030, with interest at 3.00% to 5.125%	<u>76,715,000</u>
	<u>\$322,460,000</u>

The following table represents future debt service payments required to be made over the next five years as of December 31, 2005:

	<u>Principal</u>	<u>Interest</u>
2006	\$ 5,095,000	16,303,251
2007	7,950,000	16,101,801
2008	8,360,000	15,758,601
2009	8,875,000	15,268,051
2010	9,660,000	14,730,316
Thereafter	<u>282,520,000</u>	<u>162,488,230</u>
	<u>\$322,460,000</u>	<u>240,650,250</u>

MAINE TURNPIKE AUTHORITY
NOTES TO FINANCIAL STATEMENTS, CONTINUED

3. DEBT SERVICE RESERVE

In lieu of direct funding of the debt service reserve fund, the Authority has purchased a surety bond which covers the maximum series debt reserve requirements as defined in the bond resolutions adopted July 7, 1994, February 13, 1997, July 2, 1998, March 23, 2000 and May 1, 2003, October 15, 2004 and March 24, 2005.

4. SPECIAL OBLIGATION BONDS

In July 1998, the Authority issued \$31,230,000 of Series 1998 Special Obligation Refunding Bonds. The major purpose of the Special Obligation Refunding Bonds was to refund all the Authority's outstanding Series 1996 Special Obligations Bonds. The bonds began maturing on July 1, 2000 and continue to mature on July 1 of each year through 2018. Interest on the bonds is payable semi-annually on January 1 and July 1 of each year at 3.70% to 5.00%.

The following table represents debt service payments required to be made over the next five years as of December 31, 2005:

	<u>Principal</u>	<u>Interest</u>
2006	\$ 1,340,000	1,123,548
2007	1,400,000	1,064,588
2008	1,465,000	1,001,588
2009	1,530,000	935,663
2010	1,600,000	866,813
Thereafter	<u>15,940,000</u>	<u>3,785,313</u>
	<u>\$23,275,000</u>	<u>8,777,513</u>

5. RETIREMENT PLAN

Plan description - The Authority participates in the Maine State Retirement System, a multiple-employer defined benefit pension plan, which covers substantially all employees. The MSRS provides retirement, disability and death benefits to plan participants and beneficiaries. Employees are eligible for normal retirement upon attaining age sixty and early retirement after completing twenty-five or more years of service.

Funding policy - Plan participants are required to contribute 6.5% of their annual compensation and the Authority is required to contribute an actuarial determined rate. The current rate is 4% of employee earned compensation.

The Maine Turnpike Authority's contributions to MSRS were approximately \$1,291,500 and \$1,112,000 for the years ended December 31, 2005 and 2004, respectively.

6. TRANSACTIONS WITH STATE OF MAINE DEPARTMENT OF TRANSPORTATION

During 1997, the Authority began paying approximately \$2,470,000 in debt service in connection with the Special Obligation Bonds. Beginning in 1998, this payment of debt service replaced prior years' transfers to the MDOT.

7. CONTINGENCIES

The Authority is a defendant in various lawsuits. Although the outcomes of the lawsuits are not presently determinable, it is the belief of the Authority's legal counsel that any settlement or damages assessed would be covered by insurance, and therefore should not have a material adverse effect on the Authority's financial condition.

Maine Turnpike Authority Executive Staff

Executive Director

Paul E. Violette

Deputy Executive Director and Chief Financial Officer

Neil R. Libby

Chief Operations Officer

Peter S. Merfeld, P.E.

Secretary and Staff Attorney

Jonathan A. Arey

Treasurer and Director of Finance and Information Services

Douglas D. Davidson

Director of Engineering and Building Maintenance

Steve R. Tartre, P.E.

Director of Fare Collection

Richard R. Barra

Director of Highway and Equipment Maintenance

Wesley L. Jackson

Director of Human Resources

Lauren G. Carrier

Director of Highway Safety

Gregory J. Stone

Manager of Government and Community Relations

Conrad W. Welzel

Manager of Public Relations and Communications

Daniel J. Paradee

Consultants

Chief Consulting Engineer

Roland A. Lavallee, P.E., *Vice President, HNTB Corporation, Westbrook, Maine*

Senior Investment and Banking Manager

Andrew F. Gurley, *Managing Director, UBS Inc., New York, New York*

Trustee Banker

Patricia Smus, *Vice President and Wealth Advisor, TD Banknorth, Portland, Maine*

General Legal Counsel

Eric P. Stauffer, *Partner, Preti, Flaherty, Beliveau, Pachios & Haley, Portland, Maine*



Executive Director Paul E. Violette (left) and Chairman Gerald P. Conley, Sr. (right) present Sayward Award to Susan B. Brewer (center).

Susan B. Brewer receives 2005 Sayward Award

In 1997, to celebrate of the Maine Turnpike's 50th year anniversary, the Authority established the Joseph E. Sayward Award. It was Mr. Sayward's vision, determination and leadership that created the Maine Turnpike Authority, built the highway and led the organization through its early years. The Joseph E. Sayward Award is now presented annually to the employee, who in the eyes of the entire organization, exemplifies the qualities that have contributed to the Maine Turnpike's tradition of excellence. The 2005 Joseph E. Sayward Award was presented to Susan Brewer. Susan was hired in 1979 as a Key Punch Operator II. Today, she serves a vital role as Accounts Payable Processor in the Accounting Department. She has that rare capacity to be extremely capable, determined and professional, yet warm, caring and personal. The Maine Turnpike Authority is fortunate and proud to employ an individual like Susan Brewer.



Turnpike drivers provide Katrina relief

Maine Turnpike Authority customers contributed more than \$81,000 to Hurricane Katrina relief efforts. The donations were collected in orange buckets hung in toll lanes at every Turnpike interchange over a period of just six days. The funds were immediately sent to the Red Cross for hurricane relief efforts. The Maine Turnpike Authority wishes to thank all of our caring and generous customers for their amazing response to this effort. We also want to thank Home Depot for contributing the buckets, Brinks Security and Key Bank for donating

financial services and Swardlick Marketing Group for contributing advertising assistance.



Upper right, Maine Turnpike toll collector Todd McArthur with one of the orange donation buckets; above, Authority Chairman Gerard P. Conley, Sr. (at podium), announces the results of the six-day relief fundraiser, flanked by Authority member Samuel M. Zaitlin (right), Executive Director Paul E. Violette (left) and members of the Turnpike staff.



Maine Turnpike Authority
430 Riverside Street
Portland, Maine 04103
207. 871. 7771
www.mainturnpike.com