



THINKING AHEAD



THINKING AHEAD

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Dear Traveler



Gerard P. Conley, Sr.



Paul E. Violette

When traveling, it is always important to know your destination and to have a clear plan for your journey. At the Maine Turnpike Authority, our destination is providing a safe, convenient and efficient travel experience for our customers.

To reach our destination, we are committed to “thinking ahead.” We have developed a long-term business plan, one that sets out goals for the care and maintenance of the highway and its facilities. It also ensures that we have the revenues to see that plan through.

This past year has been a challenging one in transportation: rising fuel costs, a sluggish economy and one of the most challenging weather cycles in recent history with torrential spring rains and heavy winter snowfall. Those events have been reflected in relatively flat traffic and revenue growth for the highway.

Fortunately, the Maine Turnpike’s reality-based business model is built to anticipate and adjust to economic changes while still making the critical investments to maintain and improve the highway. This stability is important to our customers, our investors and to the economic well-being of Maine.

We appreciate the strong community support we receive and the constant encouragement to keep thinking ahead. We especially would like to thank Governor Baldacci, the Maine Legislature, community leaders, our employees, contractors and especially our customers who helped us make 2007 a safe and successful year.

Sincerely,

A handwritten signature in black ink that reads "Gerard P. Conley, Sr." in a cursive style.

Gerard P. Conley, Sr.
Chairman

A handwritten signature in black ink that reads "Paul E. Violette" in a cursive style.

Paul E. Violette
Executive Director

Maine Turnpike Authority

The Maine Turnpike Authority was established by the Maine Legislature as an independent state agency in 1941 and charged with the task of creating a user fee highway that, in the six decades since, has become the lifeline of Maine's economy.

The initial 45-mile length of the Maine Turnpike from Kittery to Portland was completed in 1947. It was the first "super-highway" 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 2007, the 109-mile Maine Turnpike included 65 miles of divided four-lane and 44 miles of divided six-lane highway, 168 bridges and 19 interchanges, 19 toll plazas, seven maintenance facilities, six service plazas, an administrative building, an *E-ZPass* customer service center and a state police headquarters. The Maine Turnpike continues to serve as the state's most important artery, handling more than 209,000 vehicle transactions daily and a total of more than 76.6 million vehicle transactions in 2007.

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, finance and management of Maine's most traveled highway. In 2007, the following seven individuals served on the Maine Turnpike Authority.

THINKING AHEAD



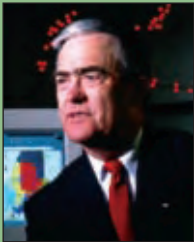
Gerard P. Conley, Sr.
Chairman
Retired, Chairman, Maine
Unemployment Compensation
Commission
Former President, Maine Senate
Residence: Portland,
Cumberland County



Lucien B. Gosselin
Vice Chairman
President, Lewiston/Auburn
Economic
Growth Council
Residence: Lewiston,
Androscoggin County



Douglas A. Volk
Member
President, Volk Packaging
Corporation
Residence: Portland,
Cumberland County



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



Richard Valentino
Member
Retired attorney, business owner
and developer
Residence: Saco,
York County



Harland C. Goodwin
Member
General Manager, Spring Hill
Restaurant and Banquet Facility
Residence: South Berwick,
York County



Gregory G. Nadeau
Member Ex-Officio
Deputy Commissioner, Maine
Department of Transportation
Residence: Lewiston,
Androscoggin County

Technology

E-ZPass users approaching 50 percent


In 2007, the Maine Turnpike Authority continued to invest in highway and information technology to enhance safety, efficiency and customer service.

Foremost among these innovations is electronic toll collection (ETC). The Maine Turnpike was an early adopter of the technology; it was the first toll highway in New England to introduce ETC when the Authority installed its Transpass system in 1997. In February 2005, the Turnpike converted to the multi-state E-ZPass system. Today, E-ZPass continues to streamline revenue collection and reduce costs.

Approximately 48 percent of the vehicles that traveled the Maine Turnpike in 2007 paid their tolls electronically with E-ZPass, reducing congestion, emissions and highway operating costs. The Maine Turnpike Authority expects to surpass the 50 percent mark before the end of 2008.

A recent analysis by the Turnpike's chief consulting engineer estimates that electronic toll collection has saved \$8-10 million per year in staffing and operations costs. The analysis also stated that without the efficiency of E-ZPass, the Turnpike would have had to invest tens of millions of dollars to reconstruct and expand toll plazas to accommodate traffic growth.

CLEAR SIGNALS



The Turnpike Authority upgraded 11 transmitters in the Highway Advisory Radio network to satellite technology, resulting in clearer signals that can be synchronized along the length of the highway.

Location	Mile Marker
York I-95 SB	7.3
Wells I-95 SB	19.1
Saco I-95 NB	31.5
Scarborough I-95 NB	43.0
Falmouth Exit 53.....	53.0
Gray I-95 SB	63.3
Auburn Exit 75 NB	75.0
Lewiston Exit 80 SB On-Ramp.....	80.3
Litchfield I-95 NB	89.2
West Gardiner I-95 NB	100.2
Augusta I-95 SB.....	108.7

In 2007, the Turnpike Authority board of directors voted to introduce "highway speed tolling" when it replaces the aging toll plaza in York with a more efficient and modern facility. The technology will allow E-ZPass users to pay their tolls by passing beneath a sensor at 55-65 miles per hour. The new highway speed tolling facility is expected to be operational in 2011. The Turnpike Authority also approved installation of highway speed toll lanes at the New Gloucester mainline toll plaza.

Highway advisory radio upgraded

For nearly a decade, the Maine Turnpike Authority has operated a network of radio transmitters (Turnpike Radio 1610 AM) that provide regularly updated information to travelers regarding weather, construction and traffic delays. The first transmitter was installed in 1997 near mile 32 in Saco. Since then, the network has grown to include 11 transmitters at key locations along the 109-mile highway.

In late 2007, the Authority upgraded the system to satellite technology. The new technology has vastly improved the broadcast quality by synchronizing signals, so travelers will not receive overlapping transmissions. The result is clear messages that customers have found easier to receive and understand.

Traffic cam network expanded

The Maine Turnpike's communications center staff in Portland oversees contacts with customers and public safety personnel via radio, e-mail alerts, web site, electronic highway message boards and the Authority's network of traffic cameras. The "traffic cams" allow communications personnel to monitor traffic on heavily traveled sections of the highway and at busy interchanges. They are also on view at the Turnpike web site (maineturnpike.com).

In 2007, the Turnpike added three new traffic cameras to the network for a total of 12 traffic cams. The new cameras broadcast 24-hour images from the Biddeford interchange facing north near Route 111 (one new camera) and north and south bound views at the Gray interchange (two cameras) where there has been a significant increase in vehicle traffic in recent years.



E-ZPass technology has reduced fuel consumption and vehicle emissions. It also has proven enormously popular among Maine Turnpike customers.

2007 Maine *E-ZPass* facts

Number of *E-ZPass* transactions in 2007 **39 million**

Percentage of total transactions **48%**

Number of tags issued in 2007 **21,000**

Total tags issued since 2005 **148,000**

Maintenance

The Maine Turnpike is a major economic link that connects Maine citizens and businesses throughout the region. Keeping the highway, its bridges and other facilities safe, efficient and convenient is paramount to the Authority's mission.

The Authority maintains seven maintenance centers within the highway corridor. Working from these locations, the Turnpike's experienced and skilled maintenance staff manages the day-to-day care of the highway – from snow plowing in the winter and brush removal in the spring to traffic control and roadway repair throughout the year. Maintenance staff also are responsible for keeping the grounds and facilities of Turnpike service plazas attractive and in good order. During summer high traffic and winter nights, maintenance staff work as safety patrols that monitor the highway and aid travelers that may be stranded due to mechanical problems.

In addition to general maintenance, the Turnpike Authority follows a 20-year business plan that enables the agency to perform timely and critical repairs to protect its investment in the highway, bridges and buildings. In 2007, the Authority undertook several major capital projects.

Three bridges completed

Bridge reconstruction and rehabilitation continue to be a priority for the Maine Turnpike Authority. The Authority oversees the maintenance and repair of 168 bridges within the highway



Project Manager Scott Warchol is one of several staff members who oversee quality assurance on Maine Turnpike projects.

corridor. Twenty years ago, with many of its bridges approaching the end of their 50-year lifespan, the Turnpike embarked on a major bridge maintenance and reconstruction program.

Since 1997, the Authority has reconstructed or rehabilitated 47 bridges (more than 25 percent). The rigorous maintenance and rehabilitation program has paid off with increased safety and improved travel conditions for Maine Turnpike customers. In their annual 2007 inspection of Maine Turnpike bridges, the Turnpike's chief consulting engineer, HNTB, found that Turnpike bridges that have been rehabilitated or reconstructed during the past 20 years are in



The Maine Turnpike fast-tracked construction on the Congress Street Bridge in Portland. The bridge that carries 14,000 vehicles a day, was rebuilt in just nine months by Technical Construction of Turner, Maine.

A construction crew eases a bridge beam into place. The Maine Turnpike Authority encourages night construction to avoid major traffic delays.



Maine Turnpike Bridge Rehabilitation 1997-2007

Year	Location	Mile
1997	St. Lawrence Railroad.....	72.0
	Washington Street.....	73.1
	Burnt Mill Road.....	19.9
	Forest Avenue (NB).....	50.0
	Forest Avenue (SB).....	50.0
	Riverside Street (NB).....	51.2
	Riverside Street (SB).....	51.2
	Goddard Road (NB).....	79.6
	Goddard Road (SB).....	79.6
	Huntington Hill Road.....	91.9
1998	High Street.....	103.6
	Falmouth Road.....	52.0
1998	Two Rod Road Underpass.....	42.0
1999	Broadturn Road Underpass.....	39.9
	Jetport Exit 46 Underpass.....	46.3
	Hunt's Hill Road Overpass (NB).....	61.6
1999	Hunt's Hill Road Overpass (SB).....	61.6
	2000	Stevenstown Road Underpass.....
2001	Captain Thomas Road Underpass.....	14.8
	B&M Railroad (NB) Overpass.....	19.0
	Route 109 (NB) Overpass.....	19.1
	Exit 19 (NB) Overpass.....	19.3
	Mousam River Overpass.....	25.5
	New County Road Underpass.....	34.4
	Flag Pond Road Underpass.....	38.1
	Beech Ridge Road Underpass.....	41.4
	Holmes Road Underpass.....	43.0
	Center Road Underpass.....	62.9
2002	Coles Hill Road Underpass.....	21.7
	High Street Underpass.....	23.6
	Cat Mousam Road Underpass.....	24.7
	Route 35 Underpass.....	25.3
	North Street Underpass.....	35.3
	Rand Road Underpass.....	47.3
	Rand Road Connector Underpass.....	47.4
Route 9 Underpass.....	86.1	
2003	Kennebunk River Overpass.....	27.2
	Old Alfred Road Underpass.....	30.3
	Exit 32 Biddeford Underpass.....	31.6
	South Street Underpass.....	32.8
2005	Brighton Avenue Underpass.....	48.3
	Northern Avenue Overpass (NB).....	104.6
	Northern Avenue Overpass (SB).....	104.6
2006	Westbrook Street Underpass.....	47.1
2007	Congress Street.....	46.4
	South Main Street.....	77.6
	Cobbosseecontee Stream.....	99.2

Maintenance

good-to-excellent condition. Bridges that have yet to be rehabilitated are in fair condition.

During 2007, Turnpike engineers oversaw three major bridge reconstruction and rehabilitation projects: the Congress Street Bridge in Portland, the South Main Street Bridge in Auburn and completion of the Cobbosseecontee River Bridge in Litchfield, a project begun in 2006. In addition, the Turnpike continued to partner with the MaineDOT on reconstruction of the Payne Road Bridge, a



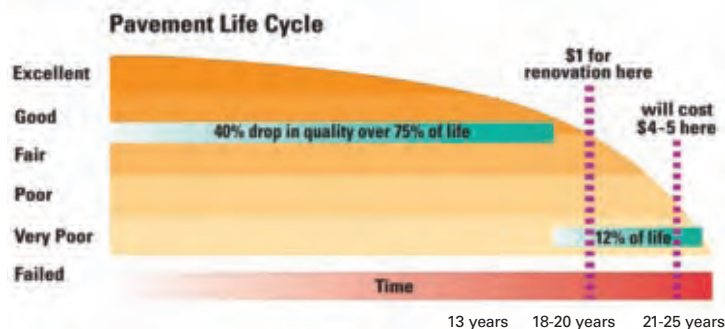
Turnpike contractors recycle pavement to reduce truck trips and costs.

MaineDOT-owned bridge that spans the Maine Turnpike in South Portland. Emergency repairs also were completed on the Lunts Hill Bridge in Litchfield, that was struck by an overheight truck in June 2007.

10 lane miles rehabilitated

Pavement rehabilitation is a priority of the Maine Turnpike Authority's 20-year capital plan. Studies show that proper and timely pavement maintenance can result in major cost savings and significantly extend the life of the pavement.

In 2007, the Turnpike completed two major paving projects – north and southbound travel lanes from Mile 64 in Gray to Mile 68 in New Gloucester and the interchange ramp at Exit 36 in Saco. Those two projects, representing 10 lane miles, capped an extensive five-year paving program on the highway. During that time, the Authority has rehabilitated pavement on 148 of a total 632 lane miles or 23 percent.



If the highway is allowed to exceed 75 percent of its lifespan, the cost of pavement rehabilitation will be four to five times as expensive.





Pavement Rehabilitation

Year	Mile	Location
2003	23-25	Kennebunk-Biddeford
	56-59 NB	Cumberland-Gray
	68-75	New Gloucester-Auburn
2004	25-27	Kennebunk
	98-102	Litchfield-Gardiner
	102-109	Gardiner-Augusta
2005	59-64 NB	Gray
	85-89	Sabattus
2006	75-81	Auburn-Lewiston
	Exit 80 ramps	Lewiston
2007	64-68	Gray-New Gloucester
	Exit 36 ramp	Saco

A crew from Pike Industries of Lewiston, Maine, at work paving a section of highway between Gray and New Gloucester (Mile 64-68).



Traveler Service Timeline

1948 First traveler plaza opens with Howard Johnson's restaurant and Mobile service station

1972 Authority opens second Kennebunk plaza to serve southbound travelers

1985 First major renovation of MTA's service plazas

2006 Authority begins construction on new service plazas at Kennebunk, Cumberland and Gray

2007 Completes new Kennebunk, Cumberland and Gray plazas; breaks ground on West Gardiner service plaza



Capital Improvements



The new traveler facilities at Kennebunk (Mile 25) feature expanded parking, new vendors and improved food court and outside seating. The new service plazas are expected to generate additional rental revenues that will be used to maintain and improve the highway.

In addition to programs to preserve and protect the highway surface and its bridges, the Maine Turnpike Authority maintains operational and traveler service facilities critical to providing a safe and efficient experience for its customers. In 2007, the Authority saw significant progress on three major capital improvement initiatives contained in its 20-year plan that promise to boost revenues, create new efficiencies and improve safety and customer service for years to come.

Service plazas modernized

In 2006, the Maine Turnpike Authority embarked on a three-year program to rebuild its service plazas. The plazas provide traveler services to customers at key locations along the Maine Turnpike; they give travelers a place to stop, refuel and rest up before continuing on their journey; and they generate non-toll revenues through lease agreements with vendors, revenues that are directed to highway and bridge improvements.

In May 2007, the Turnpike Authority officially opened the newly rebuilt north and southbound service plazas at Kennebunk (Mile 25). The Authority has operated service plazas on that site since soon after the highway opened, and this was only the second major renovation of the facilities in 60 years. Turnpike traffic has more

than doubled since that the last renovation from nearly 25 million in 1985 to more than 63 million vehicles in 2007 and the new facilities are built to appeal to modern travelers with an attractive food court layout and a variety of refreshment offerings. The new plazas were constructed by Ledgewood Construction of South Portland, Maine.

The Turnpike Authority also opened two newly constructed service plaza buildings at Cumberland (southbound at Mile 58) and Gray (northbound at Mile 59) in late June 2007. The plazas were constructed by Arthur Dudley Construction of Standish, Maine.

The Authority also began construction of a new West Gardiner service plaza in late 2007. The new plaza will serve travelers on both the Turnpike and I-295. It will replace the outdated traveler facilities currently operating at Lewiston (southbound) and Litchfield (northbound). The project was divided into three contracts that were awarded to three Maine contractors, Langford and Low of Westbrook, RJ Grondin & Sons of Gorham and BridgeCorp of Lewiston. The new West Gardiner Plaza is scheduled to open in the late fall of 2008.

Planning for traffic growth

At the request of the Maine Department of Transportation



Between 40,000 and 50,000 vehicles a day travel this stretch of the Turnpike in South Portland.

Capital Improvements



and the Portland Area Comprehensive Transportation Committee, the Turnpike Authority has initiated a study of safety and capacity issues on the nine-mile section of highway that runs through the greater Portland area from Exit 44 in Scarborough to Exit 53 in Falmouth. A 2006 traffic analysis showed that this section of highway, that currently serves between 40,000-50,000 vehicles per day, will reach “poor” levels of service by 2010 with moderate traffic growth of only 2.1 percent.

In 2007, the Maine Legislature gave its approval to a widening of this section of highway, provided that a comprehensive study of reasonable alternatives concludes that those strategies would not be able to adequately address the demands of increasing traffic. The Turnpike Authority is expected to begin the study, required by the Maine Sensible Transportation Policy Act, in 2009.

Consolidating Turnpike operations

In November 2007, the Turnpike Authority broke ground on a new Administration and Public Safety Building near the Jetport interchange (Exit 46) in Portland. The facility will consolidate several turnpike operations – administration, *E-ZPass* customer service and the Maine State

Police troop that patrols the turnpike – at a single, efficient and accessible location.

Currently, those operations are spread among four different buildings, some of which are leased by the Turnpike and others in need of extensive renovation. The new building will be located directly off the Maine Turnpike, making it more convenient for customers to visit the *E-ZPass* customer service center and administrative offices.

The new building will house safer, more secure and updated headquarters for Maine State Police Troop G. The police troop, funded entirely by the Authority, currently operates out of an 18th century farmhouse near Exit 45 in South Portland. The space is too small for the police troop that has grown by 10 officers since 1986, and cannot be secured properly or support necessary technology upgrades. The new site also will provide a safe approach for Maine State Police officers and travelers seeking their assistance.

By consolidating operations in a single location and discontinuing the practice of leasing space and renovating leased space, the Authority estimates it will save \$22 million over the next 20 years. The Administration and Public Safety Building is scheduled to be complete in 2009.



Maine Turnpike customers are protected 24 hours a day, seven days a week by a highly professional State Police trooper trained to handle a wide range of day-to-day and emergency situations.

Traffic management

Managing traffic demand is an integral part of the Maine Turnpike's daily operations. Many factors affect travel safety and convenience throughout the year, from heavy tourist travel in the summer to snow and ice during the winter months. The Authority employs the latest technology to gather data for forecasting demand, as well as real-time data and information to keep the public informed about traffic conditions on the highway.

Protecting the public

Maine State Police Troop G remains an essential element of the Maine Turnpike Authority's traffic and safety management program. The 34-member force is funded entirely by the Authority and operates 24 hours a day, seven days a week from a command center at the Crosby Maintenance Facility in South Portland, with field offices in the Turnpike's York and West Gardiner maintenance facilities. Troop G is involved in all aspects of safety and law enforcement on the Turnpike. Officers patrol the highway, enforce the speed limit, assist disabled motorists, detect and apprehend drivers under the influence of alcohol or drugs and enforce other state laws.



Investing in alternatives

Investment in alternative travel modes is another priority in the Maine Turnpike Authority's traffic demand management program – including operation of park and ride lots, support of carpools, vanpools and transit through co-funding of the GO MAINE commuter assistance program and the ZOOM Turnpike Express with the MaineDOT. Spurred by rising fuel costs, new commuters were drawn to these programs in 2007.

GO MAINE's active database of 4,197 commuters grew by 22 percent and logged more than 350 active carpools and 22 commuter vanpools for the year. The ZOOM Turnpike Express commuter bus, now in its ninth year of operation, served 26,411 passengers during FY 2007. The Turnpike also maintains and operates 15 Park and Ride sites from York to West Gardiner with a total of 1,134 available spaces (four of the sites are owned by MaineDOT).

ZOOM ridership

2003	21,173
2004	22,776
2005	24,582
2006	25,767
2007	26,411

GO MAINE Ridematching database

2003	2,055
2004	2,713
2005	3,133
2006	3,421
2007	4,197



Traffic and revenues

A total of 76.6 million vehicle transactions were recorded on the Maine Turnpike in 2007, an increase of .63 percent over 2006 (76.1 million vehicle transactions). It is estimated that those vehicles logged more than 1.28 billion miles on the highway during the year.

First quarter 2007 transactions decreased by 1.01 percent affected by a slowing economy. Traffic rebounded slightly during the second quarter with a 1.68 percent gain over 2006, boosted by favorable weather that jump-started the summer tourism season in June.

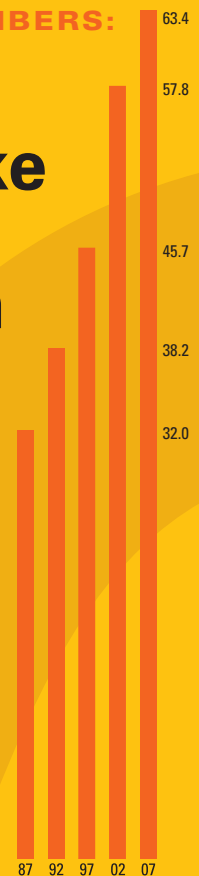
Traffic growth remained steady for the third quarter at 2.82 percent, helped by an extended and colorful autumn season. Transactions fell again during the fourth quarter when strong October growth (2.38 percent)

was offset by the year's largest monthly decrease in December (-7.88 percent) when the region experienced nearly 39 inches of snowfall. The net decrease for the quarter was -1.69 percent.

Revenues followed a similar pattern for 2007. The year saw an overall gain in revenue with the Maine Turnpike Authority collecting \$84.5 million for the year. Revenue growth was strongest during the second and third quarters (2.41 percent and 2.92 percent respectively). Those gains were offset by more modest growth during the first quarter (.02 percent) and a slight decrease in revenues during the fourth quarter (-.71 percent). The year finished with a revenue increase of 1.31 percent over the same period in 2006.

BY THE NUMBERS:

Maine Turnpike traffic growth 1987-2007 (in millions)



The number of vehicle trips* traveling on the Maine Turnpike has nearly doubled during the past 20 years.

* Annual vehicle trips (63.4 million) are fewer than actual transactions (76.6 million) because some trips may involve more than one transaction.



Diane Frederickson welcomes another visitor to Maine.

The Maine Turnpike Authority
Toll Revenue and Transaction Comparison 2007

Toll Revenue					Transactions				
	2007	2006	%	Change		2007	2006	%	Change
January					January				
Net Toll Revenue	5,585,391.37	5,519,128.10	1.20%	66,263.27	Passenger	3,907,712	3,942,274	-0.88%	(34,562)
Volume Discount	(152,312.18)	(156,848.16)	-2.89%	4,535.98	Commercial	615,498	595,899	3.29%	19,599
Commuter Revenue	948,672.15	967,916.03	-1.99%	(19,243.88)	Commuter	770,939	762,893	1.05%	8,046
Net Fare Revenue	6,381,751.34	6,330,195.97	0.81%	51,555.37	Non Revenue	34,592	32,343	6.95%	2,249
February					February				
Net Toll Revenue	5,348,570.97	5,298,790.94	1.70%	89,410.93	Passenger	3,770,087	3,754,264	0.95%	35,464
Volume Discount	(132,301.23)	(137,933.58)	-4.08%	5,632.35	Commercial	582,398	582,094	-0.01%	(45)
Commuter Revenue	79,846.87	73,352.37	-4.66%	(3,411.63)	Commuter	988,249	967,885	-2.85%	(19,600)
Net Fare Revenue	5,286,110.36	5,194,478.71	1.76%	91,631.65	Non Revenue	31,838	29,348	8.49%	2,491
March					March				
Net Toll Revenue	6,031,291.74	6,198,975.83	-2.52%	(155,823.59)	Passenger	4,222,618	4,389,086	-2.68%	(116,447)
Volume Discount	(153,285.18)	(159,110.22)	-3.66%	5,825.04	Commercial	636,453	668,779	-3.39%	(22,324)
Commuter Revenue	30,551.85	23,481.35	-49.83%	10,170.30	Commuter	788,578	835,917	-5.42%	(45,339)
Net Fare Revenue	5,908,448.21	6,048,276.46	-2.31%	(139,828.25)	Non Revenue	38,881	37,982	24.82%	6,919
1ST QUARTER					1ST QUARTER				
Net Toll Revenue	16,965,114.08	16,965,263.47	0.00%	(149.39)	Passenger	11,900,708	12,016,253	-0.96%	(115,545)
Volume Discount	(437,898.59)	(453,891.95)	-3.52%	15,993.37	Commercial	1,804,512	1,807,282	-0.15%	(2,770)
Commuter Revenue	1,049,094.42	1,061,579.63	-1.18%	(12,485.21)	Commuter	2,229,766	2,286,665	-2.49%	(56,899)
Net Fare Revenue	17,576,309.91	17,572,951.14	0.02%	3,358.77	Non Revenue	101,232	89,573	13.02%	11,659
April					April				
Net Toll Revenue	6,017,275.04	6,174,415.61	-2.54%	(157,137.79)	Passenger	4,232,498	4,370,932	-2.71%	(118,529)
Volume Discount	(135,100.03)	(147,172.92)	-8.20%	12,072.89	Commercial	628,294	622,012	0.97%	6,022
Commuter Revenue	910,051.89	923,404.87	-1.67%	(15,443.28)	Commuter	737,552	721,592	0.82%	6,017
Net Fare Revenue	6,792,229.70	6,952,737.88	-2.31%	(160,508.18)	Non Revenue	31,816	29,036	26.26%	6,574
May					May				
Net Toll Revenue	7,124,931.80	6,793,706.89	4.87%	331,144.80	Passenger	4,887,343	4,807,128	3.75%	180,415
Volume Discount	(151,063.64)	(165,715.71)	-8.84%	14,652.07	Commercial	734,923	703,427	4.46%	31,396
Commuter Revenue	89,757.50	78,887.42	12.35%	9,870.08	Commuter	782,069	776,733	2.10%	16,329
Net Fare Revenue	7,063,625.46	6,707,958.51	5.30%	355,666.95	Non Revenue	27,687	27,267	1.61%	440
June					June				
Net Toll Revenue	7,505,390.07	7,203,908.97	4.20%	302,364.00	Passenger	6,408,231	6,275,119	3.66%	191,132
Volume Discount	(142,469.21)	(153,823.85)	-7.38%	11,354.64	Commercial	712,454	702,294	1.40%	9,860
Commuter Revenue	34,958.00	34,801.75	-39.77%	(9,876.75)	Commuter	788,349	770,016	-1.77%	(13,666)
Net Fare Revenue	7,378,035.86	7,074,193.97	4.30%	303,841.89	Non Revenue	26,291	25,294	1.42%	367
2ND QUARTER					2ND QUARTER				
Net Toll Revenue	20,647,759.71	20,171,388.70	2.36%	476,371.01	Passenger	14,646,200	14,393,182	1.76%	253,018
Volume Discount	(428,632.88)	(466,712.48)	-8.16%	38,079.60	Commercial	2,075,311	2,028,033	2.33%	47,278
Commuter Revenue	1,014,764.19	1,030,214.14	-1.50%	(15,449.95)	Commuter	2,285,963	2,277,283	0.38%	8,680
Net Fare Revenue	21,233,891.02	20,734,890.36	2.41%	499,000.66	Non Revenue	85,598	78,217	9.44%	7,381
YTD 6/30					YTD 6/30				
Net Toll Revenue	37,612,873.79	37,136,652.17	1.28%	476,221.62	Passenger	26,546,908	26,409,435	0.52%	137,473
Volume Discount	(866,531.47)	(920,604.44)	-5.87%	54,072.97	Commercial	3,879,823	3,835,315	1.16%	44,508
Commuter Revenue	2,063,858.61	2,091,793.77	-1.34%	(27,935.16)	Commuter	4,515,729	4,563,948	-1.06%	(48,219)
Net Fare Revenue	38,810,200.93	38,307,841.50	1.31%	502,359.43	Non Revenue	186,830	167,790	11.35%	19,040
					Total Transactions				
					2007				
					2006				
					%				
					Change				

The Maine Turnpike Authority
Toll Revenue and Transaction Comparison 2007

	Toll Revenue					Transactions			
	2007	2006	%	Change		2007	2006	%	Change
July									
Net Toll Revenue	9,896,972.40	9,479,945.74	2.95%	247,663.66	Passenger	6,596,705	6,466,900	1.87%	120,855
Volume Discount	(184,492.76)	(163,727.02)	12.68%	(20,765.74)	Commercial	711,930	676,901	5.22%	35,329
Commuter Revenue	973,937.49	974,419.35	-0.16%	(1,472.89)	Commuter	703,142	676,439	4.11%	27,753
Net Fare Revenue	9,385,057.10	9,159,632.07	2.46%	225,425.03	Non Revenue	28,341	24,901	5.12%	1,278
					Total Transactions	8,028,168	7,842,953	2.36%	185,215
August									
Net Toll Revenue	9,292,030.97	8,856,081.13	4.81%	425,943.75	Passenger	7,037,467	6,877,603	5.24%	350,224
Volume Discount	(157,411.63)	(169,132.42)	-6.93%	11,720.79	Commercial	199,832	143,046	1.79%	13,316
Commuter Revenue	87,566.93	79,147.46	10.94%	8,659.20	Commuter	149,039	137,819	0.33%	2,436
Net Fare Revenue	9,212,425.84	8,766,102.10	5.09%	446,323.74	Non Revenue	37,192	28,732	1.50%	401
					Total Transactions	8,552,137	8,185,760	4.48%	366,377
September									
Net Toll Revenue	7,327,143.79	7,251,876.54	1.04%	75,533.22	Passenger	5,261,341	5,278,139	2.14%	113,205
Volume Discount	(156,117.45)	(145,893.77)	7.01%	(10,223.68)	Commercial	987,542	676,247	-2.62%	(17,665)
Commuter Revenue	39,437.97	38,273.95	-18.09%	(5,837.65)	Commuter	737,346	733,346	-0.83%	(6,098)
Net Fare Revenue	7,197,464.21	7,137,992.32	0.83%	59,471.89	Non Revenue	28,767	28,919	-3.07%	(752)
					Total Transactions	6,799,941	6,711,251	1.32%	88,690
3RD QUARTER					3RD QUARTER				
Net Toll Revenue	25,265,787.03	24,516,646.40	3.06%	749,140.63	Passenger	19,005,956	18,421,672	3.17%	584,284
Volume Discount	(498,021.84)	(478,753.21)	4.02%	(19,268.63)	Commercial	2,126,394	2,095,414	1.48%	30,980
Commuter Revenue	1,027,181.96	1,025,833.30	0.13%	1,348.66	Commuter	2,170,695	2,146,604	1.12%	24,091
Net Fare Revenue	25,794,947.15	25,063,726.49	2.92%	731,220.66	Non Revenue	77,201	76,274	1.22%	927
					Total Transactions	23,380,246	22,739,964	2.82%	640,282
October									
Net Toll Revenue	7,215,945.03	7,095,786.34	2.79%	196,149.48	Passenger	5,153,752	5,067,021	1.71%	86,731
Volume Discount	(182,216.41)	(176,075.13)	3.49%	(6,141.28)	Commercial	727,621	661,188	5.32%	36,741
Commuter Revenue	977,580.26	975,000.45	0.25%	2,289.41	Commuter	606,721	777,208	4.04%	31,393
Net Fare Revenue	7,950,992.67	7,758,695.06	2.48%	192,297.61	Non Revenue	26,607	28,811	5.98%	1,496
					Total Transactions	6,716,907	6,560,546	2.38%	156,361
November									
Net Toll Revenue	6,434,151.99	6,387,436.81	0.58%	36,744.79	Passenger	4,589,499	4,595,020	-0.42%	(19,228)
Volume Discount	(152,200.53)	(155,131.58)	-1.89%	2,931.05	Commercial	826,567	916,041	0.56%	3,546
Commuter Revenue	77,182.19	87,684.47	14.00%	9,473.63	Commuter	738,817	729,836	1.25%	9,076
Net Fare Revenue	6,349,139.17	6,299,989.70	0.78%	49,149.47	Non Revenue	28,624	24,905	2.69%	669
					Total Transactions	5,963,715	5,969,652	-0.10%	(5,937)
December									
Net Toll Revenue	5,776,182.19	6,151,574.59	-6.05%	(372,482.41)	Passenger	4,072,846	4,404,771	-9.19%	(412,123)
Volume Discount	(167,902.54)	(158,783.63)	5.74%	(9,118.91)	Commercial	576,756	388,621	-3.85%	(23,075)
Commuter Revenue	16,236.25	90,794.80	-8.63%	(1,445.55)	Commuter	692,791	734,627	-5.58%	(41,036)
Net Fare Revenue	5,626,598.89	6,009,645.76	-6.37%	(383,046.87)	Non Revenue	44,237	29,029	52.36%	15,199
					Total Transactions	5,386,422	5,847,457	-7.88%	(461,035)
4TH QUARTER					4TH QUARTER				
Net Toll Revenue	19,419,292.60	19,558,880.74	-0.71%	(139,588.14)	Passenger	13,790,392	14,135,012	-2.44%	(344,620)
Volume Discount	(502,319.48)	(489,990.34)	2.52%	(12,329.14)	Commercial	1,942,270	1,925,058	0.89%	17,212
Commuter Revenue	1,009,757.61	999,440.12	1.03%	10,317.49	Commuter	2,238,124	2,238,691	-0.03%	(567)
Net Fare Revenue	19,926,730.73	20,068,330.52	-0.71%	(141,599.79)	Non Revenue	96,258	78,894	22.01%	17,364
					Total Transactions	18,067,044	18,377,655	-1.69%	(310,611)
YTD 12/31					YTD 12/31				
Net Toll Revenue	82,297,953.42	81,212,179.31	1.34%	1,085,774.11	Passenger	59,343,256	58,966,119	0.64%	377,137
Volume Discount	(1,866,872.79)	(1,889,347.99)	-1.19%	22,475.20	Commercial	7,948,487	7,855,787	1.18%	92,700
Commuter Revenue	4,100,798.18	4,117,067.19	-0.40%	(16,269.01)	Commuter	8,924,548	8,949,243	-0.28%	(24,695)
Net Fare Revenue	84,531,878.81	83,439,898.51	1.31%	1,091,980.30	Non Revenue	360,289	322,958	11.56%	37,331
					Total Transactions	76,576,580	76,094,107	0.63%	482,473



Maine Turnpike Authority
Financial Statements

December 31, 2007



Certified Public Accountants and Business Consultants

Independent Auditor's Report

Governing Board
Maine Turnpike Authority

We have audited the accompanying statement of assets, liabilities and retained revenues of the Maine Turnpike Authority as of 2007 and the related statement of revenues and expenses for the year then ended. These financial statements are the responsibility of the Maine Turnpike Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 audit provides a reasonable basis for our opinion.

The Authority's policy is to prepare its financial statements based on the provisions outlined in various bond resolutions as described in the notes to the financial statements and management's interpretation of said resolutions. Consequently, the financial statements do not include a statement of cash flows, management discussion and analysis or 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 changes in financial position in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and retained revenues of the Maine Turnpike Authority as of December 31, 2007, and the revenues and expenses for the year then ended, on the basis indicated in the preceding paragraph.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2008 on our consideration of the Maine Turnpike Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Runyon Kersteen Ouellette

March 17, 2008
South Portland, Maine

Statement of Assets, Liabilities and Retained Revenues
December 31, 2007

ASSETS		
Physical structure		\$ 469,354,619
Total physical structure		469,354,619
Capital Fund:		
Temporary investments:		
Series 2000 General Fund		26
Series 2000 Widening		150
Series 2002 turnpike projects		2,000
Series 2004 turnpike projects		3,611
Series 2005 turnpike projects		3
Series 2007 turnpike projects		36,761,331
Total capital fund		36,767,121
Revenue Fund:		
Cash on deposit:		
Revenue fund		485,733
Revolving account		1,089
Investments		2,247,383
Change fund for toll houses		44,578
Accounts receivable:		
Tolls		2,665,340
Concession rentals		672,675
Total revenue fund		6,116,798
Debt Service Fund:		
Temporary investments:		
Interest account series 1994		269,518
Interest account series 1997		148,915
Interest account series 1998		1,275,423
Interest account series 2000		338,018
Interest account series 2003		1,274,836
Interest account series 2004		2,746,807
Interest account series 2005		1,930,324
Interest account series 2007		692,830
Principal account series 1994		3,532,115
Principal account series 1997		1,837,435
Principal account series 1998		23,123
Principal account series 2000		2,802,772
Principal account series 2004		151,027
Principal account series 2005		110,733
Total debt service fund		17,133,876
Reserve Maintenance Fund:		
Investments		2,796,117
Total reserve maintenance fund		2,796,117
General Reserve Fund:		
Investments:		
Maine Department of Transportation provision account		233
Interchange account		9,290
Improvement account		7,864,341
Subordinate debt - 1998 - debt service fund interest		502,211
Subordinate debt - 1998 - debt service fund principal		1,469,452
Prepaid Maine Department of Transportation transfers		18,958,097
Total general reserve fund		28,803,624
Total assets		\$ 560,972,155

Statement of Assets, Liabilities and Retained Revenues (continued)
December 31, 2007

LIABILITIES

Revenue bonds payable - Series 1994	\$ 7,240,000
Revenue bonds payable - Series 1997	5,740,000
Revenue bonds payable - Series 1998 (refunding)	47,970,000
Revenue bonds payable - Series 2000	12,830,000
Revenue bonds payable - Series 2003	51,000,000
Revenue bonds payable - Series 2004	108,135,000
Revenue bonds payable - Series 2005	76,500,000
Revenue bonds payable - Series 2007	50,000,000
Special obligation bonds payable - Series 1998 (refunding)	20,535,000
Deferred refunding costs	(12,518,607)
Accounts payable	5,319,131
Unearned revenue	3,575,649
Sales tax payable	1,973
Interest rate agreement - Series 2004	(1,198,794)

Total liabilities	\$ 375,129,352
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RETAINED REVENUES

Retained revenues - December 31, 2006	176,270,836
Transfer to Maine Department of Transportation (special obligation bonds debt service)	(2,464,588)
Net revenues for the year ended December 31, 2007	12,036,555

Total retained revenues	\$ 185,842,803
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Total liabilities and retained revenues	\$ 560,972,155
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See accompanying notes to financial statements.

Statements of Revenues and Expenses
For the years ended December 31, 2007 and 2006

	2007	2006
REVENUES		
Operating revenues:		
Net fare revenue	\$ 84,531,879	83,439,899
Concession rentals	3,078,675	2,597,593
Miscellaneous	723,577	637,011
Total operating revenues	88,334,131	86,674,503
Investment income		
Revenue fund	142,837	144,088
Reserve maintenance fund	212,438	500,136
Improvement account	155,364	81,807
Interchange account	437	424
Maine Department of Transportation account	11	11
Total investment income	511,087	726,466
Total revenue	\$ 88,845,218	87,400,969
EXPENSES		
Operating expenses:		
Administrative and general	2,823,910	2,796,910
Accounting and data processing	3,738,602	3,223,889
Highway maintenance	6,596,203	5,665,009
Equipment maintenance	2,659,937	2,321,001
Fare collection	14,873,982	14,805,949
Patrol and dispatch	5,581,300	6,010,344
Building maintenance	1,191,755	1,165,499
Total operating expenses	37,465,689	35,988,601
Reserve maintenance fund expenditures	25,638,444	26,927,914
Net operating revenues	\$ 25,741,085	24,484,454
Investment income (expense) on non-operating investments:		
Capital fund	310,706	473,969
Debt service fund interest accounts	292,761	312,598
Debt service fund principal accounts	384,915	225,861
Refinancing revenue (expense)	1,501,357	(673,908)
Total investment income on non-operating investments	2,489,739	338,520
Interest expense	16,194,269	16,397,408
Net revenue	\$ 12,036,555	8,425,566

See accompanying notes to financial statements.

Notes to Financial Statements
December 31, 2007

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

Authority Legislation – The Maine Turnpike Authority (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 interpretations 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 fourteenth Supplemental Resolution adopted September 13, 2007; 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 changes in financial position commonly followed by other types of enterprises. They are as follows:

- **Investments** – 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.
- **Physical structure** – Turnpike roadways and capitalized facilities are stated at cost. The cost of facilities replaced or abandoned is not eliminated from these accounts.
- **Depreciation** – 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.

Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES, CONTINUED

- **Revenue recognition** – Toll revenues are recorded as earned. Interest on investments, rental from concessions, commuter discount plan receipts and miscellaneous revenues are recorded when received. An allowance for doubtful accounts has not been established for accounts receivables – tolls.
- **Accrued interest** – Accrued interest payable on the Authority’s revenue and special obligation bonds is not reflected in the financial statements. Interest is recorded as an expense when paid.

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:

- **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.
- **Debt Service Fund – Principal Accounts** – until the sum on deposit is equal to the amount required to pay the principal portion of the debt service charges on all outstanding bonds which will become payable on the next ensuing payment date.
- **Debt Service Reserve Fund** – until the sum on deposit is equal to the debt service reserve requirements, 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; March 24, 2005; and September 13, 2007) are met.
- **Reserve Maintenance Fund** – until the sum deposited in such fiscal year is equal to the amount recommended by the consulting engineers.
- **General Reserve Fund** – the balance remaining after making deposits to the aforementioned funds.

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.

Notes to Financial Statements, Continued

REVENUE BONDS

The Authority issues revenue bonds from time to time for the purpose of financing capital improvements and new projects. As of December 31, 2007, the Authority had the following outstanding bonds:

- \$73,130,000 of Series 1994 Revenue Bonds, issued in July 1994, to finance the electronic toll conversion and major bridge deck repairs.
- \$50,000,000 of Series 1997 Revenue Bonds, issued in February 1997, to finance interchange construction and reconstruction and to provide additional monies for the payment of a portion of the Debt Service Reserve Fund requirements.
- \$47,970,000 of Series 1998 Turnpike Refunding Revenue Bonds, issued in July 1998, to advance refund principal amounts of the Series 1994 Turnpike Revenue Bonds maturing on July 1 in the years 2010 through 2018.
- \$126,000,000 of Series 2000 Revenue Bonds, issued in March 2000, to finance modernization, widening, and interchange construction and reconstruction.
- \$51,000,000 of Series 2003 Revenue Bonds, issued in May 2003, to retire the 2002 Commercial Paper Subordinated Notes and to finance various turnpike projects.
- \$115,050,000 of Series 2004 Revenue Bonds, issued in October 2004, to pay a portion of the costs of various turnpike projects and to advance refund a portion of the principal amount of the Series 1994, 1997 and 2000 bonds.
- \$76,715,000 of Series 2005 Revenue Bonds, issued in April 2005, to advance refund a portion of the principal amount of the Series 2000 bonds.
- \$50,000,000 of Series 2007 Revenue Bonds, issued in September 2007, to pay a portion of the costs of various turnpike projects.

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

Issue	Amount issued	Maturity date	Interest rate	Balance 12/31/07
Series 1994	\$ 73,130,000	7/1/1995 - 2009	3.75-7.50 %	7,240,000
Series 1997	50,000,000	7/1/1998 - 2010	4.50-6.00 %	5,740,000
Series 1998	47,970,000	7/1/2009 - 2018	5.40-5.50 %	47,970,000
Series 2000	126,000,000	7/1/2007 - 2012	5.00-5.30 %	12,830,000
Series 2003	51,000,000	7/1/2011 - 2033	3.50-5.25 %	51,000,000
Series 2004	115,050,000	7/1/2005 - 2030	3.00-5.25 %	108,135,000
Series 2005	76,715,000	7/1/2006 - 2030	3.00-5.125 %	76,500,000
Series 2007	50,000,000	7/1/2013 - 2037	3.75-5.25%	50,000,000
Total revenue bonds payable				\$ 359,415,000

Notes to Financial Statements, Continued

REVENUE BONDS, CONTINUED

Requirements for the repayment of the outstanding revenue bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>
2008	\$ 8,360,000	17,738,997	26,098,997
2009	8,875,000	17,851,176	26,726,176
2010	9,660,000	17,313,441	26,973,441
2011	11,390,000	16,816,044	28,206,044
2012	11,855,000	16,265,394	28,120,394
2013-2017	74,830,000	71,309,744	146,139,744
2018-2022	66,935,000	52,524,386	119,459,386
2023-2027	78,960,000	35,034,881	113,994,881
2028-2032	69,335,000	13,721,969	83,056,969
2033-2037	19,215,000	2,722,563	21,937,563
Totals	\$ 359,415,000	261,298,595	620,713,595

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; May 1, 2003; October 15, 2004; March 24, 2005; and September 13, 2007.

SPECIAL OBLIGATION BONDS

In July 1998, the Authority issued \$31,230,000 of Series 1998 Special Obligation Refunding Bonds, to refund all of the Authority's outstanding Series 1996 Special Obligation Bonds.

Interest on all bonds is payable semi-annually on January 1st and July 1st of each year. The bonds will mature on July 1, 2018.

<u>Issue</u>	<u>Amount issued</u>	<u>Maturity date</u>	<u>Interest rate</u>	<u>Balance 12/31/07</u>
Series 1998	\$ 31,230,000	7/1/1999 - 2018	3.70-5.00%	20,535,000
Total special obligation bonds payable				\$20,535,000

Notes to Financial Statements, Continued

SPECIAL OBLIGATION BONDS, CONTINUED

Requirements for the repayment of the outstanding revenue bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>
2008	\$ 1,465,000	1,001,588	2,466,588
2009	1,530,000	935,663	2,465,663
2010	1,600,000	866,813	2,466,813
2011	1,675,000	792,813	2,467,813
2012	1,750,000	713,250	2,463,250
2013-2017	10,165,000	2,161,750	12,326,750
2018	2,350,000	117,500	2,467,500
Totals	\$ 20,535,000	6,589,377	27,124,377

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (MainePERS) - CONSOLIDATED RETIREMENT PENSION PLAN

Plan Description – The Authority participates in the Maine Public Employees Retirement System, a multiple-employer defined benefits pension plan, which covers substantially all employees. The MainePERS 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 at an actuarially determined rate. The current rate is 4% of employee earned compensation.

The Maine Turnpike Authority's contributions to MainePERS were approximately \$1,227,540 and \$1,114,370 for the years ended December 31, 2007 and 2006, respectively.

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, Esq.

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

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