



Dean Abramson

A Driving Force

Maine Turnpike Authority Annual Report 2006



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Kurt Brown



Gerard P. Conley, Sr.



Paul E. Violette

Dear Traveler,

Since it was first built 59 years ago, the Maine Turnpike has been a driving force in Maine. It was created as the region's first superhighway, an alternative to local streets and state roads that were becoming choked with traffic. When the Interstate Highway system was created nine years later, the Maine Turnpike became an important link in a national network of highways that moves people and products throughout the region and beyond.

Today, the Maine Turnpike remains a critical force in the region's economy. Our job as caretakers of this valuable public asset is to ensure that it continues to serve the people of Maine well. In 2006, the Maine Turnpike Authority tackled several major programs and initiatives that promote that mission of safety, efficiency and convenience. From a comprehensive program to pave the highway and rehabilitate its aging bridges to initiating the public process that will guide the widening of a nine-mile section of the highway in Greater Portland, the Authority has continued to maintain the highway to the highest standards and to serve the people and communities of Maine.

Critical to our mission are the people of the Maine Turnpike – toll operators, maintenance personnel, engineers, planners, customer service representatives and IT specialists – those whose innovation, hard work and dedication keep the highway running smoothly day after day. They are a true driving force in Maine.

The Maine Turnpike Authority would like to thank our customers, Governor Baldacci, the Maine Legislature, our board, employees, contractors and consultants for their role in making 2006 a successful and productive year.

Sincerely,

Gerard P. Conley, Sr.
Chairman

Paul E. Violette
Executive Director

The 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 that time, has become a driving force in Maine's economy.

Originally, the Authority was to create a 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 2006, 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 more than 209,000 vehicle transactions daily and a total of more than 76 million vehicle transactions in 2006.

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 2006, 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



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



Samuel M. Zaitlin
Member
Business Consultant; Founder & CEO,
Crystal Pacific Seafoods
Residence: Biddeford, York County



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



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



Maine Turnpike Authority maintenance workers have a broad skill range, from snow plowing and traffic control to bridge repair.



The people of the Maine Turnpike – toll operators, maintenance personnel, engineers, planners, customer service representatives and IT specialists – they are a true driving force in Maine.

Investment & Growth

Maintenance and capital

improvements in 2006 included an ambitious schedule of construction and maintenance designed to keep the Maine Turnpike operating efficiently for the more than 88 million people who travel the Turnpike each year. The Maine Turnpike Authority follows a tightly scripted business and financial plan that looks 20 years into the future to prepare for traffic growth and to employ the latest technology to achieve operational efficiencies and ensure driver safety.

Bridge rehabilitation and

reconstruction continues to be a major responsibility of the annual capital plan. During 2006, the Turnpike undertook a \$7.1 million investment in the reconstruction of three bridges: the Westbrook Street bridge in Portland and the I-295 bridge and Cobbosseecontee Stream bridge in West Gardiner. Each bridge presented challenges for Maine Turnpike engineers and construction crews. Rehabilitation of the Westbrook Street bridge, one of 13 bridges in the greater Portland area originally built during the early 1950s, demanded an aggressive construction schedule due to the high level of urban traffic. Turnpike engineers determined that the best solution was to close the bridge to traffic

Kurt Brown

The Turnpike Authority has combined guardrail upgrade and paving projects to increase efficiency and reduce traffic disruption.



Kurt Brown

Specially trained scuba diving construction workers were required to perform rehabilitation of the Cobbosseecontee Stream bridge in West Gardiner.

in order to speed construction. The strategy was successful, and CPM Constructors of Freeport, Maine, completed the project two weeks ahead of schedule, allowing for the early reopening of the bridge to local traffic in October 2006.

Closure was not an option for the rehabilitation of the bridge that carries southbound traffic from the Maine Turnpike to I-295 in West Gardiner. The structure is a critical one, because it connects two major sections of Maine's Interstate system. Any significant construction blockage would have shut down direct access to I-295 from the north and resulted in serious delays, particularly during busy summer weekends when hundreds of thousands of tourists travel on Maine's highways. The project, by Technical Construction Inc. of Auburn, Maine,

was completed in mid-November 2006.

A third bridge rehabilitation project – the Cobbosseecontee Stream crossing in West Gardiner – began in spring 2006. As part of the project, contractor CPM Constructors employed a special scuba construction unit to rebuild three concrete piers that extend 10-15 feet underwater. Turnpike engineers anticipate construction on this bridge will be complete in summer 2007.

Pavement rehabilitation is another key program in the Maine Turnpike Authority's 20-year capital plan. In 2006, the Turnpike completed a six-mile, \$4.4 million paving and guardrail rehabilitation project in Lewiston. As part of the Maine Turnpike's ongoing pavement rehabilitation, all four north-

bound and southbound lanes from Mile 75 to Mile 81 were milled and paved and the guardrail was upgraded to modern safety standards. During the past five years, the Maine Turnpike Authority has rehabilitated and repaved 138 lane miles – 26 percent of the 523 lane miles that make up the Turnpike. That is an investment that has increased the lifespan of the highway, as well as improved safety and provided a smoother ride for our customers.

Construction of the Gray bypass

was completed in November 2006. The project, the product of 10 years of joint planning and design by the Maine Turnpike Authority and the Maine Department of Transportation (MaineDOT), already is bringing traffic relief to local roads that have suffered for decades from stifling traffic. The bypass is a 1.5-mile connector that provides a safer and more direct route linking the Maine Turnpike with the mountains, lakes and businesses of Western Maine. Municipal leaders in Gray celebrated the opening of the bypass, saying it will help them to recapture and revitalize the downtown business area that had become overwhelmed by traffic congestion. The bypass is expected to reduce through-traffic in Gray by 40 percent or 10,350

| Pavement Rehabilitation | | |
|-------------------------|--------------|---|
| Year | Location | Town |
| 2002 | Mile 102-109 | West Gardiner/ Augusta (travel lanes) |
| 2003 | Mile 23-25 | Kennebunk |
| | Mile 56-59 | Cumberland (northbound lanes) |
| | Mile 68-75 | Auburn |
| 2004 | Mile 102-109 | West Gardiner/ Augusta (passing lanes) |
| | Mile 25-27 | Kennebunk |
| | Mile 98-102 | Litchfield |
| 2005 | Mile 59-64 | Gray (northbound lanes) |
| | Mile 85-89 | Sabattus |
| 2006 | Mile 75-81 | Lewiston |



Kim Flewelling
Systems Analyst
four years



Becky Meader
Highway Maintenance III
29 years



Governor John Baldacci joins transportation and community leaders for a damp, but festive, ribbon cutting at the opening of the new Gray bypass.

vehicles per day. The new bypass will significantly reduce the number of large trucks traveling through downtown Gray. The Authority shared the cost of construction with MaineDOT, contributing \$1.4 million to the \$7.4 million project.

Modern service plazas represented another major capital improvement begun by the Maine Turnpike Authority in 2006. The Authority launched a three-year, \$24 million service plaza improvement program in mid-May 2006, when contractors broke ground on two new facilities on the north and southbound sides of the highway in Kennebunk. In late October, contractors

Daniel Parades

In a 2006 statewide customer satisfaction survey, more than 87 percent of Maine citizens polled rated the service provided by Maine Turnpike toll collectors as "good" or "excellent."



Conrad Welzel
Governmental Affairs
and Planning Manager
15 years



George Bergeron
Toll Collector
13 years

began work on new facilities northbound in Gray and southbound in Cumberland. The Kennebunk service plazas originally were built in 1948, while the service plazas in Gray, Cumberland, Lewiston and Litchfield were built in 1954. The last system-wide renovation occurred in 1985 — when the number of vehicles traveling the Turnpike during the peak summer months of June, July and August totaled 7.7 million. Last year, more than 18.3 million vehicles traveled the highway over the same three-month period. The new service areas will feature improved auto and truck parking, updated fuel stations, a modern food court and other services to enhance customer experience and convenience. It is estimated the renovated facilities will generate an average of \$7 million per year in rental revenues for Turnpike road and bridge improvements over the next 30 years. The Kennebunk service plazas are due to open by Memorial Day 2007; doors will open on the new Gray and Cumberland plazas in mid-June. Plans are underway to replace the aging service plazas in Lewiston and Litchfield with a single full-service plaza in West Gardiner, just south of where I-295 and I-95 merge, providing convenient access to motorists on both highways.

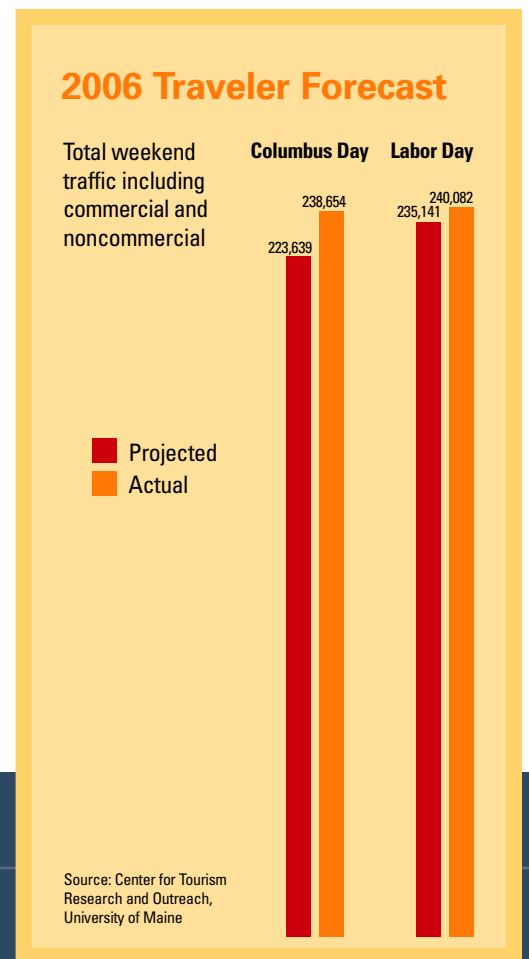


Construction began on new north and southbound service plazas at Kennebunk in the spring.

Forecasting tourism and traffic trends is at the heart of a research project at the University of Maine System Center for Tourism Research and Outreach (CENTRO). In 2006, the Maine Turnpike Authority teamed up with CENTRO to provide data that will enable researchers to generate forecasts of tourism activity for major holiday weekends through the year, as well as quarterly and annual forecasts that will provide information on Turnpike traffic, sales in the restaurant and lodging industries and employment in tourism related industries.

In addition to Turnpike traffic, researchers will factor in variables, such as fuel prices, weather conditions, and economic conditions in the region. CENTRO issued its first forecasts in time for the Labor Day weekend in 2006; the first quarterly and annual

forecasts were issued in November 2006. The project will continue through 2007.



Peter Merfeld
Chief Operating Officer
nine years



Gordon Knight
Toll Collector
17 years

Planning & Safety

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.

In 2006, thousands of residents, businesses and visitors participated in the Maine Turnpike's e-mail traffic alert program. This program issues e-mail notices regarding weather, traffic conditions, accidents and other incidents affecting traffic on the highway. The Turnpike also operates a network of 14 variable message signs (at seven mainline and seven interchange locations) and a highway advisory radio system (1610 AM) that keeps customers apprised of travel conditions on the highway.

In November 2006, the Maine Turnpike Authority board of directors voted unanimously to begin the legal, financial, environmental, engineering and public participation process that will determine if the Authority will add capacity to the highway between Mile 44 in Scarborough and Mile 53 in



Kurt Brown

Maintaining the highway means much more than pavement repair. A maintenance worker clears blow-downs on a highway sideslope.



Samuel Zaitlin
Turnpike Authority
Board Member
seven years

Park & Ride Lot Usage 2006

| Town | Location | Owner | Spaces Available | Spaces Occupied | Percent |
|-------------------------|-----------------------------------|----------|------------------|-----------------|------------|
| York | Chases Pond Rd., US-1 Connector | MaineDOT | 26 | 26 | 100% |
| Wells | Exit 19, adj. to Wells Trans Ctr. | MTA | 100 | 28 | 28% |
| Kennebunk | Exit 25, SB, on Rt. 35 | MTA | 52 | 21 | 40% |
| Biddeford | Exit 32, on Rt. 111 | MTA | 155 | 118 | 76% |
| Saco | I-195 Exit 1, Industrial Park Rd. | MaineDOT | 135 | 79 | 59% |
| Scarborough | Exit 42, adj. to toll plaza | MTA | 23 | 25 | 109% |
| South Portland | Exit 45, on Rt. 703 | MaineDOT | 111 | 22 | 20% |
| Portland | Exit 46, adj. to toll plaza | MTA | 68 | 33 | 49% |
| Westbrook | Exit 47 / Larrabee Rd. | MaineDOT | 91 | 50 | 55% |
| W. Falmouth | Exit 53, adj. to toll plaza | MTA | 19 | 16 | 84% |
| Gray | Exit 63, on US-202 | MTA | 74 | 74 | 100% |
| Auburn | Exit 75, on US-202 | MTA | 137 | 78 | 57% |
| Lewiston-1 | Exit 80 NB on Plourde Pkwy | MTA | 62 | 50 | 81% |
| Lewiston-2 | Exit 80 SB on Plourde Pkwy | MTA | 27 | 19 | 70% |
| W. Gardiner | Exit 102, near Rt. 126 | MTA | 54 | 44 | 81% |
| Total Usage 2006 | | | 1,134 | 683 | 60% |

Falmouth. The Authority was acting upon requests from the Maine Department of Transportation and the greater Portland Area Comprehensive Planning Committee. State, regional and local policymakers agree that maintaining a safe, efficient and convenient Turnpike is critical to relieving traffic pressures on local city streets, as well as on I-295 through Portland.

The Turnpike Authority and state and local planners are thinking ahead. If capacity is not added to the system, it is estimated that by

2010 three of the 12 north and south-bound highway segments between interchanges in the greater Portland area will operate at unstable or failing



Trooper Duane Doughty calls in a report during an evening patrol.

levels during peak traffic hours. By 2015, eight of the 12 segments will operate at unstable or failing levels. And by 2020, all but two of the segments are projected to operate at unstable or failing levels during peak hours, if no action to relieve congestion is taken.

The Authority will continue to work with local and state leaders, planners and citizens in 2007 to explore how to most effectively incorporate the Turnpike in the region's transportation network. The Authority also will perform a rigorous analysis of traffic management alternatives required by the Maine Sensible Transportation Policy Act (STPA).

This analysis will be critical to receiving the government and regulatory permissions required, if the Turnpike is to add capacity to the highway.

Maine State Police Troop B 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 B is involved in all aspects of safety and



Sandra Fuller
Toll Collector
19 years



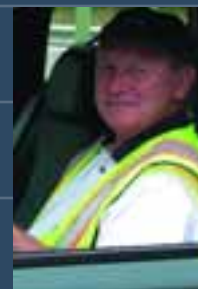
Jeff Lafrinea,
Highway Maintenance III
seven years



John White
Highway Maintenance III
29 years



Scott Redlon
E-ZPass Enforcement
Processor
18 years



Tom Naragon
Engineering Technician
19 years



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. In 2006, Troop B stepped up efforts to improve safety on the Turnpike focusing on several areas of concern: commercial vehicle safety violations, drivers operating after suspension (OAS) and those operating under the influence (OUI). Troop B officers checked more than 1,752 trucks in 2006, placing 394 vehicles out of service temporarily for safety violations. Stepped up enforcement increased OUI arrests by 19 percent over 2005. Officers increased speed enforcement at toll plazas and on the Turnpike's mainline, recording a 20 percent increase in speeding violations issued on the highway. Troop B also devoted significant efforts to criminal investigations within the Turnpike corridor. Troopers participated in 913 criminal investigations during 2006, including 195 investigations into drug trafficking.

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 partial funding of the GO MAINE commuter assistance program and the ZOOM Turnpike Express.

Spurred by unstable fuel costs, commuters participated in these programs in record numbers for the year. GO MAINE's active database of 3,250 commuters grew by 18 percent and logged 375 active carpools and 22 commuter vanpools for the year. The ZOOM Turnpike Express commuter bus, now in its eighth year of operation, experienced a 10 percent ridership increase. 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). In 2006, 56 percent of those spaces were occupied on a typical work day, representing a three percent increase over 2005.

The Maine Turnpike is one of only a few E-ZPass agencies to design, develop and own its electronic toll collection software, making system enhancements easier and more efficient.



Greg Sotir,
Communications
Dispatcher, 23 years



Becca Danforth
E-ZPass Customer
Service Representative
One year



The Maine Turnpike receives no state or federal tax dollars. It is a self-sufficient organization, funded entirely by the people who use the highway.



Randy Bubar
PC Programmer
five years



Frank Gregoire
Highway Maintenance III
two years

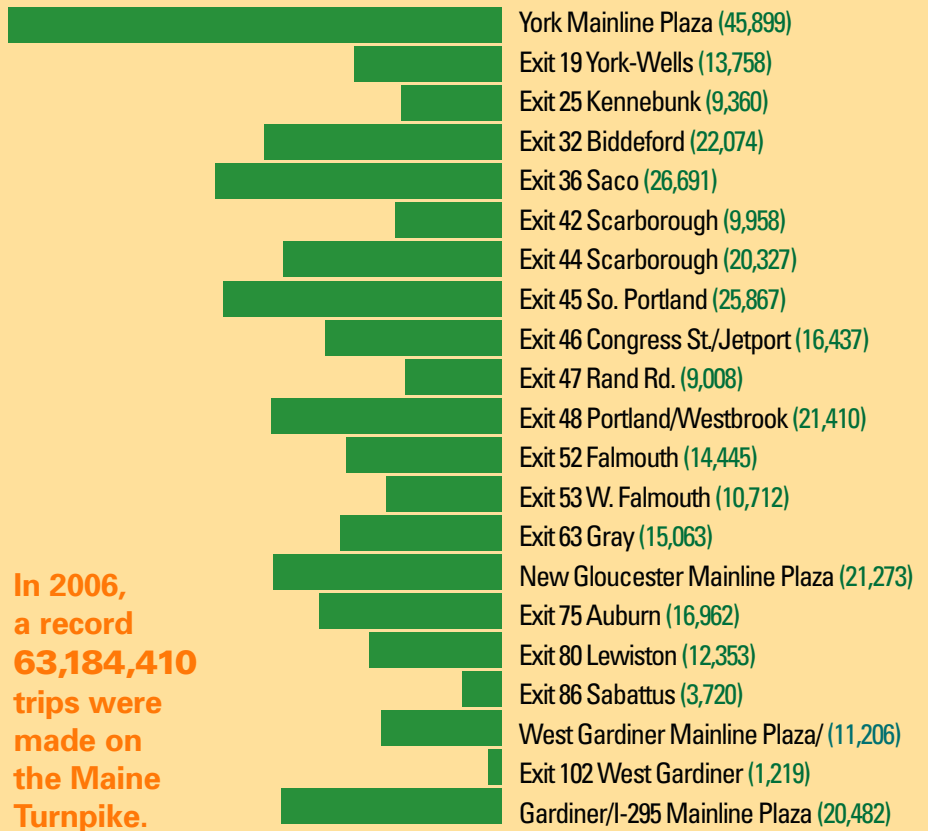
Traffic and Revenues

Traffic and revenues. A total of 79.3 million vehicle transactions were recorded on the Maine Turnpike in 2006, an increase of .68 percent over 2005 (76 million vehicle transactions). There were 1.293 billion vehicle miles traveled (VMT) on the highway, reflecting a .5 percent increase in VMT since 2005.

First quarter 2006 transactions increased 3.84 percent, then dipped by 2.08 percent during the second quarter, as travel was affected by a sluggish economy and a damp spring. The weather turned favorable in mid-July and continued into the fall with a colorful foliage season, ensuring steady traffic growth during the third (2.2 percent) and fourth quarters (2.1 percent). The Authority recorded an accompanying increase in revenues for 2006, collecting \$83.4 million in revenues for the year – a 2.98 percent annual increase over 2005.

Electronic toll collection continued to increase efficiency and convenience for Maine Turnpike customers. The Maine Turnpike Authority's *E-ZPass* program marked its one-year anniversary in February 2006. A report prepared for the Authority by the engineering firm HNTB Corp. concluded that the new system has improved accuracy, cost-effectiveness, customer convenience

2006 Average Daily Traffic Volumes



This chart shows the average daily number of vehicles that entered the Turnpike through each interchange, as well as the number of vehicles that passed in both directions through the mainline toll plazas at York, New Gloucester, West Gardiner and Gardiner/I-295.

and enforceability. The Authority launched the new *E-ZPass* program in February 2005, converting from Transpass, an earlier generation of electronic toll collection technology.

The new *E-ZPass* system is compatible with technology now operating at 44 toll facilities in 11 states, including New Hampshire, Massachusetts, New York, New Jersey and Pennsylvania.

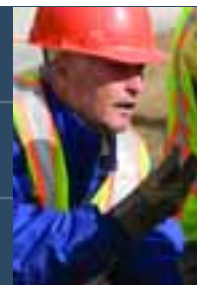
Kurt Brown



Scott Manison
Systems Analyst
four years



Steve Tarte
Director of Engineering
and Building Maintenance
six years



Pat Boudreau
Highway Maintenance III
26 years

Efficiency: The multi-state compatibility of *E-ZPass* has resulted in a 58 percent increase in electronic toll payments. That's more than 27,000 additional electronic payments per day, helping toll plazas operate more efficiently. Before *E-ZPass*, electronic tolls accounted for 24 percent of all transactions. That number has jumped to 38 percent under *E-ZPass*.

Accuracy: The system has met or exceeded all accuracy standards established by the installation contract, achieving accuracy rates of between 99.74 and 100 percent in each of six critical performance categories.

Enforcement: Improved accuracy has enabled the Authority to pursue system violators more confidently and aggressively. That, in turn, has steadily reduced the number of toll violations. Today, violations account for less than



In a 2006 survey, more than 91 percent of Maine Turnpike *E-ZPass* customers rated its customer service "good" or "excellent." The Turnpike is one of just a few *E-ZPass* agencies to operate its own customer service centers.

one percent of all toll transactions.

Revenue collection: The report found that more than 50 percent of all Turnpike toll revenue is now collected through electronic toll collection, a 69 percent increase over the previous year.

The Turnpike Authority continues to explore technology innovations that will increase the efficiency and convenience of toll collection on the highway, including a system that will allow *E-ZPass* travelers to pay their tolls while traveling at highway speed. In 2006, the Turnpike Authority voted to implement



Customers can manage their *E-ZPass* accounts online at a dedicated Maine Turnpike *E-ZPass* web site.

highway speed tolling at a new southern toll plaza when it replaces its aging York toll facility in 2010.



Shown here, one design option for a highway speed tolling facility being considered by the Turnpike.



Paula Salvaggio
Toll Collector
11 years



Paul Violette
Executive Director
18 years

The Maine Turnpike Authority Toll Revenue and Transaction Comparison 2006

| | Toll Revenue | | | | | Transactions | | | |
|-------------------------|----------------------|----------------------|---------------|---------------------|---------------------------|-------------------|-------------------|---------------|------------------|
| | 2006 | 2005 | % | Change | | 2006 | 2005 | % | Change |
| January | | | | | | | | | |
| Net Toll Revenue | 5,519,128.10 | 4,986,183.00 | 36.40% | 1,472,934.55 | Passenger | 3,942,274 | 4,738,871 | 5.52% | 206,403 |
| Volume Discount | (156,848.16) | (152,571.52) | 2.80% | (4,276.54) | Commercial | 595,899 | 599,190 | 23.07% | 111,700 |
| Commuter Revenue | 967,916.03 | 775,199.98 | 80.87% | 432,759.43 | Commuter | 782,893 | 670,175 | 13.39% | 90,114 |
| Net Fare Revenue | 6,330,195.97 | 4,428,778.63 | 42.93% | 1,901,417.34 | Non Revenue | 32,343 | 7,982 | 1272.79% | 29,887 |
| | | | | | Total Transactions | 5,333,409 | 4,896,205 | 8.95% | 438,204 |
| February | | | | | | | | | |
| Net Toll Revenue | 5,229,485.94 | 5,289,647.22 | -0.14% | (7,481.98) | Passenger | 3,734,321 | 3,946,484 | -5.65% | (223,571) |
| Volume Discount | (137,933.56) | (134,462.92) | 2.58% | (3,470.66) | Commercial | 562,544 | 537,689 | 2.77% | 14,906 |
| Commuter Revenue | 75,522.38 | 762,494.88 | -79.51% | (284,164.43) | Commuter | 693,305 | 175,000 | 40.00% | 216,996 |
| Net Fare Revenue | 5,194,478.71 | 5,489,595.78 | -5.38% | (295,117.07) | Non Revenue | 78,339 | 14,032 | -5.37% | (1,664) |
| | | | | | Total Transactions | 5,004,700 | 4,998,033 | 0.13% | 6,667 |
| March | | | | | | | | | |
| Net Toll Revenue | 6,186,375.23 | 5,916,835.11 | 3.82% | 216,137.22 | Passenger | 4,234,355 | 4,204,054 | 3.21% | 135,032 |
| Volume Discount | (159,110.22) | (127,531.42) | 24.76% | (31,578.80) | Commercial | 646,775 | 522,581 | 5.87% | 36,543 |
| Commuter Revenue | 88,533.33 | 71,889.58 | -35.98% | (11,472.40) | Commuter | 622,341 | 284,870 | 6.90% | 53,938 |
| Net Fare Revenue | 6,048,278.46 | 5,875,190.44 | 2.95% | 173,088.02 | Non Revenue | 13,989 | 38,532 | -24.01% | (8,810) |
| | | | | | Total Transactions | 5,861,664 | 5,644,961 | 3.84% | 216,703 |
| 1ST QUARTER | | | | | 1ST QUARTER | | | | |
| Net Toll Revenue | 16,965,263.47 | 15,263,673.68 | 11.00% | 1,681,589.79 | Passenger | 12,016,253 | 11,898,389 | 0.99% | 117,864 |
| Volume Discount | (453,891.96) | (414,565.96) | 9.49% | (39,326.10) | Commercial | 1,807,282 | 1,644,133 | 9.92% | 163,149 |
| Commuter Revenue | 1,061,579.63 | 924,457.03 | 14.83% | 137,122.60 | Commuter | 2,288,665 | 1,925,617 | 18.75% | 361,048 |
| Net Fare Revenue | 17,572,951.14 | 15,793,564.85 | 11.27% | 1,779,386.29 | Non Revenue | 89,573 | 70,060 | 27.85% | 19,513 |
| | | | | | Total Transactions | 16,199,773 | 15,538,199 | 4.26% | 661,574 |
| April | | | | | | | | | |
| Net Toll Revenue | 6,114,419.82 | 6,202,103.82 | -1.89% | (119,137.80) | Passenger | 4,212,321 | 4,956,184 | -1.96% | (87,229) |
| Volume Discount | (147,172.92) | (120,968.95) | 21.86% | (26,202.97) | Commercial | 622,573 | 497,527 | -2.50% | (15,945) |
| Commuter Revenue | 225,458.17 | 288,736.32 | 7.83% | 67,195.17 | Commuter | 734,699 | 739,297 | -0.63% | (4,674) |
| Net Fare Revenue | 6,992,737.88 | 7,030,883.48 | -1.11% | (78,145.60) | Non Revenue | 28,505 | 24,522 | 1.89% | 464 |
| | | | | | Total Transactions | 5,749,518 | 5,856,902 | -1.83% | (107,384) |
| May | | | | | | | | | |
| Net Toll Revenue | 6,123,194.82 | 6,665,184.99 | -1.47% | (101,396.18) | Passenger | 4,305,119 | 4,968,113 | -3.25% | (161,592) |
| Volume Discount | (165,719.71) | (143,557.88) | 15.43% | (22,157.73) | Commercial | 720,421 | 661,189 | 3.27% | 22,242 |
| Commuter Revenue | 265,527.53 | 288,736.32 | -37.76% | (48,470.68) | Commuter | 774,235 | 750,136 | 3.33% | 24,997 |
| Net Fare Revenue | 6,707,958.51 | 6,879,991.11 | -2.50% | (172,032.60) | Non Revenue | 29,333 | 38,593 | 5.27% | 1,364 |
| | | | | | Total Transactions | 6,213,545 | 6,426,535 | -1.76% | (112,990) |
| June | | | | | | | | | |
| Net Toll Revenue | 7,229,194.27 | 7,321,746.22 | -2.55% | (188,160.22) | Passenger | 5,210,151 | 5,276,134 | -3.01% | (161,615) |
| Volume Discount | (183,823.85) | (149,831.81) | 2.60% | (3,992.04) | Commercial | 728,584 | 738,824 | -0.88% | (8,240) |
| Commuter Revenue | 265,527.53 | 279,519.98 | -6.00% | (2,186.51) | Commuter | 770,220 | 783,464 | -1.46% | (11,389) |
| Net Fare Revenue | 7,074,193.97 | 7,268,432.74 | -2.67% | (194,238.77) | Non Revenue | 69,957 | 39,937 | 1.18% | 303 |
| | | | | | Total Transactions | 6,713,652 | 6,892,563 | -2.60% | (178,941) |
| 2ND QUARTER | | | | | 2ND QUARTER | | | | |
| Net Toll Revenue | 20,171,388.70 | 20,580,064.91 | -1.99% | (408,696.21) | Passenger | 14,383,182 | 14,803,619 | -2.77% | (410,437) |
| Volume Discount | (486,712.48) | (414,459.74) | 12.61% | (52,252.74) | Commercial | 2,028,033 | 2,027,976 | 0.00% | 57 |
| Commuter Revenue | 1,030,214.14 | 1,013,682.16 | 1.63% | 16,531.98 | Commuter | 2,277,263 | 2,268,349 | 0.39% | 8,934 |
| Net Fare Revenue | 20,734,890.36 | 21,179,307.33 | -2.10% | (444,416.97) | Non Revenue | 78,217 | 76,086 | 2.80% | 2,131 |
| | | | | | Total Transactions | 18,776,715 | 19,176,030 | -2.08% | (399,315) |
| YTD 6/30 | | | | | YTD 6/30 | | | | |
| Net Toll Revenue | 37,136,652.17 | 35,863,758.59 | 3.55% | 1,272,893.58 | Passenger | 26,409,435 | 26,702,008 | -1.10% | (292,573) |
| Volume Discount | (920,604.44) | (829,025.60) | 11.05% | (91,578.84) | Commercial | 3,835,315 | 3,672,109 | 4.44% | 163,206 |
| Commuter Revenue | 3,091,793.77 | 1,938,138.19 | 7.93% | 153,654.58 | Commuter | 4,563,948 | 4,193,966 | 8.82% | 369,982 |
| Net Fare Revenue | 38,307,841.50 | 36,972,872.18 | 3.61% | 1,334,969.32 | Non Revenue | 167,790 | 146,146 | 14.81% | 21,644 |
| | | | | | Total Transactions | 34,976,488 | 34,714,229 | 0.76% | 262,259 |

The Maine Turnpike Authority Toll Revenue and Transaction Comparison 2006

| Toll Revenue | | | | | Transactions | | | | |
|-------------------------|----------------------|----------------------|---------------|---------------------|---------------------------|-------------------|-------------------|--------------|----------------|
| | 2006 | 2005 | % | Change | | 2006 | 2005 | % | Change |
| July | | | | | July | | | | |
| Net Toll Revenue | 9,499,943.74 | 9,889,704.27 | -2.96% | (258,005.33) | Passenger | 3,469,320 | 3,913,293 | -2.82% | (187,753) |
| Volume Discount | (183,727.02) | (183,895.13) | -0.10% | 168.11 | Commercial | 976,821 | 978,894 | 0.09% | 627 |
| Commuter Revenue | 533,838.98 | 587,946.72 | 6.18% | 53,200.32 | Commuter | 979,420 | 989,020 | -2.34% | (18,185) |
| Net Fare Revenue | 9,159,632.07 | 9,384,208.97 | -2.18% | (204,576.90) | Non Revenue | 28,982 | 22,112 | 3.53% | 851 |
| August | | | | | August | | | | |
| Net Toll Revenue | 8,929,987.17 | 9,029,822.12 | -0.82% | (73,435.01) | Passenger | 3,677,408 | 3,780,247 | -1.22% | (82,439) |
| Volume Discount | (169,132.42) | (168,162.18) | 0.59% | (970.24) | Commercial | 743,346 | 738,888 | 1.03% | 7,580 |
| Commuter Revenue | 38,747.48 | 58,938.88 | -45.37% | (65,723.50) | Commuter | 121,319 | 120,187 | 1.02% | 7,432 |
| Net Fare Revenue | 8,766,102.10 | 8,906,239.85 | -1.57% | (146,128.75) | Non Revenue | 28,752 | 28,184 | 6.39% | 1,608 |
| September | | | | | September | | | | |
| Net Toll Revenue | 9,253,910.94 | 9,429,183.22 | 9.48% | 626,461.22 | Passenger | 3,278,120 | 3,128,882 | 2.96% | 151,458 |
| Volume Discount | (145,890.77) | (154,509.12) | -5.56% | 8,615.35 | Commercial | 875,241 | 967,020 | 1.23% | 8,221 |
| Commuter Revenue | 39,359.98 | 39,478.58 | 6.14% | 1,857.20 | Commuter | 138,948 | 144,523 | -2.16% | (16,175) |
| Net Fare Revenue | 7,137,992.32 | 6,601,048.55 | 9.80% | 436,943.77 | Non Revenue | 34,532 | 23,796 | 3.04% | 723 |
| 3RD QUARTER | | | | | 3RD QUARTER | | | | |
| Net Toll Revenue | 24,516,646.40 | 24,221,625.52 | 1.22% | 295,020.88 | Passenger | 18,421,672 | 18,540,408 | -0.64% | (118,738) |
| Volume Discount | (478,753.21) | (486,569.43) | -1.61% | 7,813.22 | Commercial | 2,095,414 | 2,078,986 | 0.79% | 16,428 |
| Commuter Revenue | 1,025,833.30 | 1,026,429.28 | -1.02% | (10,595.98) | Commuter | 2,146,604 | 2,171,533 | -1.15% | (24,929) |
| Net Fare Revenue | 25,063,726.49 | 24,771,485.37 | 1.18% | 292,238.12 | Non Revenue | 76,274 | 73,092 | 4.35% | 3,182 |
| October | | | | | October | | | | |
| Net Toll Revenue | 7,518,789.28 | 8,527,292.95 | 7.58% | 494,513.39 | Passenger | 3,387,331 | 4,044,434 | 3.32% | 162,587 |
| Volume Discount | (176,075.13) | (160,537.10) | 9.68% | (15,538.03) | Commercial | 309,130 | 440,144 | 6.64% | 43,042 |
| Commuter Revenue | 39,359.98 | 119,388.98 | -0.12% | (1,105.51) | Commuter | 277,359 | 257,145 | 2.58% | 19,583 |
| Net Fare Revenue | 7,758,695.06 | 7,280,825.31 | 6.56% | 477,869.75 | Non Revenue | 28,211 | 11,882 | 4.82% | 1,149 |
| November | | | | | November | | | | |
| Net Toll Revenue | 6,189,438.91 | 6,234,467.83 | 2.45% | 153,029.18 | Passenger | 4,383,220 | 4,911,730 | 1.45% | 65,482 |
| Volume Discount | (195,131.58) | (147,937.58) | 4.86% | (7,194.00) | Commercial | 623,041 | 620,187 | 2.05% | 12,754 |
| Commuter Revenue | 39,359.98 | 73,999.57 | -8.13% | (5,980.59) | Commuter | 726,926 | 729,105 | -0.30% | (2,193) |
| Net Fare Revenue | 6,299,989.70 | 6,160,140.60 | 2.27% | 139,849.10 | Non Revenue | 24,299 | 23,052 | -2.59% | (891) |
| December | | | | | December | | | | |
| Net Toll Revenue | 6,117,123.78 | 6,987,748.88 | 2.83% | 169,557.63 | Passenger | 4,694,271 | 4,399,402 | 2.17% | 95,349 |
| Volume Discount | (158,783.63) | (155,409.07) | 2.17% | (3,372.96) | Commercial | 648,121 | 643,027 | -0.83% | (3,006) |
| Commuter Revenue | 28,182.98 | 18,717.82 | 0.16% | 27.00 | Commuter | 754,421 | 747,187 | -1.44% | (10,734) |
| Net Fare Revenue | 6,009,645.75 | 5,843,438.68 | 2.84% | 166,207.07 | Non Revenue | 28,926 | 23,217 | -12.40% | (8,109) |
| 4TH QUARTER | | | | | 4TH QUARTER | | | | |
| Net Toll Revenue | 19,556,880.73 | 18,741,780.53 | 4.36% | 817,100.20 | Passenger | 14,135,012 | 13,811,584 | 2.34% | 323,418 |
| Volume Discount | (489,990.34) | (463,885.75) | 5.63% | (26,109.59) | Commercial | 1,925,058 | 1,874,268 | 2.71% | 50,790 |
| Commuter Revenue | 999,440.12 | 1,006,504.81 | -0.70% | (7,064.69) | Commuter | 2,238,691 | 2,232,035 | 0.30% | 6,656 |
| Net Fare Revenue | 20,066,330.51 | 19,284,404.99 | 4.97% | 783,925.92 | Non Revenue | 78,894 | 82,515 | -4.39% | (3,621) |
| YTD 12/31 | | | | | YTD 12/31 | | | | |
| Net Toll Revenue | 81,212,179.30 | 78,827,164.64 | 3.03% | 2,385,014.66 | Passenger | 58,966,119 | 59,054,010 | -0.15% | (67,891) |
| Volume Discount | (1,889,347.99) | (1,779,472.78) | 6.17% | (109,875.21) | Commercial | 7,855,787 | 7,625,363 | 3.02% | 230,424 |
| Commuter Revenue | 4,117,067.19 | 3,981,073.29 | 3.42% | 135,993.91 | Commuter | 8,949,243 | 8,597,534 | 4.09% | 351,709 |
| Net Fare Revenue | 83,439,898.50 | 81,028,765.14 | 2.98% | 2,411,133.36 | Non Revenue | 322,858 | 301,753 | 7.03% | 21,205 |
| | | | | | Total Transactions | 76,094,107 | 75,578,660 | 0.68% | 515,447 |

**Maine Turnpike Authority
Financial Statements**

December 31, 2006



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 2006 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. The financial statements of the Maine Turnpike Authority as of December 31, 2005 were audited by other auditors whose report dated March 3, 2006, expressed an unqualified opinion on those statements.

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 opinions.

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 results of operations 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, 2006, 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 28, 2007 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.

A handwritten signature in blue ink that reads "Runyon Kersteen Ouellette".

March 28, 2007
South Portland, Maine

MAINE TURNPIKE AUTHORITY
Statement of Assets, Liabilities and Retained Revenues
December 31, 2006

| ASSETS | |
|---|-----------------------|
| Physical structure | \$ 453,422,596 |
| Total physical structure | 453,422,596 |
| Capital Fund: | |
| Temporary investments: | |
| Series 2002 turnpike projects | 2,000 |
| Series 2004 turnpike projects | 1,298 |
| Series 2005 turnpike projects | 3 |
| Total capital fund | 3,301 |
| Revenue Fund: | |
| Cash on deposit: | |
| Revenue fund | 489,366 |
| Revolving account | 5,348 |
| Investments | 2,298,123 |
| Change fund for toll houses | 44,040 |
| Accounts receivable - tolls | 2,683,071 |
| Security deposit account | 163,893 |
| Total revenue fund | 5,683,841 |
| Debt Service Fund: | |
| Temporary investments: | |
| Interest account series 1994 | 270,975 |
| Interest account series 1997 | 202,799 |
| Interest account series 1998 | 1,281,479 |
| Interest account series 2000 | 407,905 |
| Interest account series 2003 | 1,288,605 |
| Interest account series 2004 | 2,810,753 |
| Interest account series 2005 | 1,939,261 |
| Principal account series 1994 | 49,549 |
| Principal account series 1997 | 1,736,294 |
| Principal account series 1998 | 22,612 |
| Principal account series 2000 | 2,685,978 |
| Principal account series 2004 | 3,494,294 |
| Principal account series 2005 | 115,373 |
| Total debt service fund | 16,305,877 |
| Reserve Maintenance Fund: | |
| Investments | 7,296,246 |
| Total reserve maintenance fund | 7,296,246 |
| General Reserve Fund: | |
| Investments: | |
| Maine Department of Transportation provision account | 233 |
| Interchange account | 9,298 |
| Improvement account | 4,643,139 |
| Subordinate debt - 1998 - debt service fund interest | 533,235 |
| Subordinate debt - 1998 - debt service fund principal | 1,403,241 |
| Prepaid Maine Department of Transportation transfers | 20,358,097 |
| Total general reserve fund | 26,947,243 |
| Total assets | \$ 509,659,104 |

MAINE TURNPIKE AUTHORITY
Statement of Assets, Liabilities and Retained Revenues (continued)
December 31, 2006

LIABILITIES

| | |
|--|--------------|
| Revenue bonds payable - Series 1994 | \$ 7,240,000 |
| Revenue bonds payable - Series 1997 | 7,460,000 |
| 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 | 111,600,000 |
| Revenue bonds payable - Series 2005 | 76,610,000 |
| Special obligation bonds payable - Series 1998 (refunding) | 21,935,000 |
| Deferred refunding costs | (11,627,350) |
| Accounts payable | 3,765,159 |
| Security deposits payable | 55,290 |
| Unearned revenue | 3,184,579 |
| Sales tax payable | 1,851 |
| Interest rate agreement - Series 2004 | (1,291,261) |

| | |
|--------------------------|-----------------------|
| Total liabilities | \$ 333,388,268 |
|--------------------------|-----------------------|

RETAINED REVENUES

| | |
|--|-------------|
| Retained revenues - December 31, 2005 | 170,308,818 |
| Transfer to Maine Department of Transportation (special obligation bonds debt service) | (2,463,548) |
| Net revenues for the year ended December 31, 2006 | 8,425,566 |

| | |
|--------------------------------|-----------------------|
| Total retained revenues | \$ 176,270,836 |
|--------------------------------|-----------------------|

| | |
|--|-----------------------|
| Total liabilities and retained revenues | \$ 509,659,104 |
|--|-----------------------|

See accompanying notes to financial statements.

MAINE TURNPIKE AUTHORITY
Statements of Revenues and Expenses
For the years ended December 31, 2006 and 2005

| | 2006 | 2005 |
|---|----------------------|-------------------|
| REVENUES | | |
| Operating revenues: | | |
| Net fare revenue | \$ 83,439,899 | 81,028,765 |
| Concession rentals | 2,597,593 | 2,593,682 |
| Miscellaneous | 637,011 | 384,241 |
| Total operating revenues | 86,674,503 | 84,006,688 |
| Investment income | | |
| Revenue fund | 144,088 | 81,685 |
| Reserve maintenance fund | 500,136 | 133,566 |
| Improvement account | 81,807 | 7,738 |
| Interchange account | 424 | 246 |
| Maine Department of Transportation account | 11 | 6 |
| Total investment income | 726,466 | 223,241 |
| Total revenue | \$ 87,400,969 | 84,229,929 |
| EXPENSES | | |
| Operating expenses: | | |
| Administrative and general | 2,796,910 | 2,209,331 |
| Accounting and data processing | 3,223,889 | 942,607 |
| Highway maintenance | 5,665,009 | 6,048,869 |
| Equipment maintenance | 2,321,001 | 2,346,582 |
| Fare collection | 14,805,949 | 14,481,931 |
| Patrol and dispatch | 6,010,344 | 5,242,940 |
| Building maintenance | 1,165,499 | 1,187,393 |
| Total operating expenses | 35,988,601 | 32,459,653 |
| Reserve maintenance fund expenditures | 26,927,914 | 20,898,771 |
| Net operating revenues | \$ 24,484,454 | 30,871,505 |
| Investment income (expense) on non-operating investments: | | |
| Capital fund | 473,969 | 464,889 |
| Debt service fund interest accounts | 312,598 | 164,207 |
| Debt service fund principal accounts | 225,861 | 124,069 |
| Amortization of refinancing costs | (673,908) | (111,867) |
| Total investment income on non-operating investments | 338,520 | 641,298 |
| Interest expense | 16,397,408 | 15,313,157 |
| Net revenue | \$ 8,425,566 | 16,199,646 |

See accompanying notes to financial statements.

MAINE TURNPIKE AUTHORITY
Notes to Financial Statements
December 31, 2006

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 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:

- **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.

MAINE TURNPIKE AUTHORITY
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 and March 24, 2005) 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.

MAINE TURNPIKE AUTHORITY
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, 2006, 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.

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 12/31/06 |
|------------------------------------|------------------|------------------|------------------|-----------------------|
| 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 % | 7,460,000 |
| 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 % | 15,485,000 |
| 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 % | 111,600,000 |
| Series 2005 | 76,715,000 | 7/1/2006 - 2030 | 3.00-5.125 % | 76,610,000 |
| Total revenue bonds payable | | | | \$ 317,365,000 |

MAINE TURNPIKE AUTHORITY
Notes to Financial Statements, Continued

REVENUE BONDS, CONTINUED

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

| | Principal | Interest | Total debt service |
|---------------|-----------------------|--------------------|-----------------------|
| 2007 | \$ 7,950,000 | 16,101,801 | 24,051,801 |
| 2008 | 8,360,000 | 15,758,601 | 24,118,601 |
| 2009 | 8,875,000 | 15,268,051 | 24,143,051 |
| 2010 | 9,660,000 | 14,730,316 | 24,390,316 |
| 2011 | 11,390,000 | 14,232,919 | 25,622,919 |
| 2012-2016 | 65,740,000 | 62,175,054 | 127,915,054 |
| 2017-2021 | 62,935,000 | 44,822,377 | 107,757,376 |
| 2022-2026 | 66,285,000 | 29,562,481 | 95,847,481 |
| 2027-2031 | 69,130,000 | 11,163,150 | 80,293,150 |
| 2032-2033 | 7,040,000 | 532,250 | 7,572,250 |
| Totals | \$ 317,365,000 | 224,347,000 | 541,712,000 |

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; and March 24, 2005.

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.

| Issue | Amount issued | Maturity date | Interest rate | Balance 12/31/06 |
|---|------------------|------------------|------------------|----------------------|
| Series 1998 | \$ 31,230,000 | 7/1/1999 - 2018 | 3.70-5.00% | 21,935,000 |
| Total special obligation bonds payable | | | | \$ 21,935,000 |

MAINE TURNPIKE AUTHORITY
Notes to Financial Statements, Continued

SPECIAL OBLIGATION BONDS, CONTINUED

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

| | Principal | Interest | Total debt service |
|---------------|----------------------|------------------|-----------------------|
| 2007 | \$ 1,400,000 | 1,064,588 | 2,464,588 |
| 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 |
| 2012-2016 | 9,680,000 | 2,645,750 | 12,325,750 |
| 2017-2018 | 4,585,000 | 346,750 | 4,931,750 |
| Totals | \$ 21,935,000 | 7,653,965 | 29,588,965 |

RETIREMENT PLAN

Plan description – The Authority participates in the Maine State Retirement System, a multiple-employer defined benefits 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 at an actuarially determined rate. The current rate is 4% of employee earned compensation.

The Maine Turnpike Authority's contributions to MSRS were approximately \$1,114,370 and \$1,084,627 for the years ended December 31, 2006 and 2005, 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 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

James A. MacLeod, Esq., *Senior Vice President and Trust Officer, Bangor Savings Bank, Bangor Maine Turnpike Authority*

GENERAL LEGAL COUNSEL

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AUDITOR

Gregory J. Chabot, CPA, *Principal, Runyon Kersteen Ouellette, South Portland, Maine*

Kelly L. Roberts 2006 Joseph Sayward Award

Kelly L. Roberts' career at the Maine Turnpike spans an information and technology revolution, during which the Turnpike went from the old paper ticket system to become a leader in electronic toll collection. Kelly began working for the Maine Turnpike Authority in 1985 as a temporary toll collector. In the 21 years since, she has worked in accounting, personnel and, most recently, in the information services group where she is manager of application development. In the late 1980s, as a self-taught programmer, she designed the Authority's payroll, purchasing, human resources, accounts receivable and budget programs – programs that form the backbone of Turnpike operations. (She has since earned a bachelors degree in computer science from the University of Southern Maine and begun work toward her masters.) Robert's crowning professional achievement to date is the smooth conversion to *E-ZPass* in 2005. The Maine Turnpike Authority was the first agency in the nation to successfully convert from one technology to another. It was a remarkable achievement, and Roberts and her team deserve much of the credit for their foresight, careful planning, creativity and dedication. Roberts' leadership and personal contributions to the Maine Turnpike exemplify the commitment to excellence and service that the legacy of Joseph Sayward, the Maine Turnpike Authority's first chairman, and this annual award represent.



Kelly Roberts



Kurt Brown

Maine Turnpike employees welcome Lt. Col. John Branscom (fifth from right) during a brief furlough. The Turnpike Authority has been recognized by the National Guard for its support of employees serving overseas. Lt. Col. Greg Lembach and Capt. Scott Lewis also participated in the "home town engagement."

National Guard Employer Support Freedom Award

In 2006, the Maine Turnpike Authority received the National Guard Employer Support Freedom Award for the support the agency and its employees has shown for Maine troops serving in the Middle East. The Authority was nominated for the award by Lieutenant Colonel John Branscom, the Turnpike’s environmental services coordinator. Branscom, a member of Maine’s National Guard, has been serving with the 240th Engineering Group in Afghanistan. The Turnpike Authority’s support began several years

ago, when Executive Director Paul Violette coordinated a joint contribution of \$15,000 worth of phone calling cards from general contractors who had worked on Turnpike projects. Since then Turnpike employees have bundled a number of “care packages” for the troops, including cases of beef jerky, a favorite treat for soldiers on patrol.



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