$46.9 million in capital improvements and maintenance **3** major bridge rehab projects **54** lane miles paved
$6.2 million in operating budget savings
CO_2 emissions reduced by **36** tons
72.6 million vehicle transactions

2009 Maine Turnpike Authority Annual Report

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Capital Investment

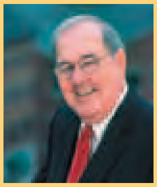
$617

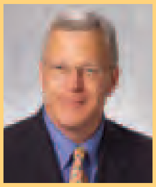
million in capital investments over the next decade will serve

1.1 **billion travelers and support**

9,000

private sector, construction-related jobs


Gerard P. Conley, Sr.


Paul E. Violette

One hundred and nine miles. One hundred and seventy-six bridges. Nineteen interchanges. Seventy-two million vehicle transactions per year.

When you look at the sheer numbers involved, maintaining and operating Maine's most important highway is an enormous responsibility.

To fulfill this responsibility, the Authority develops and maintains a comprehensive, long-range business and capital improvement plan that looks out five, 10 and 20 years into the future. The plan encompasses the full spectrum of Maine Turnpike commitments, from pavement maintenance and bridge rehabilitation to 24-hour Maine State Police coverage, *E-ZPass* technology upgrades and environmental innovations. The plan also ensures public accountability and harmony with Maine's overall transportation goals.

The Maine Turnpike is a major contributor to the state's economy – first as a carrier of visitors, goods and services and, secondly, as a generator of well-paying, private sector highway and bridge construction jobs. Over the next 10 years, the Authority will make capital investments of $617 million to preserve this vital economic connection for the state, and in doing so, will serve 1.1 billion travelers and support more than 9,000 private sector, construction-related jobs in the local economy.

In closing, we would like to thank Governor Baldacci, the Maine Legislature, our colleagues on the Turnpike Authority board, community leaders, our employees, contractors and especially our customers who helped make 2009 a safe and successful year.

Sincerely,

Gerard P. Conley, Sr.
Chairman

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. It was charged with the task of constructing and maintaining a user fee highway that, in the six decades since, has become the lifeline of Maine's economy.

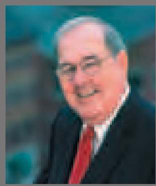
The initial 45-mile length of the Maine Turnpike from Kittery to Portland was completed in 1947. It was the first "superhighway" in New England and only the second modern toll highway built in the United States. A 64-mile extension between Portland and Augusta, including a three-mile spur in Falmouth, was completed in 1955.

The 109-mile Maine Turnpike includes 65 miles of divided four-lane and 44 miles of divided six-lane highway, 176 bridges, 19 interchanges, 19 toll plazas, seven maintenance facilities, five service plazas, and an administration and public safety building. The Maine Turnpike continues to be the state's most important economic artery, handling an average of 199,000 vehicle transactions daily and a total of 72.6 million vehicle transactions in 2009.

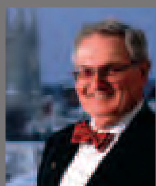
A seven-person board, appointed by Maine's governor and confirmed by the Maine Senate, governs the Maine Turnpike Authority. This board oversees maintenance, construction, operation, finance and management of Maine's most traveled highway.

Maine Governor Edmund S. Muskie cuts the ribbon opening the Portland-to-Augusta extension in 1955.

Maine Turnpike Authority Board of Directors



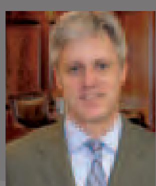
Gerard P. Conley, Sr.
Chairman
Retired, Chairman, Maine Unemployment Compensation Commission
Former President, Maine Senate
Residence: Portland, Cumberland County



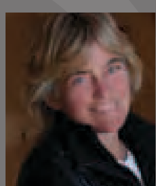
Lucien B. Gosselin
Vice Chairman
President, Lewiston/Auburn Economic Growth Council
Residence: Lewiston, Androscoggin County

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

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



Thomas B. Federle
Member
Attorney
Residence: Hallowell, Kennebec County



Diane M. Doyle
Member
President, Doyle Enterprises
Residence: Saco, York County

Bruce Van Note
Member Ex-Officio
Deputy Commissioner, Maine Department of Transportation
Residence: Topsham, Sagadahoc County

Bridges

80 of 176 bridges have been rehabilitated since 1995

50 more will be rehabbed and repaired by 2019

Capital improvements

The Maine Turnpike Authority follows a long-term business plan that enables it to perform timely and critical repairs to protect its investment in the highway, bridges and its buildings. During 2009, the Authority conducted $46.9 million in capital improvement and maintenance projects to keep the Maine Turnpike safe and efficient.

Bridge rehabilitation

Bridge rehabilitation continues to be a priority for the Maine Turnpike Authority. The Authority oversees the maintenance and repair of 176 bridges within the highway corridor. Two decades ago, with many of its bridges approaching the end of their structural lifespan, the Turnpike embarked on a major bridge rehabilitation program. Eighty of the 176 bridges have been completed, and 50 more will be tackled over the next 10 years.

In 2009, the Maine Turnpike Authority had three major bridge rehabilitation projects under way: one in Lewiston and two on the spur that connects U.S. Route 1 and I-295 in Falmouth.

T-Buck Construction of Auburn, Maine, began work on the Lisbon Street Bridge at Mile 81 in Lewiston in June 2009. The $6 million rehabilitation includes removal, replacement and widening of the north and southbound bridge decks; new guardrails and concrete parapets; new steel beams; and restoration of the existing concrete piers. The bridge is due for completion in summer 2011.

Technical Construction of Turner, Maine, has been on the site of a major $4.4 million two-bridge rehabilitation project on the Falmouth Spur. Construction began on the bridges, originally built in 1955, in June 2009. Reconstruction requires substantial repair to the concrete bridge abutments and bridge decks. Each bridge deck will be stripped down to the bare metal bridge beams, the concrete decks will be replaced and new concrete parapets installed. To improve safety, crews also will add a 10-foot shoulder supported by two new piers to the Maine Central Railroad bridge. Work on the bridges is due to be complete in late 2010.

New piers will support a wider bridge over the Maine Central Railroad in Falmouth.

Maine Turnpike Bridge Rehabilitation & Construction 2000 - 2009

Project	Mile
2000	
Stevenstown Road Underpass	96.5
2001	
Captain Thomas Road Underpass	14.8
B&M Railroad Overpass (NB)	19.0
Route 109 Overpass (NB)	19.1
Exit 19 Overpass (NB)	19.3
Mousam River Overpass	25.0
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[1]	47.3
Rand Road Connector Underpass[1]	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 Underpass	46.4
South Main Street Underpass	77.6
Cobbosseecontee Stream Overpass	99.2
2008	
Mayall Road Underpass	67.0
2009[2]	
Blackstrap Road Overpass	Falmouth Spur
ME Central Rail Overpass (EB)	Falmouth Spur
ME Central Rail Overpass (WB)	Falmouth Spur
Lisbon Street Overpass (NB)	81.4
Lisbon Street Overpass (SB)	81.4

1 New construction.

2 All 2009 bridge projects are scheduled to be completed in 2011.

Paving

523

lane miles from Kittery to Augusta

54

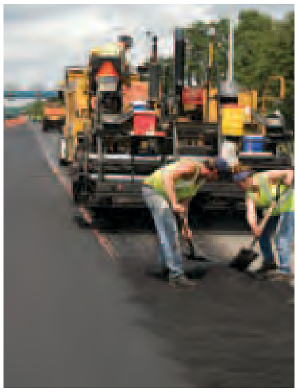
lane miles resurfaced in 2009

350

lane miles will be resurfaced during the next 10 years

Pavement rehabilitation

Pavement rehabilitation is a priority of the Maine Turnpike Authority's 20-year business and capital improvement plan. Like a roof on a house, pavement serves to protect the valuable highway substructure beneath the roadway surface. Studies show that proper and timely pavement maintenance can result in major cost savings and significantly extend the life of the highway. On average, the Maine Turnpike Authority repaves all sections of the highway every 12 to 15 years.



Paving along one of the Turnpike's busiest sections.

In 2009, Pike Industries of Westbrook, Maine, resurfaced 9.1 miles of the highway – a total of 54 lane miles – between Mile 35 in Saco and Mile 44 in Scarborough. The $5.6 million project, spanning a section of highway that averages more than 70,000 vehicles per day during the construction season, was completed on time and under budget, despite an unusually wet spring during the early phases of the project. In June alone, 8.3 inches of rain fell, creating challenging conditions for the paving crews. A strategic change suggested by the contractor early in the project saved the Authority $500,000 by incorporating recycled asphalt pavement into the surface mix.

Administration and public safety building

In April 2009, the Maine Turnpike Authority consolidated operations at a new administration and public safety building in Portland. The new energy saving building houses Turnpike administrative staff and *E-ZPass* customer service staff at a single, efficient and accessible location. Also, Maine State Police Troop G, the 34-member force funded entirely by the Authority, now operates 24 hours a day, seven days a week from a secure, modern command center at the new building.

Previously, administration, *E-ZPass* and Turnpike public safety operations were spread among four different locations, two owned by the Authority, two leased and all in need of extensive investment and renovation. By consolidating operations in a single location and discontinuing the practice of leasing space and renovating leased space, the Authority projects millions of dollars in savings and equity gains over the next 20 years. Additionally, with easy access to the Turnpike at Exit 46 in Portland, the building is more convenient for customers visiting the *E-ZPass* Customer Service Center, attending public meetings and meeting with staff.

The building was designed and built to Leadership in Energy and Environmental Design (LEED) specifications by SMRT Architects and Wright Ryan Construction, both of Portland, Maine. It is only the 41st building in the state of Maine to achieve LEED certification.

The Turnpike's new administration and public safety building in Portland is LEED-certified.

Pavement Rehabilitation & Expansion

2000-2009

Location	Mile
2000	
Ogunquit-Wells (new NB and SB lanes)	13-19
Scarborough (new NB and SB lanes)	42-44
Litchfield	89-93
2001	
Kennebunk	27-30
Saco-Scarborough (new NB and SB lanes)	36-44
2002	
W. Gardiner-Augusta (travel lanes)	102-109
Wells-Kennebunk (new NB and SB lanes)	19-23
Biddeford-Saco (new NB and SB lanes)	31-36
2003	
Kennebunk-Biddeford	23-25
Kennebunk-Biddeford (new NB and SB lanes)	23-25
Cumberland-Gray (NB lanes)	56-59
New Gloucester-Auburn	68-75
2004	
Kennebunk	25-27
Kennebunk-Arundel (new NB and SB lanes)	25-31
Litchfield-Gardiner	98-102
W. Gardiner-Augusta (passing lanes)	102-109
2005	
Cumberland-Gray (NB lanes)	57-64
Sabattus	85-89
2006	
Auburn-Lewiston	75-81
Lewiston (ramps)	Exit 80
2007	
Gray-New Gloucester	64-68
Saco (ramps)	Exit 36
2008	
Cumberland-Gray (SB lanes)	57-64
Lewiston-Sabattus	80-85
Gardiner (ramps)	Exit 102
Gardiner (ramps and toll plaza)	Exit 103
2009	
Saco-Scarborough	35-44

Maintenance

67
inches of snowfall

21,964
man-hours devoted to snow removal

De-icing material storage capacity increased by
6,600 tons

Highway 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 is 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.

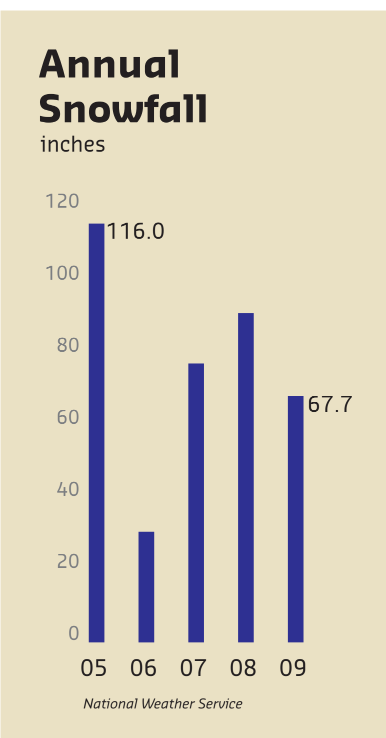
Turnpike snow removal crews spent plenty of long days and nights keeping the highway clear and safe during 2009. An average of 67.7 inches of snow fell in Turnpike corridor communities, slightly more than the region typically experiences during the winter and fall seasons. January was the stormiest month, with more than 25.8 inches of snow recorded in Kennebunk, 28 inches in Portland, 25.6 inches in Lewiston and 27.5 inches in Augusta.

In all, Turnpike maintenance crews devoted 21,964 man hours to snow removal operations.

Salt and sand storage

In 2009, the Maine Turnpike Authority replaced the aging salt and sand storage facilities at the Litchfield and Gardiner maintenance centers. Together, the 6,700-square-foot facility in Litchfield and the 2,800-square-foot facility in Gardiner, along with an existing facility in Gardiner, have the capacity to hold 7,200 tons of winter de-icing material – 6,600 tons more than the previous capacity and enough to supply the northern section of the Maine Turnpike for an entire Maine winter. The expanded storage capacity reduces the risk of running low on de-icing materials during harsh Maine winters, as well as gives the Turnpike Authority the ability to purchase materials when market prices are lower.

A new Gardiner winter maintenance facility will improve Turnpike crews' ability to battle snow and ice on the highway.



Environmental initiatives

The Maine Turnpike Authority in 2009 invested in technology and programs to help improve fuel efficiency and reduce the "carbon footprint" for both Turnpike operations and our customers through support of fuel-efficient commuter modes including carpools, vanpools and commuter buses, the construction of a truck stop electrification facility and adoption of eco-friendly fuels.

Investing in alternatives

The Maine Turnpike Authority's alternative modes programs and traffic demand management program are part of the agency's commitment to pursuing environmentally friendly policies and services. These programs include operation of park & ride lots and support of carpools, vanpools and transit through co-funding of the GO MAINE commuter assistance program and the ZOOM Turnpike Express with the MaineDOT.

More than 38,000 commuters rode the ZOOM Turnpike Express in 2009.

With a slow economy putting pressures on personal incomes in Maine, the GO MAINE commuter assistance program continued to grow. In the period from January 1 to December 30, 2009, GO MAINE's database grew by 12 percent to 7,960 commuters. The program logged 509 active carpools and 39 commuter vanpools for the year. The ZOOM Turnpike Express commuter bus, now in its 11th year of operation, carried a total of 38,831 passengers in 2009. That was a decrease of 18 percent from a record high of 47,155 passengers in 2008. The drop was the likely result of declining fuel prices and regional job losses due to the recession.

The Turnpike also maintains and operates 15 park & ride lots from York to West Gardiner with a total of 1,134 available spaces (four of the lots are owned by MaineDOT). In 2009, the lots operated at 58 percent capacity – the second highest level of occupancy during the past decade.

Environmental Innovations

88,213

gallons B-5 biofuel

C02 emissions reduced by nearly

36

tons and particulate matter reduced by nearly

30

pounds

Energy savings

One new environmental initiative was launched by the Turnpike in 2009, with the assistance from a $1.2 million National Clean Diesel Funding Assistance Program grant from the U.S. Environmental Protection Agency. The Authority began work to retrofit 30 commercial truck parking spaces at the West Gardiner Service Plaza with electrical equipment that will allow truckers to use their heating, cooling and ventilation systems without running their engines. The project, funded under the American Recovery & Reinvestment Act, will help reduce particulate matter, nitrogen oxides, hydrocarbons and carbon dioxide. Depending on the price of diesel fuel, truckers will save approximately $20 for every 10 hours of rest area stopover.

In another energy saving initiative, the Authority began installing anti-idling cab heaters in its fleet of plow trucks. The new energy-efficient heaters allow drivers to take a break and shut their engines down during the course of a long winter snowstorm without losing heat inside the cab. The new heating units run on DC electricity powered by the vehicle's battery and fuel drawn from the trucks own fuel tank. They are extremely fuel efficient and reduce emissions.

Also in 2009, the Authority's maintenance fleet went green and lean, expanding a biodiesel program first tested in 2008 to include 70 percent of the Turnpike's maintenance vehicles. During the course of the year, the fleet used 88,213 gallons of B-5 biofuel. The switch resulted in a C02 emission reduction of nearly 36 tons and a reduction in particulate matter of nearly 30 pounds.

E-ZPass electronic tolling

E-ZPass electronic toll collection continues to be popular among Maine Turnpike customers and accounted for more than 41 million transactions during 2009 and 57 percent of all transactions during the year. While the number of drivers enrolling in the program increased by 16 percent to 183,582 over the year, the average number of transactions for each *E-ZPass* tag issued has continued to decline. This trend indicates the market of frequent Maine Turnpike users has been fairly well saturated over the past 12 years. Most new accounts are being opened by those who use the Turnpike once a week or less. While *E-ZPass* sign-ups continue to be brisk (nearly 464 new customers per week), the total number of actual *E-ZPass* transactions is projected to grow by less than 2 percent each year over the next decade.

York Toll Plaza

In November of 2009, the Maine Turnpike Authority's general engineering consultant (GEC) presented the findings and recommendations of Phase 1 of the Southern Toll Plaza Replacement Study. Built in 1969, the York Toll Plaza is currently operating 15 years beyond its expected structural lifespan. The plaza's age, location and deteriorating condition has diminished the safety of the plaza for both motorists and employees. It requires constant and costly repairs and has become increasingly inefficient to operate.

The Turnpike Authority is planning to replace the old plaza with a new facility that will accommodate both open road tolling and cash toll collection. Open road tolling will enable *E-ZPass* users to pay their tolls by passing beneath a sensor at 55-65 mph. Cash lanes would still be available for the significant number of occasional Turnpike users, particularly tourists, who do not have *E-ZPass* or come from states where it is not available. Open road tolling would improve traffic flow by allowing more than half of the traffic to maintain normal highway speeds. It would also enhance safety at the plaza by separating moving *E-ZPass* traffic from cash paying traffic that must stop at a tollbooth.

The GEC recommended four options to be advanced for further consideration: construction of a new toll plaza at (1) the existing location of the plaza at Mile 7.3, (2) an alternative location at Mile 8.7, (3) an alternative location at Mile 9.1, and (4) a "no build" option required by the environmental permitting process.

A new toll plaza design with a smaller footprint would allow any one of the recommended options to be constructed without displacing homes and minimizes environmental and property impacts.

Once approved by the Authority, the findings of the Phase 1 Report will be submitted to the U.S. Army Corps of Engineers (USACE) for review. If the USACE concurs with the findings and recommendations of the study, the Authority and the GEC will launch Phase 2 of the study, a more intensive investigation of the four options with the goal of identifying a preferred alternative. The preferred alternative again will be submitted to the USACE for review. The USACE will then name what it has determined to be the Least Environmentally Damaging Practicable Alternative (LEDPA). Only the LEDPA may be submitted for environmental permitting. The Authority anticipates completing the environmental permitting process in 2011, beginning construction in 2012 and opening the new plaza in 2014.

With open road tolling, *E-ZPass* customers will pay tolls at normal highway speeds by passing beneath a canopy with sensors (photo simulation).

Budget and Revenue

Technology and efficiency saved

$6.2

million from the operating budget

2.5

percent decrease in annual Turnpike traffic

Average *E-ZPass* discount increased to 29 percent

Traffic, budget and revenue

A total of 72.6 million vehicle transactions were recorded on the Maine Turnpike in 2009, a decrease of 2.47 percent compared to 2008 (74.5 million vehicle transactions). The struggling economy and a soggy start to the traditionally strong summer tourist season all contributed to the decline.

Turnpike traffic figures reflect major uncertainty in the state and regional economy. Traffic transactions declined during the first (-5.4 percent) and second quarters (-3.5 percent) compared to the previous year before leveling during the third quarter (-.2 percent) and falling again in the fourth quarter (-1.5 percent). In order to reduce the impact of declining revenue and the rising cost of capital improvement programs, the Authority has made significant reductions in the Turnpike's legislatively approved operating budgets. Through technology advancements, efficiencies, budget cuts and staff reductions, the Turnpike Authority achieved operating budget savings of $6.2 million in 2009, extending a two-year trend that saw $5.0 million in savings in 2008 and $1.6 million in savings in 2007. The operating budget savings were redirected to essential capital improvement projects.

Although these budget reductions were significant, rising construction and highway maintenance costs, necessitated action to increase revenues. To keep pace with rising costs, the Authority approved a toll adjustment in December of 2008 that went into effect on February 1, 2009. Following the recommendations of a Citizen's Advisory Committee on Toll Rates, the new toll structure was designed to minimize increases for Maine *E-ZPass* users, who tend to be regular users of the Turnpike. (Most Maine *E-ZPass* users saw an increase, but it was lower than that experienced by cash paying customers.)

Under the toll adjustment, the cash toll price to enter the Turnpike at side interchanges increased from 60 cents to $1. The cash toll at the York mainline plaza increased from $1.75 to $2, the New Gloucester mainline plaza from $1.25 to $1.75 and the West Gardiner plaza from $1 to $1.25. The cash toll for traveling the entire length of the Turnpike became $5 or 4.7 cents per mile.

The toll adjustment enhanced the savings and equity offered by *E-ZPass*. The number of Maine *E-ZPass* Turnpike movements receiving a toll discount increased from 35 percent to 51 percent. The average *E-ZPass* discount increased from 12 percent to 29 percent.

As a result of the toll adjustment, 2009 revenues increased by 23.5 percent compared to 2008, totaling $100.7 million for the year. Revenues were up by 11.1 percent in the first quarter, 24 percent in the second quarter, 29 percent in the third quarter, and 28 percent in the fourth quarter.

Quarterly Vehicle Transactions 2007 – 2009

From the highs of 2007, total transactions for 2008 were down 2.76% and continued to drop another 2.47% in 2009

Operating budget savings

	Budgeted	Actual	Saved
2007	**$39.03 m**	**$37.47 m**	**$1.56 m**
2008	**$42.76 m**	**$37.79 m**	**$4.97 m**
2009	**$44.28 m**	**$38.11 m**	**$6.17 m**

Through new technologies, efficiencies and staff reductions the Authority has saved a total of $12.7 million from its legislatively approved operating budgets over the last three years. Nearly $6.2 million was saved from the 2009 operations budget. Each year these savings have been directed to essential highway and bridge projects.

Maine Turnpike Authority
Toll Revenue and Transaction Comparison 2009

Cash Basis Presentation

Toll Revenue	2009	2008	%	Change
January				
Net Toll Revenue	5,131,289.76	5,628,871.44	-8.84%	(497,581.68)
Volume Discount	(132,487.65)	(155,948.67)	-15.04%	23,461.02
Commuter Revenue	1,117,704.91	955,186.26	17.01%	162,518.65
Net Fare Revenue	**6,116,507.02**	**6,428,109.03**	**-4.85%**	**(311,602.01)**
February				
Net Toll Revenue	6,309,344.21	5,356,831.42	17.78%	952,512.79
Volume Discount	(128,445.53)	(138,575.52)	-7.31%	10,129.99
Commuter Revenue	173,042.80	71,782.35	141.07%	101,260.45
Net Fare Revenue	**6,353,941.48**	**5,290,038.25**	**20.11%**	**1,063,903.23**
March				
Net Toll Revenue	7,062,932.41	5,885,568.92	20.00%	1,177,363.49
Volume Discount	(145,496.89)	(150,392.80)	-3.26%	4,895.91
Commuter Revenue	28,391.55	27,534.65	3.11%	856.90
Net Fare Revenue	**6,945,827.07**	**5,762,710.77**	**20.53%**	**1,183,116.30**
1ST QUARTER				
Net Toll Revenue	18,503,566.38	16,871,271.78	9.67%	1,632,294.60
Volume Discount	(406,430.07)	(444,916.99)	-8.65%	38,486.92
Commuter Revenue	1,319,139.26	1,054,503.26	25.10%	264,636.00
Net Fare Revenue	**19,416,275.57**	**17,480,858.05**	**11.07%**	**1,935,417.52**
April				
Net Toll Revenue	7,589,368.74	6,178,643.15	22.83%	1,410,725.59
Volume Discount	(143,549.55)	(147,898.64)	-2.94%	4,349.09
Commuter Revenue	1,134,319.92	900,704.54	25.94%	233,615.38
Net Fare Revenue	**8,580,139.11**	**6,931,449.05**	**23.79%**	**1,648,690.06**
May				
Net Toll Revenue	8,437,392.99	6,872,633.28	22.77%	1,564,759.71
Volume Discount	(154,244.47)	(152,706.21)	1.01%	(1,538.26)
Commuter Revenue	131,291.00	91,225.85	43.92%	40,065.15
Net Fare Revenue	**8,414,439.52**	**6,811,152.92**	**23.54%**	**1,603,286.60**
June				
Net Toll Revenue	8,937,442.87	7,172,495.86	24.61%	1,764,947.01
Volume Discount	(165,694.66)	(156,082.18)	17.47%	(27,612.48)
Commuter Revenue	34,960.70	27,116.55	28.93%	7,844.15
Net Fare Revenue	**8,786,708.91**	**7,041,530.23**	**24.78%**	**1,745,178.68**
2ND QUARTER				
Net Toll Revenue	24,964,204.60	20,223,772.29	23.44%	4,740,432.31
Volume Discount	(483,488.68)	(458,687.03)	5.41%	(24,801.65)
Commuter Revenue	1,300,571.62	1,019,046.94	27.63%	281,524.68
Net Fare Revenue	**25,781,287.54**	**20,784,132.20**	**24.04%**	**4,997,155.34**
YTD 6/30				
Net Toll Revenue	43,467,770.98	37,095,044.07	17.18%	6,372,726.91
Volume Discount	(889,918.75)	(903,604.02)	-1.51%	13,685.27
Commuter Revenue	2,619,710.88	2,073,550.20	26.34%	546,160.68
Net Fare Revenue	**45,197,563.11**	**38,264,990.25**	**18.12%**	**6,932,572.86**

Transactions	2009	2008	%	Change
Passenger	3,710,275	3,897,124	-4.79%	(186,849)
Commercial	529,342	614,910	-13.92%	(85,568)
Commuter	734,260	784,857	-6.45%	(50,597)
Non Revenue	42,028	34,713	21.07%	7,315
Total Transactions	**5,015,905**	**5,331,604**	**-5.92%**	**(315,699)**
Passenger	3,509,839	3,732,172	-5.96%	(222,333)
Commercial	485,251	566,202	-14.30%	(80,951)
Commuter	711,614	702,569	1.29%	9,045
Non Revenue	30,873	42,248	-26.92%	(11,375)
Total Transactions	**4,737,577**	**5,043,191**	**-6.06%**	**(305,614)**
Passenger	3,890,716	4,126,618	-5.72%	(235,902)
Commercial	546,701	609,783	-10.34%	(63,082)
Commuter	848,057	786,741	7.79%	61,316
Non Revenue	31,613	32,141	-1.64%	(528)
Total Transactions	**5,317,087**	**5,555,283**	**-4.29%**	**(238,196)**
1ST QUARTER				
Passenger	11,110,830	11,755,914	-5.49%	(645,084)
Commercial	1,561,294	1,790,895	-12.82%	(229,601)
Commuter	2,293,931	2,274,167	0.87%	19,764
Non Revenue	104,514	109,102	-4.21%	(4,588)
Total Transactions	**15,070,569**	**15,930,078**	**-5.40%**	**(859,509)**
Passenger	4,123,386	4,277,100	-3.59%	(153,714)
Commercial	587,320	655,096	-10.35%	(67,776)
Commuter	827,353	782,622	5.72%	44,731
Non Revenue	25,944	25,625	1.24%	319
Total Transactions	**5,564,003**	**5,740,443**	**-3.07%**	**(176,440)**
Passenger	4,705,988	4,927,123	-4.49%	(221,135)
Commercial	615,221	682,138	-9.81%	(66,917)
Commuter	780,482	761,173	2.54%	19,309
Non Revenue	25,336	26,533	-4.51%	(1,197)
Total Transactions	**6,127,027**	**6,396,967**	**-4.22%**	**(269,940)**
Passenger	4,916,952	5,172,395	-4.94%	(255,443)
Commercial	641,236	673,848	-4.84%	(32,612)
Commuter	820,397	744,718	10.16%	75,679
Non Revenue	25,875	24,461	5.78%	1,414
Total Transactions	**6,404,460**	**6,615,422**	**-3.19%**	**(210,962)**
2ND QUARTER				
Passenger	13,746,326	14,376,618	-4.38%	(630,292)
Commercial	1,843,777	2,011,082	-8.32%	(167,305)
Commuter	2,428,232	2,288,513	6.11%	139,719
Non Revenue	77,155	76,619	0.70%	536
Total Transactions	**18,095,490**	**18,752,832**	**-3.51%**	**(657,342)**
YTD 6/30				
Passenger	24,857,156	26,132,532	-4.88%	(1,275,376)
Commercial	3,405,071	3,801,977	-10.44%	(396,906)
Commuter	4,722,163	4,562,680	3.50%	159,483
Non Revenue	181,669	185,721	-2.18%	(4,052)
Total Transactions	**33,166,059**	**34,682,910**	**-4.37%**	**(1,516,851)**

	Toll Revenue			
	2009	2008	%	Change
July				
Net Toll Revenue	10,876,238.75	8,575,645.80	26.83%	2,300,592.95
Volume Discount	(180,482.03)	(163,575.20)	10.34%	(16,906.83)
Commuter Revenue	1,130,012.88	892,570.49	26.60%	237,442.39
Net Fare Revenue	**11,825,769.60**	**9,304,641.09**	27.10%	**2,521,128.51**
August				
Net Toll Revenue	10,962,799.28	8,715,354.49	25.79%	2,247,444.79
Volume Discount	(201,021.21)	(156,540.60)	28.41%	(44,480.61)
Commuter Revenue	124,361.65	93,437.90	33.10%	30,923.75
Net Fare Revenue	**10,886,139.72**	**8,652,251.79**	25.82%	**2,233,887.93**
September				
Net Toll Revenue	8,941,342.50	6,703,167.45	33.39%	2,238,175.05
Volume Discount	(186,550.49)	(177,875.58)	4.88%	(8,674.91)
Commuter Revenue	76,824.86	27,315.15	181.25%	49,509.71
Net Fare Revenue	**8,831,616.87**	**6,552,607.02**	34.78%	**2,279,009.85**
3RD QUARTER				
Net Toll Revenue	30,780,380.53	23,994,167.74	28.28%	6,786,212.79
Volume Discount	(568,053.73)	(497,991.38)	14.07%	(70,062.35)
Commuter Revenue	1,331,199.39	1,013,323.54	31.37%	317,875.85
Net Fare Revenue	**31,543,526.19**	**24,509,499.90**	28.70%	**7,034,026.29**
October				
Net Toll Revenue	8,570,463.16	6,813,856.32	25.78%	1,756,606.84
Volume Discount	(168,262.88)	(162,130.92)	3.78%	(6,131.96)
Commuter Revenue	1,097,742.24	899,414.74	22.05%	198,327.50
Net Fare Revenue	**9,499,942.52**	**7,551,140.14**	25.81%	**1,948,802.38**
November				
Net Toll Revenue	7,398,155.85	5,781,048.61	27.97%	1,617,107.24
Volume Discount	(166,005.69)	(142,420.63)	16.56%	(23,585.06)
Commuter Revenue	126,313.54	78,283.70	61.35%	48,029.84
Net Fare Revenue	**7,358,463.70**	**5,716,911.68**	28.71%	**1,641,552.02**
December				
Net Toll Revenue	7,230,238.02	5,571,741.31	29.77%	1,658,496.71
Volume Discount	(194,812.96)	(158,545.99)	22.87%	(36,266.97)
Commuter Revenue	31,262.80	20,615.35	51.65%	10,647.45
Net Fare Revenue	**7,066,687.86**	**5,433,810.67**	30.05%	**1,632,877.19**
4TH QUARTER				
Net Toll Revenue	23,198,857.03	18,166,646.24	27.70%	5,032,210.79
Volume Discount	(529,081.53)	(463,097.54)	14.25%	(65,983.99)
Commuter Revenue	1,255,318.58	998,313.79	25.74%	257,004.79
Net Fare Revenue	**23,925,094.08**	**18,701,862.49**	27.93%	**5,223,231.59**
YTD 12/31				
Net Toll Revenue	97,447,008.54	79,255,858.05	22.95%	18,191,150.49
Volume Discount	(1,987,054.01)	(1,864,692.94)	6.56%	(122,361.07)
Commuter Revenue	5,206,228.85	4,085,187.53	27.44%	1,121,041.32
Net Fare Revenue	**100,666,183.38**	**81,476,352.64**	**23.55%**	**19,189,830.74**

	Transactions			
	2009	2008	%	Change
Passenger	6,283,598	6,346,572	-0.99%	(62,974)
Commercial	664,256	715,878	-7.21%	(51,622)
Commuter	767,476	716,884	7.06%	50,592
Non Revenue	25,669	25,593	0.30%	76
Total Transactions	**7,740,999**	**7,804,927**	-0.82%	**(63,928)**
Passenger	6,589,801	6,765,449	-2.60%	(175,648)
Commercial	632,754	662,802	-4.53%	(30,048)
Commuter	728,234	688,807	5.72%	39,427
Non Revenue	25,180	24,919	1.05%	261
Total Transactions	**7,975,969**	**8,141,977**	-2.04%	**(166,008)**
Passenger	5,075,658	4,917,369	3.22%	158,289
Commercial	620,413	641,148	-3.23%	(20,735)
Commuter	795,226	757,311	5.01%	37,915
Non Revenue	25,070	24,958	0.45%	112
Total Transactions	**6,516,367**	**6,340,786**	2.77%	**175,581**
3RD QUARTER				
Passenger	17,949,057	18,029,390	-0.45%	(80,333)
Commercial	1,917,423	2,019,828	-5.07%	(102,405)
Commuter	2,290,936	2,163,002	5.91%	127,934
Non Revenue	75,919	75,470	0.59%	449
Total Transactions	**22,233,335**	**22,287,690**	-0.24%	**(54,355)**
Passenger	4,823,056	4,976,874	-3.09%	(153,818)
Commercial	619,152	660,606	-6.28%	(41,454)
Commuter	824,407	795,392	3.65%	29,015
Non Revenue	24,747	25,687	-3.66%	(940)
Total Transactions	**6,291,362**	**6,458,559**	-2.59%	**(167,197)**
Passenger	4,175,753	4,341,565	-3.82%	(165,812)
Commercial	542,715	536,950	1.07%	5,765
Commuter	734,293	679,541	8.06%	54,752
Non Revenue	23,874	24,325	-1.85%	(451)
Total Transactions	**5,476,635**	**5,582,381**	-1.89%	**(105,746)**
Passenger	4,069,534	4,111,826	-1.03%	(42,292)
Commercial	555,063	558,090	-0.54%	(3,027)
Commuter	800,677	741,772	7.94%	58,905
Non Revenue	33,685	42,076	-19.94%	(8,391)
Total Transactions	**5,458,959**	**5,453,764**	0.10%	**5,195**
4TH QUARTER				
Passenger	13,068,343	13,430,265	-2.69%	(361,922)
Commercial	1,716,930	1,755,646	-2.21%	(38,716)
Commuter	2,359,377	2,216,705	6.44%	142,672
Non Revenue	82,306	92,088	-10.62%	(9,782)
Total Transactions	**17,226,956**	**17,494,704**	-1.53%	**(267,748)**
YTD 12/31				
Passenger	55,874,556	57,592,187	-2.98%	(1,717,631)
Commercial	7,039,424	7,577,451	-7.10%	(538,027)
Commuter	9,372,476	8,942,387	4.81%	430,089
Non Revenue	339,894	353,279	-3.79%	(13,385)
Total Transactions	**72,626,350**	**74,465,304**	**-2.47%**	**(1,838,954)**

Maine Turnpike Authority
Financial Statements

For the Years Ended December 31, 2009 and 2008

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Independent Auditor's Report

To the Governing Board of the
Maine Turnpike Authority:

We have audited the accompanying financial statements of the Maine Turnpike Authority, as of and for the years ended December 31, 2009 and 2008 as listed in the table of contents. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Maine Turnpike Authority as of December 31, 2009 and 2008, and the changes in its financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2010 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 are 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 important for assessing the results of our audit.

The Management's Discussion and Analysis on pages 19-23, the Schedule of Funding Progress for the Retiree Healthcare Plan on page 43 and the Trend Data on Infrastructure Condition on page 43 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Maine Turnpike Authority. The Calculation of the Composite Debt Service Ratio, as Defined by the Bond Resolutions and Related Documents is supplementary information presented for purposes of additional analysis and is not a required part of the basic financial statements. The Calculation of the Composite Debt Service Ratio, as Defined by the Bond Resolutions and Related Documents has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Runyon Kersteen Ouellette

March 23, 2010
South Portland, Maine

THE MAINE TURNPIKE AUTHORITY

Management's Discussion and Analysis

December 31, 2009

The management of the Maine Turnpike Authority (the Authority) offers this narrative overview and analysis of the Authority's financial activities for the years ended December 31, 2009 and 2008. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. The information presented here should be read in conjunction with the Authority's basic financial statements.

On January 1, 2008, the Authority converted to a full governmental GAAP basis of accounting. Prior to GAAP, the Authority based its financial statements on provisions outlined in its General Bond Resolution and subsequent supplemental resolutions. Certain assets, liabilities, revenues and expenses were not included in those financial statements. As a result, the Authority now has two years of GAAP financial data and will include comparative financial statements in this comprehensive financial report.

Financial Highlights

Operating income for the Maine Turnpike Authority was $38,623,565 and $15,763,843 for calendar years 2009 and 2008, respectively. The increase in operating income is primarily due to the increase in total revenues. The Authority enacted a toll adjustment on February 1, 2009.

Net income produced an increase in net assets of $18,042,174 and decrease of $3,220,763 for fiscal years 2009 and 2008, respectively. The term "net assets" refers to the difference between assets and liabilities. At the close of calendar year 2009, the Authority had net assets of $104,032,199, an increase of 21% over calendar year 2008. At the close of calendar year 2008, the Authority had net assets of $85,990,025. The Authority's overall financial position has improved as shown by the increase in net assets.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's financial statements are presented in a manner similar to a private-sector business and have been prepared according to accounting principles generally accepted (GAAP) in the United States. All of the current year's revenues are recorded as they are earned and expenses are recorded as they are incurred, regardless of when cash is received or disbursed.

Basic Financial Statements

The balance sheet presents information on all of the Authority's assets and liabilities, with the difference reported as net assets. Over time, increases and decreases in net assets serve as a relative indicator of the change in financial position of the Authority.

The statement of revenues, expenses, and changes in net assets shows the result of the Authority's total operations during the fiscal year and reflects both operating and non-operating activities. Changes in net assets reflect the current fiscal period's operating impact upon the overall financial position of the Authority.

The statement of cash flows provides a detailed analysis of all sources and uses of cash. The direct method of cash flows is presented, ending with a reconciliation of operating income to net cash provided by operating activities. The statement of cash flows is divided into the following activities: operating, capital financing, and investing.

Notes to the Financial Statements

The notes provide additional information that is essential to fully understand that data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and notes, this report also presents required supplementary information concerning infrastructure condition and the retiree healthcare plan. Additionally, certain supplementary information concerning the Authority's debt service ratio, as defined by the bond resolution, is included.

Financial Analysis

Maine Turnpike Authority's Net Assets

	2009	2008
Assets		
Current Assets	$ 60,640,306	$ 19,314,193
Long Term Investments	-	19,992
Capital Assets, Net of Accumulated Depreciation	432,884,482	426,400,049
Non-Current Assets	34,261,339	24,897,666
Other Assets	27,135,225	27,740,121
Total Assets	**$ 554,921,352**	**$ 498,372,021**
Liabilities and Net Assets		
Current Liabilities	36,522,387	39,024,559
Bonds Payable, Net of Unamortized Premium and Unamortized Refunding Losses	413,117,026	371,785,353
Other Non-Current Liabilities	1,249,740	1,572,084
Total Liablilities	**$ 450,889,153**	**$ 412,381,996**
Net Assets:		
Invested in Capital Assets, Net of Related Debt	79,489,251	81,974,311
Restricted	16,633,116	3,843,207
Unrestriced	7,909,832	172,507
Total Net Assets	**$ 104,032,199**	**$ 85,990,025**
Total Liabilities and Net Assets	**$ 554,921,352**	**$ 498,372,021**

As noted earlier, net assets serve as an indicator of the Authority's overall financial position. In the case of the Authority, assets exceeded liabilities by $104,032,199 at the close of the most recent calendar year. This represents an increase of $18,042,174 (21%) over the previous year, all of which is attributable to operations.

The largest portion of the Authority's net assets reflects its investment in capital assets (e.g., right-of-way, roads, bridges, toll equipment, etc) less any related outstanding debt used to acquire those assets. The Authority uses these capital assets to provide service and consequently, these assets are not available for liquidating liabilities or for other spending.

Restricted net assets are reserved for projects defined in the bond resolutions and applicable bond issue official statements. The Authority's restricted net assets were $16,633,116 and $3,843,206 for the years ending December 31, 2009 and 2008, respectively. The increase can be attributed to required deposits made to the debt service reserve fund in 2009. The remaining unrestricted net assets may be used to meet the Authority's capital and ongoing operational needs.

The Maine Turnpike Authority's Changes in Net Assets

Revenues:		
Net Toll Revenues	$ 100,451,393	$ 81,539,766
Concession Rental	3,790,768	3,397,291
Investment Income	(48,254)	810,057
Miscellaneous	1,491,235	1,177,552
Total Revenues	**105,685,142**	**86,924,666**
Expenses:		
Operations	25,526,248	24,870,104
Maintenance	27,213,962	27,505,706
Administrative	2,725,635	2,566,502
Depreciation	4,933,842	5,268,581
Preservation	6,150,108	10,299,213
Interest Expense	20,347,984	19,049,903
Other	745,189	585,420
Total Expenses	**87,642,968**	**90,145,429**
Change in Net Assets	**18,042,174**	**(3,220,763)**
Net Assets, Beginning of Year	**85,990,025**	**89,210,788**
Net Assets, End of Year	**$ 104,032,199**	**$ 85,990,025**

Management Discussion and Analysis, *continued*

The Authority's net fare revenues, which represent approximately 95% of all operating revenues, increased $18,911,627 (23%) in 2009. The increase is primarily due to an approximately 25% toll adjustment enacted in February 2009. Investment income decreased $858,310 due to lower interest rates. Miscellaneous revenue increased $313,683 (27%). Increased transponder sales accounted for this increase.

Operations, Maintenance and Administrative expenses increased $523,532 (1%) in 2009. Preservation expense decreased by $4,149,105 (-40%) in 2009, which is due to cost reduction (primarily paving) value engineering and the timing and scope of various projects.

Capital Assets and Debt Administration

Capital Assets

The Authority's investment in capital assets as of December 31, 2009 amounted to $484,014,868 of gross asset value with accumulated depreciation of $51,130,385, leaving a net book value of $432,884,482. Capital assets include right-of-way, roads, bridges, buildings, equipment and vehicles. Please see Note 3 of the financial statements for a schedule of change in the Authority's capital assets.

Capital asset acquisitions are capitalized at cost. Acquisitions are funded through debt issuance and Authority revenues.

Major capital asset events of 2009 included the completion of the Authority's new headquarters in Portland, the disaster recovery site in New Gloucester and salt storage buildings in Litchfield and Gardiner. Construction of the Lambert Street and Lisbon Street bridges were well in progress in 2009. These projects are scheduled to be completed in 2010.

Modified Approach for Infrastructure Assets

The Maine Turnpike Authority has elected to use the modified approach to infrastructure reporting under GASB 34. This means that, in lieu of reporting depreciation on infrastructure, the Authority reports the costs associated with maintaining the existing asset in good condition as preservation expense. Infrastructure assets include: roads, bridges, interchanges, tunnels, right of way, drainage, guard rails, and lighting systems associated with the road. Pursuant to its bond covenants, the Authority maintains a reserve maintenance fund for these preservation expenses. For fiscal 2009, projected expenses for preservation were $10,037,180 but $6,150,108 was actually spent. This was due to reduction of paving costs and timing of completion of other various projects.

The roadways are rated on a 10-point scale, with 10 meaning that every aspect of the roadway is in new and perfect condition. The Authority's system as a whole is given an overall rating, indicating the average condition of all roadways operated by the Authority. The assessment of condition is made by visual inspection designed to reveal any condition that would reduce highway-user benefits below the maximum level of service. The Authority's policy is to maintain the roadway condition at rating of 8 (generally good condition) or better. The results of the 2009 inspection states that the Maine Turnpike has been maintained in generally good condition and presents a favorable appearance, which is essentially the same assessment the Authority received in 2008.

Long-term Debt

The Authority has outstanding bonds payable of $403,838,798 and $18,133,228 for revenue and subordinated bonds, respectively (both net of unamortized bond discounts and premiums and deferred loss on refunding). In February 2009, the Authority issued revenue bonds of $50,000,000 to pay a portion of the costs related to various turnpike projects. Please see Note 4 of the financial statements for the annual principal payment requirements on revenue and subordinated bonds as of December 31, 2009.

The Authority has a cap, set by the Legislature, on the amount of revenue bonds that can be outstanding at any given time. In 2007 this cap was increased to $486,000,000. As of December 31, 2009, outstanding revenue bonds were $390,115,000, leaving $95,885,000 available under the cap.

The Authority's current bond ratings are as follows:

Fitch	AA-
Moody's	Aa3
Standard & Poor's	A+

Debt Service Reserve Fund

The general bond resolution requires the Authority to fund the Debt Service Reserve Requirement with cash and investments or with a surety policy or letter of credit. In order to satisfy this requirement, the Authority acquired surety policies issued by Financial Guaranty Insurance Company (FGIC), Financial Security Assurance, Inc (FSA), MBIA Insurance Company and AMBAC Assurance Corporation. The surety policies cover various series and terminate on various dates in the future. Please see Note 6 of the financial statements for a schedule summarizing the surety policies purchased.

Each of the providers of the Debt Service Reserve Fund surety policies was rated Aaa by Moody's and AAA by Standard & Poor's (S&P) at the time of issuance of its respective policy. However, each of MBIA, FGIC and Ambac have been downgraded significantly as a result of their exposure to the sub-prime mortgage risk and do not maintain ratings by Moody's and S&P at least equal to the ratings on the outstanding revenue bonds. Accordingly, each of the policies from MBIA, FGIC and Ambac, while still in effect, no longer qualify under the general bond resolution to meet the Debt Service Reserve Fund requirement.

With the issuance of the Series 2009 revenue bonds, the Debt Service Reserve requirement will be $16.5 million. Of this amount, the amount of $4,100,000 will be satisfied by the surety policies issued by FSA. In response to the downgrades of MBIA, FGIC and Ambac, the Authority deposited $5,300,000 into the Debt Service Reserve Fund in 2008 and $8,888,544 in 2009.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Chief Financial Officer, Maine Turnpike Authority, 2360 Congress Street, Portland, ME 04102; or email your questions to info@maineturnpike.com.

BALANCE SHEETS

ASSETS	December 31, 2009	December 31, 2008
Current Assets:		
Cash and Equivalents	$ 5,040,559	$ 3,323,896
Restricted Cash and Equivalents to meet current restricted liabilities	49,589,499	11,309,110
Accounts Receivable and Accrued Interest Receivable	3,352,821	2,740,275
Inventory	1,688,617	1,168,715
Other Current Assets	968,810	772,197
Total Current Assets	**60,640,306**	**19,314,193**
Non-Current Assets:		
Restricted Assets		
Cash and Equivalents	34,235,579	24,512,454
Investments	-	19,992
Accounts Receivable and Accrued Interest Receivable	25,760	385,212
Total Restricted Assets	**34,261,339**	**24,917,658**
Bond Issuance Cost - Net	8,605,225	8,260,121
Other Non-Current Assets	18,530,000	19,480,000
Capital Assets not being Depreciated:		
Property and Equipment	359,269,498	356,164,964
Construction in Progress	8,333,431	15,865,083
Capital Assets net of Accumulated Depreciation:		
Property and Equipment	65,281,553	54,370,002
Total Capital Assets - Net of Accumulated Depreciation	**432,884,482**	**426,400,049**
Total Non-Current Assets	**494,281,046**	**479,057,828**
TOTAL ASSETS	**$ 554,921,352**	**$ 498,372,021**

BALANCE SHEETS, *continued*

LIABILITIES AND NET ASSETS	December 31, 2009	2008
Current Liabilities Payable from Unrestricted Assets:		
Accounts, Contracts and Retainage Payable	$ 2,586,809	$ 2,924,925
Accrued Vacation and Sick Leave Payable	2,860,442	2,722,890
Unearned Toll Revenue	5,049,209	4,328,537
Total Current Liabilities Payable from Unrestricted Assets	**10,496,460**	**9,976,352**
Current Liabilities Payable from Restricted Assets:		
Accounts, Contracts and Retainage Payable	6,423,992	9,385,600
Accrued Vacation and Sick Leave Payable	243,605	217,588
Bond Interest Payable	10,134,130	9,349,064
Current Portion of Revenue Bonds & Subordinated Debt Payable	8,855,000	9,805,000
Other Current Liabilities	369,200	290,955
Total Current Liabilities Payable from Restricted Assets	**26,025,927**	**29,048,207**
Total Current Liabilities	**36,522,387**	**39,024,559**
Non-current Liabilities:		
Long-term Revenue Bonds & Subordinated Debt Payable	413,117,026	371,785,353
Other Non-current Liabilities	1,249,740	1,572,084
Total Non-current Liabilities	**414,366,766**	**373,357,437**
Total Liabilities	**450,889,153**	**412,381,996**
Net Assets:		
Invested in Capital Assets - Net of Related Debt	79,489,251	81,974,311
Restricted	16,633,116	3,843,206
Unrestricted	7,909,832	172,508
Total Net Assets	**104,032,199**	**85,990,025**
Total Liabilities and Net Assets	**$ 554,921,352**	**$ 498,372,021**

See accompanying notes to financial statements.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	December 31, 2009	December 31, 2008
REVENUES		
Operating Revenue:		
Net Fare Revenue	$ 100,451,393	$ 81,539,766
Concession Rentals	3,790,768	3,397,291
Miscellaneous	1,491,235	1,177,552
Total Operating Revenues	**105,733,396**	**86,114,609**
Interest Income (loss)		
Revenue Fund	(26,287)	25,155
Reserve Maintenance Fund	(4,252)	28,749
Improvement Account	(901)	115,417
Interchange Account	(112)	141
Maine Department of Transportation Account	(448)	13,880
Total Interest Income	**(32,000)**	**183,342**
Total Revenues	**105,701,396**	**86,297,951**
EXPENSES		
Operating Expenses:		
Operations	25,526,248	24,870,104
Maintenance	27,213,962	27,505,707
Administration	2,725,635	2,566,502
Depreciation	4,933,842	5,268,581
Reserve Maintenance - Preservation	6,150,108	10,299,213
Other Expenses - CAP General Expenses	528,036	24,001
Total Operating Expenses	**67,077,831**	**70,534,108**
Operating Income	**38,623,565**	**15,763,843**
Non-Operating Revenue/(Expenses):		
Investment Income (loss)	(16,254)	626,714
(Gain)/Loss on Sale of Capital Assets	29,326	(31,571)
Interest Expense	(20,347,984)	(19,049,902)
Bond Issuance Cost Amortization	(495,246)	(378,403)
Bond Premium/Discount Amortization	1,584,833	1,231,587
Deferred Loss on Refunding Amortization	(386,066)	(328,031)
MDOT Prepaid Transfer Amortization	(950,000)	(1,055,000)
Total Non-Operating Revenue/Expenses	**(20,581,391)**	**(18,984,606)**
Change in Net Assets	**18,042,174**	**(3,220,763)**
Net Assets at beginning of year	**85,990,025**	**96,577,818**
Restatement for the removal of escrow activity for defeased debt	-	(7,367,030)
Net Assets at beginning of year, as restated		**89,210,788**
Net Assets at end of year	**$ 104,032,199**	**$ 85,990,025**

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

	December 31, 2009	December 31, 2008
Operating Activities:		
Cash Received from Tolls/Customers	$ 128,379,793	$ 106,711,357
Cash Payments to Suppliers	(63,342,808)	(59,239,589)
Cash Payments to Employees	(23,338,755)	(22,928,674)
Net Cash Provided by Operating Activities	**41,698,230**	**24,543,094**
Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(13,601,503)	(26,607,799)
Proceeds from Issuance of Revenue Bonds	51,385,440	-
Proceeds from Issuance of Revenue Refunding Bonds	-	48,406,597
Proceeds from Issuance of Special Oblig. Refunding Bonds	-	19,242,293
Payments for Bond Expenses	(468,744)	(641,679)
Call Premium Paid on Redemption of Bonds	-	(670,400)
Interest Paid on Revenue Bonds	(18,709,904)	(17,738,999)
Payment of Principal on Revenue Bonds	(8,855,000)	(8,360,000)
Interest Paid on Subordinated Debt Bonds	(762,399)	(1,001,588)
Payment of Principal on Special Obligation Bonds	(950,000)	(1,465,000)
Payment of Principal on Redemption of Refunded Bonds	-	(47,970,000)
Payment of Principal on Redemption of Spec. Oblig. Refunded Bonds	-	(19,070,000)
Net Cash Used in Capital and Related Financing Activities	**8,037,890**	**(55,876,575)**
Investing Activities:		
Proceeds from Sales and Maturities of Investments	20,000	-
Interest Received	(35,943)	1,079,252
Net Cash Provided by Investing Activities	**(15,943)**	**1,079,252**
Net Increase/(Decrease) in Cash and Equivalents	49,720,177	(30,254,229)
Cash and Equivalents at Beginning of Year	39,145,460	69,399,689
Cash and Equivalents at End of Year	**88,865,637**	**39,145,460**
Cash and Equivalents - Unrestricted	5,040,559	3,323,896
Restricted Cash and Equivalents - Current	49,589,499	11,309,110
Restricted Cash and Equivalents - Non-Current	34,235,579	24,512,454
	$ 88,865,637	**$ 39,145,460**

STATEMENT OF CASH FLOWS, *continued*

	December 31,	
	2009	2008
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Income from Operations	**$ 38,623,565**	**$ 15,763,843**
Adjustments to Reconcile Operating Income to Net Cash provided by Operating Activities:		
Depreciation	4,933,842	5,268,581
Loss on Disposal of Capital Assets	45,505	31,571
Interest Income included in Operating Revenue	32,000	(183,342)
Other - Capital General Expenses	528,036	24,001
Changes in Assets and Liabilities:		
Accounts Receivable	(256,668)	501,260
Prepaid Accounts	(196,613)	67,806
Inventory	(578,382)	(1,168)
Accounts, Contracts and Retainage Payable	(2,876,716)	3,089,498
Unearned Concession Rentals	-	(133,333)
Unearned Toll Revenue	720,673	381,934
Accrued Worker's Comp Liability Payable	461,603	15,481
Accrued Vacation and Sick Leave Payable	163,569	61,621
Accrued Salaries & Payroll Taxes	97,816	(344,659)
Net Cash Provided by Operating Activities	**$ 41,698,230**	**$ 24,543,094**

See accompanying notes to financial statements.

Note 1 – Summary of Organization and Significant Accounting Policies and Procedures

Reporting Entity – The Maine Turnpike Authority (the 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 a 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 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.

For financial reporting purposes, the Authority is a stand-alone entity; there are no component units included in the accompanying financial statements and the Authority is not considered a component unit of another entity.

Basis of Accounting – The Authority prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which are similar to those for private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred. In accordance with Government Accounting Standards Board (GASB) Statement No. 20, the Authority follows the pronouncements of the Financial Accounting Standards Board (FASB) issued before November 30, 1989 except where those pronouncements conflict with GASB pronouncements. The Authority has the option but has elected not to follow subsequent private-sector guidance. Proprietary funds distinguish operating revenues and expenses from non-operating activity. Operating revenues arise from providing goods or services to outside parties for a fee. The intent of the governing body is that the operating costs, including administration and depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Revenues and expenses that are not derived directly from operations are reported as non-operating revenues and expenses.

Operating Revenues and Expenses – The Authority's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its System.

Interest Income on Operating Accounts – Interest income generated from on-going operations is included in operating revenue, in accordance with the requirements outlined in GASB 34.

Cash and Equivalents – For purposes of the statements of cash flow, demand deposit accounts with commercial banks, and cash invested in commercial money market funds are considered cash equivalents.

Investments – Investments are carried at fair value. Accrued interest paid upon the purchase of investments is recognized as interest income in the period it is earned.

Note 1 – Summary of Organization and Significant Accounting Policies and Procedures, *continued*

Inventory – Inventory, consists of both EZ Pass transponders and salt. The EZ Pass transponders will be sold to customers and is valued using the FIFO method. Salt, to be used in operations, is carried at the lower of cost or market and is valued using a weighted average method.

Restricted Assets – Restricted assets of the Authority represent bond proceeds designated for construction, and other monies required to be restricted for debt service, operations, maintenance, renewal and replacement.

Capital Assets – All capital assets are recorded on the balance sheet at historical cost. Capital assets are included in one of the following categories: Infrastructure; Land and Land Improvements; Buildings; Vehicles; Toll System; Computer and Other Equipment; Intangible Assets; and Construction in Progress.

Costs to acquire additional capital assets, and to replace existing assets or otherwise prolong their useful lives, are capitalized for toll equipment, buildings, toll facilities, other related costs and furniture and equipment. The Authority has elected to use the modified approach to infrastructure reporting under GASB 34. This means that, in lieu of reporting depreciation on infrastructure, the Authority reports as preservation expense the costs associated with maintaining the existing road in good condition. Infrastructure assets include roads, bridges, interchanges, tunnels, right of way, drainage, guardrails, and lighting systems associated with the road.

Depreciation of toll equipment, buildings, toll facilities, other related costs, signs, software and furniture and equipment is computed using the straight-line method, using the full-month convention, over the estimated useful lives of the assets as follows:

Building	30 – 50 years
Building Improvements	15 – 20 years
Land Improvements (exhaustible)	15 years
Toll Equipment	5 – 10 years
Furniture and Fixtures	5 – 15 years
Software	3 – 10 years
Computers, Printers and IT Equipment	3 – 5 years
Other Equipment (incl. Vehicles)	5 – 20 years

Under the modified approach, infrastructure assets are considered to be "indefinite lived" assets; that is, the assets themselves will last indefinitely and are, therefore, not depreciated. Costs related to maintenance, renewal and replacement for these assets are not capitalized, but instead are considered to be period costs and are included in preservation expense.

Construction in Progress represents costs incurred by the Authority for in-process activities designed to expand, replace, or extend the lives of existing property and equipment.

Retainage Payable – Retainage payable represents amounts billed to the Authority by contractors for which payment is not due pursuant to retained percentage provisions in construction contracts until substantial completion of performance by contractor and acceptance by the Authority.

Note 1 – Summary of Organization and Significant Accounting Policies and Procedures, *continued*

Prepaid Expenses – Expenses that benefit more than one reporting period are charged to Prepaid Expenses and expensed over its service period. Examples include insurance premiums, software site licenses and service contracts.

Accrued Vacation and Sick Leave Payable – Accrued vacation and sick leave payable includes accumulated vacation pay and vested sick pay.

Accrued Salaries Payable – Accrued salaries payable includes salary and wage expense incurred at the end of the period but not paid until the following period.

Unearned Commuter Revenue – The Authority offers the Commuter Plan to patrons who travel regularly between the same two exits. Commuters pay a set fee, in advance, that covers a three month period. Revenue is earned over this three month period on a prorated basis. Commuter quarters start in February, May, August and November.

Bond Premium, Discount and Issuance Costs – Bond premiums and discounts associated with the issuance of bonds are amortized using the effective interest rate method over the life of the bonds. Bond issuance costs are amortized using the straight-line method over the life of the bonds.

Refunded Bonds – The Authority defeased certain bonds in 2004, 2005 and 2008 by placing cash received from the advanced refunding into an irrevocable escrow account to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's balance sheets.

Deferred Amount on Refunding Revenue Bonds – The difference between the reacquisition price and the net carrying amount of refunded bonds is amortized on a straight-line basis over the life of the refunded bonds or the life of the refunding bonds, whichever is shorter.

Reclassifications – Certain amounts in the 2008 financial statements have been reclassified to conform to the 2009 classifications.

Note 2 – Deposits and Investments

Deposits

Custodial Credit Risk-Authority Deposits: For deposits, custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. As of December 31, 2009, the Authority reported deposits of $552,084 with a bank balance of $896,685. The entire balance of $896,685 was covered by the F.D.I.C. ($350,388) or by additional insurance purchased on behalf of the Authority by the respective banking institutions ($546,297).

Investments

At December 31, 2009, the Authority had the following investments and maturities:

	Fair Value	Less Than 1 Year	1-5 Years	More Than 5 Years
U.S. Government Securities	$ 4,178,038	$ 4,178,038	$ -	$ -
Federated Treasury Obligation (1)	83,913,081		Not Applicable	
Money Market Funds (1)	222,434		Not Applicable	
Total Investments	**$ 88,313,553**	**$ 4,178,038**	**$ -**	**$ -**

(1) Mutual funds and money market funds are not considered securities that exist in physical or book entry form and therefore are exempt from the custodial credit risk disclosure noted above.

Deposits and investments are as follows:

Deposits	$ 552,084
Investment	88,313,553
Total Deposits and Investments	**$ 88,865,637**

Deposits and investments have been reported as follows in the financial statements:

Cash and Equivalents	$ 5,040,559
Current Restricted Cash and Equivalents	49,589,499
Noncurrent Restricted Cash and Equivalents	34,235,579
Noncurrent Investments	-
Total Deposits and Investments	**$ 88,865,637**

Note 2 – Deposits and Investments, *continued*

Interest Rate Risk: The Authority's policy for investment rate risk is as follows: Portfolio maturities will provide for stability of income and reasonable liquidity; liquidity will be assured through practices ensuring that the next disbursement date is covered through maturing to be staggered to avoid undue concentration in a specific maturity sector.

Maturities selected will provide investments or marketable securities which can be sold to raise cash in day's notice without loss of principal; and, risks of market price volatility will be controlled through maturity diversification such that aggregate price losses on instruments with maturities exceeding one year shall not be greater than coupon interest on investment income received from the balance of the portfolio.

Credit Risk: Maine statutes authorize the Authority to invest in obligations of the U.S. Treasury and U.S. agencies and repurchase agreements. The Authority does not have a formal policy related to credit rate risk.

Custodial credit risk: investments – For investments, this is the risk that in the event of failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Authority is authorized to invest in: Obligations of the U.S. government and its agencies provided they are full faith and credit obligations fully insured or collateralized certificates of deposit at commercial banks and savings and loan associations repurchase agreements collateralized by U.S. Treasury or Agency securities; and money market mutual funds whose portfolios consist of government securities.

The Authority's investment policy is to attain a market rate of return considered reasonable under generally accepted market principles throughout budgetary and economic cycles while preserving and protecting capital in the overall portfolio thus ensuring prudent use of public funds and preservation of the public's trust. The standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing the overall portfolio. All security transactions, including collateral for repurchase agreements, entered into by the MTA shall be conducted on a "delivery vs. payment" basis. Securities will be held by a third party custodian, or Trust Department designated by the Executive Director, CFO, or Director of Finance and evidenced by safekeeping receipts. Of the Authority's $222,434 investment in money market and mutual funds, 100% was collateralized by underlying securities held by the trust department of the related bank, which were in the Authority's name.

Note 3 – Capital Assets

A Summary of changes to capital assets for the year ended December 31, 2009 is as follows:

	Balance 12/31/2008	Additions	Transfers	Disposals	Balance 12/31/2009
Capitalized Assets Not Being Depreciated (cost)					
Land	$ 30,001,604	256,331	2,670,405	-	$ 32,928,340
Infrastructure	326,163,361	-	177,798	-	326,341,159
Construction in Progress	15,865,083	10,195,980	(17,727,632)	-	8,333,431
Total Capital Assets Not Being Depreciated	**372,030,048**	**10,452,311**	**(14,879,429)**	**-**	**367,602,930**
Capitalized Assets Being Depreciated (cost)					
Land Improvements (exhaustible)	8,358,681	-	506,166	-	8,864,847
Buildings	52,838,189	-	11,789,453	-	64,627,642
Improvements	470,437	-	-	-	470,437
Machinery and Equipment	40,215,412	982,142	2,583,810	(1,332,353)	42,449,011
Total Capital Assets Being Depreciated	**101,882,719**	**982,142**	**14,879,429**	**(1,332,353)**	**116,411,937**
Less Accumulated Depreciation for:					
Land Improvements (exhaustible)	(5,154,174)	(399,430)	-	-	(5,553,604)
Buildings	(11,442,286)	(1,971,025)	-	-	(13,413,311)
Improvements	(437,768)	(32,669)	-	-	(470,437)
Machinery and Equipment	(30,478,490)	(2,530,718)	-	1,316,175	(31,693,033)
Total Accumulated Depreciation	**(47,512,718)**	**(4,933,842)**	**-**	**1,316,175**	**(51,130,385)**
Total Capital Assets Being Depreciated, net	**54,370,001**	**(3,951,700)**	**14,879,429**	**(16,178)**	**65,281,552**
Total Capital Assets	**$ 426,400,049**	**6,500,611**	**-**	**(16,178)**	**$ 432,884,482**

Note 4 – Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and adding back any unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Authority's net assets invested in capital assets, net of related debt was calculated as follows at December 31, 2009:

Capital Assets	$ 484,014,867
Unspent Bond Proceeds	36,719,769
Accumulated Depreciation	(51,130,385)
Bonds Payable	(390,115,000)
Total Invested In Capital Assets Net of Related Debt	**$ 79,489,251**

Note 5 – Long-term Debt

Revenue Bonds Payable

The Authority issues revenue bonds from time to time for the purpose of financing capital improvements and new projects. As of December 31, 2009, the Authority had the following outstanding bonds:

• $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.

• $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.

• $45,885,000 of Series 2008 Refunding Revenue Bonds, issued in May 2008, to advance refund principal amounts of the Series 1998 Refunding Bonds, which was called in July 2008.

• $50,000,000 of Series 2009 Revenue Bonds, issued in February 2009, 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 12/31/2009
Series 1997	$ 50,000,000	7/1/1998 - 2010	4.50-6.00 %	$ 2,010,000
Series 2000	126,000,000	7/1/2007 - 2012	5.00-5.30 %	7,115,000
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 %	107,830,000
Series 2005	76,715,000	7/1/2006 - 2030	3.00-5.125 %	76,275,000
Series 2007	50,000,000	7/1/2013 - 2037	3.75-5.25 %	50,000,000
Series 2008	45,885,000	7/1/2010 - 2018	3.00-5.00 %	45,885,000
Series 2009	50,000,000	7/1/2014 - 2038	3.00-6.00 %	50,000,000
Total Revenue Bonds Payable				**$ 390,115,000**

Note 5 – Long-term Debt, *continued*

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

	Principal	Interest	Total debt service
2010	$ 7,060,000	$ 19,596,598	$ 26,656,598
2011	11,570,000	19,273,725	30,843,725
2012	11,955,000	18,803,238	30,758,238
2013	13,575,000	18,237,809	31,812,809
2014	15,425,000	17,581,859	33,006,859
2015-2019	82,070,000	76,130,769	158,200,769
2020-2024	75,085,000	57,099,294	132,184,294
2025-2029	96,675,000	36,104,600	132,779,600
2030-2034	53,830,000	13,485,594	67,315,594
2035-2038	22,870,000	3,062,288	25,932,288
Totals	**$ 390,115,000**	**$ 279,375,774**	**$ 669,490,774**

A summary of changes in revenue bonds is as follows:

	12/31/08	Additions	Reductions	12/31/09
Series 1994	$ 3,745,000	$ -	$ (3,745,000)	$ -
Series 1997	3,920,000	-	(1,910,000)	2,010,000
Series 2000	10,045,000	-	(2,930,000)	7,115,000
Series 2003	51,000,000	-	-	51,000,000
Series 2004	107,985,000	-	(155,000)	107,830,000
Series 2005	76,390,000	-	(115,000)	76,275,000
Series 2007	50,000,000	-	-	50,000,000
Series 2008	45,885,000	-	-	45,885,000
Series 2009	-	50,000,000	-	50,000,000
Totals	**$ 348,970,000**	**$ 50,000,000**	**$ (8,855,000)**	**$ 390,115,000**

Note 5 – Long-term Debt, *continued*

Special Obligation Bonds Payable

• $19,480,000 of Series 2008 Special Obligation Refunding Bonds, issued in May 2008, to refund all of the Authority's outstanding Series 1998 Special Obligation Bonds. The Special Obligation Refunding Bonds are subordinate to the outstanding Revenue Bonds and were originally issued in 1996.

Issue	Amount Issued	Maturity Date	Interest Rate	Balance 12/31/2009
Series 2008	$ 19,480,000	7/1/2009 - 2018	3.00-4.00 %	$ 18,530,000
Total Special Obligation Bonds Payable				**$ 18,530,000**

Requirements for the repayment of the outstanding special obligation bonds are as follows:

	Principal	Interest	Total Debt Service
2010	$ 1,795,000	$ 671,663	$ 2,466,663
2011	1,845,000	617,813	2,462,813
2012	1,900,000	562,463	2,462,463
2013	1,985,000	478,400	2,463,400
2014	2,045,000	413,888	2,458,888
2015-2018	8,960,000	891,025	9,851,025
Totals	**$ 18,530,000**	**$ 3,635,252**	**$ 22,165,252**

A summary of changes in special obligation bonds is as follows:

	12/31/08	Additions	Reductions	12/31/09
Series 2008	$ 19,480,000	$ -	$ (950,000)	$ 18,530,000
Totals	**$ 19,480,000**	**$ -**	**$ (950,000)**	**$ 18,530,000**

Note 5 – Long-term Debt, *continued*

Revenue and Special Obligation long-term liability for the year ended December 31, 2009, was as follows:

	12/31/2008	Additions	Reductions	12/31/2009	Due within one year
Revenue Bonds	$ 348,970,000	$ 50,000,000	$ (8,855,000)	$ 390,115,000	$ 7,060,000
Special Obligation Bonds	19,480,000	-	(950,000)	18,530,000	1,795,000
Subtotal	**368,450,000**	**50,000,000**	**(9,805,000)**	**408,645,000**	**8,855,000**
Adjustment for Unamortized Balances:					
Premium / Discounts	17,753,530	1,385,440	(1,584,833)	17,554,137	-
Deferred Loss on Refunding	(4,613,177)	-	386,066	(4,227,111)	-
Total	**$ 381,590,353**	**$ 51,385,440**	**$ (11,003,767)**	**$ 421,972,026**	**$ 8,855,000**

Note 6 – Debt Service Reserve Fund

The general bond resolution requires the Authority to fund the Debt Service Reserve Requirement with cash and investments or with a surety policy or letter of credit. In order to satisfy this requirement, the Authority acquired surety policies issued by Financial Guaranty Insurance Company (FGIC), Financial Security Assurance, Inc (FSA), MBIA Insurance Company and AMBAC Assurance Corporation. The surety policies cover various series and terminate on various dates in the future. A summary of the surety policies purchased is as follows:

Debt Service Reserve Fund Surety Policy Provider	Series Availability	Termination Date	Maximum Amount
MBIA	1994 and 1997	July 1, 2018	$ 5,263,254
FGIC	2000	July 1, 2012	4,871,788
Ambac	2003	July 1, 2033	1,893,884
FSA	2004	July 1, 2030	1,781,929
MBIA	All Turnpike Revenue Bonds Issued Prior to 2004	July 1, 2018	12,029,000
Ambac	All Turnpike Revenue Bonds	July 1, 2030	4,871,359
FSA	All Turnpike Revenue Bonds	July 1, 2018	2,308,902

Each of the providers of the Debt Service Reserve Fund surety policies was rated Aaa by Moody's and AAA by Standard & Poor's (S&P) at the time of issuance of its respective policy. However, each of MBIA, FGIC and Ambac have been downgraded significantly as a result of their exposure to the sub-prime mortgage risk and do not maintain ratings by Moody's and S&P at least equal to the ratings on the outstanding revenue bonds.

Note 6 – Debt Service Reserve Fund, *continued*

Accordingly, each of the policies from MBIA, FGIC and Ambac, while still in effect, no longer qualify under the general bond resolution to meet the Debt Service Reserve Fund requirement.

With the issuance of the Series 2009 revenue bonds, the Debt Service Reserve requirement is $16.5 million. Of this amount, $4.1 million will be satisfied by the surety policies issued by FSA. In response to the downgrades of MBIA, FGIC and Ambac, the Authority deposited $5.3 million into the Debt Service Reserve Fund in 2008 and $8.8 million in 2009. With the combination of the FSA sureties and the 2008 and 2009 deposits into the debt service reserve fund, the Authority is in compliance with its bond resolution requirement of funding one half of its maximum annual debt service.

Note 7 – 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 $1,087,032, $1,173,649 and $1,227,540 for the years ended December 31, 2009, 2008 and 2007, respectively.

Note 8 – Other Post Employment Benefits (OPEB)

The Governmental Accounting Standards Board (GASB) recently promulgated its Statement 45 which addresses the reporting and disclosure requirements for Other Post Employment Benefits (OPEB). GASB Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was implemented, as required, by the MTA on January 1, 2008. Under this pronouncement, it requires that the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

Plan Descriptions. In addition to providing pension benefits, the Authority provides health care benefits for certain retired employees. Eligibility to receive health care benefits follows the same requirements as MainePERS. Eligible retirees receive 100% paid health benefit coverage, Anthem POS plan until age 65 or Medicare Advantage plan at the age of 65. The Authority paid approximately $809,000 of insurance contributions for approximately 184 retirees for the year end December 31, 2009. Benefit provisions are established and amended through negotiations between the Authority and the respective unions.

In December 2008, the Authority entered into a contract with an external consultant to assist in the determination and valuation of the Authority's OPEB liability under GASB Statement Number 45 for 2008 and 2009. The OPEB liability actuarial valuation was completed by the consultant in March 2009.

Note 8 – Other Post Employment Benefits, *continued*

Funding Policy and Annual OPEB Cost. GASB Statement Number 45 does not mandate the prefunding of post employment benefit liabilities. The Authority currently plans to only partially fund (on a pay-as-you-go) the annual required contribution (ARC), an actuarially determined rate in accordance with the parameters of GASB Statement Number 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table represents the OPEB costs for the year, the amount contributed and changes in the OPEB plan for the year ending December 31, 2009:

Normal Cost	$ 1,604,000
UAAL amortization	1,507,000
Annual Required Contribution/OPEB Cost	3,111,000
Contributions Made (Pay-As-You-Go)	(809,000)
Increase in Net OPEB Obligation	2,302,000
Net OPEB Obligation - Beginning of Year	2,064,000
Net OPEB Obligation - End of Year	$ 4,366,000

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for year ending December 31, 2009 was as follows:

Annual Required Contribution (ARC)	$ 3,111,000
Actual Contributions (Pay-As-You-Go)	809,000
Percentage Contributed	26.0%
Actuarial Accrued Liability	$ 39,815,000
Plan Assets	-
Unfunded Actuarial Accrued Liability	39,815,000
Covered payroll	$ 19,064,000
Unfunded actuarial accrued liability as a percentage of covered payroll	208.8%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 8 – Other Post Employment Benefits, *continued*

Actuarial Methods and Assumptions. Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Authority and plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets. Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/09
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	4.5%
Projected salary increases	3.5%
Healthcare inflation rate	4.5% - 8.7%

Note 9 – Commitments & 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.

Commitments on outstanding construction projects for improvements and maintenance totaled approximately $9,958,000 as of 12/31/2009.

Note 10 – Restatement of Net Assets

During 2009, management reinterpreted existing accounting guidance and determined prior year escrow activity for defeased debt should be eliminated from the December 31, 2008 financial statements. Net assets as of December 31, 2007 have been restated as follows:

Net assets, December 31, 2007, as previously reported	$	96,577,818
Prior period adjustment - Restatement for the removal of escrow activity for defeased debt		(7,367,030)
Net assets, December 31, 2007, as restated	**$**	**89,210,788**

Note 11 – Risk Management

The Authority is exposed to various risks of loss related to theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the Authority is insured through various commercial insurance carriers. As required by the Authority's contract with its bondholders, the Authority's consulting engineer certifies each year that insurance limits and coverage adequately protect the properties, interests, and operations of the Authority. Claims expenditure, liabilities and reserves are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

The Authority is self-insured for its workers' compensation liability. The program provides coverage for up to a maximum of $1,000,000 for each workers' compensation claim and $25,000,000 in the aggregate. In addition, the Authority purchases excess workers' compensation insurance to limit its financial risk Reserves are estimated at one hundred percent of expected expenditures. Settled claims have not exceeded the commercial coverage in any of the past three years.

The following summarizes the claims activity with respect to the Authority's self-insured workers' compensation program:

		2009
Unpaid Claims as of January 1, 2009	$	1,120,401
Incurred Claims		921,685
Total Claim Payments		460,082
Current Claims Liability		369,200
Long-term Claims Liability		1,212,804
Total Unpaid Claims Liability	**$**	**1,582,004**

REQUIRED SUPPLEMENTARY INFORMATION

Trend Data on Infrastructure Condition

The Authority has elected to use the modified approach to infrastructure reporting under GASB 34. The Authority's consulting engineers are required to make an inspection at least once a year of the Turnpike, and, on or before the first day of October of each year, to submit to the Authority a report setting forth (a) their findings whether the Turnpike has been maintained in good repair, working order and condition, (b) their advice and recommendations as to the proper maintenance, repair and operation of the Turnpike during the ensuing Fiscal Year and an estimate of the amount of money necessary for such purposes, (c) their advice and recommendations as to the amounts and types of insurance to be carried, and (d) their recommendations as to the amount that should be deposited into the Reserve Maintenance Fund during the upcoming Fiscal Year.

The roadways are rated on a 10-point scale, with 10 meaning that every aspect of the roadway is in new and perfect condition. The Authority's system as a whole is given an overall rating, indicating the average condition of all roadways operated by the Authority. The assessment of condition is made by visual inspection designed to reveal any condition that would reduce highway-user benefits below the maximum level of service. The Authority's policy is to maintain the roadway condition at rating of 8 (generally good condition) or better. The results of the 2009 inspection states that the Maine Turnpike has been maintained in generally good condition and presents a favorable appearance.

The budget to actual expenditures for Preservation for 2009 is as follows:

	Budget	Actual
Preservation Expense	$ 10,037,180	$ 6,150,108

Retiree Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
12/31/08	$0	$39,815,000	$39,815,000	0.00%	$18,420,000	216.2%
12/31/09	$0	$39,815,000	$39,815,000	0.00%	$19,064,000	208.8%

Calculation of the Composite Debt Service Ratio, as Defined by the Bond Resolutions and Related Documents (000's)

	Years Ended December 31st, 2009	Years Ended December 31st, 2008
Revenues:		
Net Fare Revenue	$ 100,451	$ 81,540
Concession Rental	3,791	3,397
Investment Income [1]	(45)	366
Miscellaneous	1,491	1,178
Total Revenues	**$ 105,688**	**$ 86,481**
Expenses:		
Operations	25,526	24,870
Maintenance	9,858	10,357
Adminstrative	2,726	2,567
Total Expenses	**$ 38,110**	**$ 37,794**
Net Operating Revenues	**$ 67,578**	**$ 48,687**
Debt Service Payments [2]	27,565	23,590
Reserve Maintenance Fund Deposit	24,500	24,750
MDOT Account / Sub Debt Fund Deposit	1,712	2,467
Other General Reserve Fund Deposits	**$ 13,801**	**$ (2,120)**
Debt Service Ratio of Net Revenues to Debt Service [3]	**2.45**	**2.06**

Note: Revenues and expenses are presented on this schedule on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Certain amounts included on the Statements of Revenues, Expenses, and Changes in Net Assets are not part of the net revenues, as defined, and therefore excluded from this schedule.

[1] Capital fund and Rebate Fund earnings are not included in investment income, consistent with the Maine Turnpike Revenue Bond Resolution.

[2] Represents Debt Service Deposits, net of capitalized interest, on the outstanding Revenue Bonds only.

[3] Net Revenues divided by Debt Service.

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