

MARYLAND TRANSPORTATION AUTHORITY

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE YEARS ENDED JUNE 30, 1986 AND 1985
AND AUDITORS' OPINION

MARYLAND TRANSPORTATION AUTHORITY

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AUDITORS' OPINION

To the Maryland Transportation Authority:

We have examined the financial statements of the Maryland Transportation Authority (a component unit of the Maryland Department of Transportation) as of June 30, 1986 and 1985, and for the years then ended, as listed in the table of contents. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the Maryland Transportation Authority as of June 30, 1986 and 1985, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplemental schedules for the years ended June 30, 1986 and 1985 have been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

We have read the Trust Agreement dated as of December 1, 1985, relating to the Maryland Transportation Authority - Transportation Facilities Projects Revenue Bonds, Series 1985. The Agreement contains covenants of the Authority relative to the maintenance of certain financial conditions and reports. In connection with our examination, nothing came to our attention that caused us to believe there was any event of default by the Authority in the fulfillment of any of the covenants, insofar as they pertain to accounting matters.

Deloitte Haskins & Sells

August 30, 1986

MARYLAND TRANSPORTATION AUTHORITY

BALANCE SHEETS

JUNE 30, 1986 AND 1985

<u>ASSETS</u>	<u>1986</u>	<u>1985</u>	<u>LIABILITIES AND EQUITY</u>	<u>1986</u>	<u>1985</u>
CURRENT ASSETS:			CURRENT LIABILITIES (Payable from Current Assets):		
Cash (overdraft) (Note 2)	\$ 1,150,224	\$ (2,817,796)	Accounts payable and accrued operating expenses	\$ 2,352,000	\$ 2,045,191
Investments, at cost (Notes 1 and 3)	6,627,000	10,338,000	Deferred income	757,973	485,502
Accrued interest receivable	5,000	24,578	Total current liabilities (Payable from Current Assets)	<u>3,109,973</u>	<u>2,530,693</u>
Accounts receivable:					
Concessionaires	360,231	328,097			
Other	329,419	192,761			
Supply inventory, at cost	<u>269,169</u>	<u>242,203</u>			
Total current assets	<u>8,741,043</u>	<u>8,307,843</u>			
RESTRICTED ASSETS:			CURRENT LIABILITIES (Payable from Restricted Assets):		
Maintenance and Operations Reserve Fund:			Accrued interest payable	10,054,000	-
Cash (overdraft) (Note 2)	1,754,123	(1,089,849)	Accounts and retainages payable:		
Investments, at cost (Notes 1 and 3)	38,941,270	39,793,206	Major repairs and replacements	3,708,000	4,837,772
Accrued interest receivable	370,000	494,579	Additions to property	<u>3,425,000</u>	<u>3,916,826</u>
Supply inventory, at cost	<u>4,313</u>	<u>-</u>	Total current liabilities (Payable from Restricted Current Assets)	<u>17,188,000</u>	<u>8,754,598</u>
Total maintenance and operations reserve fund	<u>41,069,706</u>	<u>39,197,936</u>			
Interest and Sinking Fund:			OTHER LIABILITIES (Note 6D)		1,000,000
Bond Service Account:			REVENUE BONDS (Notes 1 and 4)	<u>201,925,000</u>	<u>115,495,000</u>
Cash (Note 2)	1,586,077	4,407,746	COMMITMENTS AND CONTINGENCIES (Notes 5 and 7)		
Investments, at cost (Notes 1 and 3)	10,055,000		EQUITY:		
Accrued interest receivable	7,000		Federal grants for construction	763,785,189	4,331,189
Reserve Account:			Accumulated excess of revenues over expenses- Restricted for:		
Cash (overdraft) (Note 2)	(230)	4,631	Major repairs, replacements, and insurance	37,361,706	34,360,164
Investments, at cost (Notes 1 and 3)	19,287,237	8,035,645	Payment of revenue bonds and interest	21,146,084	12,678,800
Accrued interest receivable	<u>265,000</u>	<u>230,778</u>	Acquisition, construction, and improvements to transportation facilities projects	45,419,140	45,264,350
Total interest and sinking fund	<u>31,200,084</u>	<u>12,678,800</u>	General purposes	<u>57,506,351</u>	<u>81,529,805</u>
Capital Fund:			Total restricted equity	161,433,281	173,833,119
Cash	1,408	1,103,072	Unrestricted	<u>681,085,025</u>	<u>609,496,728</u>
Investments, at cost (Notes 1 and 3)	46,933,026	45,501,152	Total accumulated excess of revenues over expenses	<u>842,518,306</u>	<u>778,329,847</u>
Accrued interest and other receivables	<u>1,910,705</u>	<u>1,576,952</u>	Total equity	<u>1,606,303,495</u>	<u>782,661,036</u>
Total capital fund	<u>48,845,139</u>	<u>50,181,176</u>	Total liabilities and equity	<u>\$1,828,526,468</u>	<u>\$910,441,327</u>
General Fund:					
Cash	2,237,915	3,054			
Investments, at cost (Notes 1 and 3)	54,543,436	79,941,454			
Accrued interest receivable	<u>725,000</u>	<u>1,585,297</u>			
Total general fund	<u>57,506,351</u>	<u>81,529,805</u>			
Total restricted assets	<u>178,621,280</u>	<u>183,587,717</u>			
DEFERRED BOND ISSUANCE COSTS (Notes 1 and 4)	<u>9,018,000</u>	<u>3,392,000</u>			
PROPERTY - Bridges, tunnels, expressway, and related facilities, at cost (Notes 1 and 8)	<u>1,632,196,145</u>	<u>715,153,758</u>			
Total assets	<u>\$1,828,526,468</u>	<u>\$910,441,327</u>			

The accompanying notes are an integral part of these statements.

MARYLAND TRANSPORTATION AUTHORITY

STATEMENTS OF REVENUES AND EXPENSES AND
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES
FOR THE YEARS ENDED JUNE 30, 1986 AND 1985

	<u>1986</u>	<u>1985</u>
OPERATING REVENUES:		
Toll income based on toll transactions	\$ 86,494,747	\$ 70,594,711
Concessions and other	<u>4,144,681</u>	<u>3,745,925</u>
Total operating revenues	<u>90,639,428</u>	<u>74,340,636</u>
OPERATING EXPENSES (Notes 1 and 6):		
Collection, police patrol, and maintenance	25,918,363	21,144,330
Major repairs, replacements, and insurance	26,183,354	16,916,179
General and administrative	<u>3,984,486</u>	<u>3,356,779</u>
Total operating expenses	<u>56,086,203</u>	<u>41,417,288</u>
OPERATING INCOME	<u>34,553,225</u>	<u>32,923,348</u>
NONOPERATING INCOME (EXPENSE):		
Income from investments (Notes 1 and 3)	16,157,692	18,472,574
Interest expense on revenue bonds (Note 4)	(12,794,000)	(7,709,428)
Amortization of bond issuance costs (Note 1)	(288,009)	(139,052)
Other (Note 6D)	<u>1,658,551</u>	<u>351,068</u>
Nonoperating income, net	<u>4,734,234</u>	<u>10,975,162</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	39,287,459	43,898,510
EXTRAORDINARY ITEM - Gain on bond defeasance (Note 4)	<u>24,901,000</u>	<u> </u>
EXCESS OF REVENUES OVER EXPENSES	64,188,459	43,898,510
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES, beginning of year	<u>778,329,847</u>	<u>734,431,337</u>
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES, end of year	<u>\$842,518,306</u>	<u>\$778,329,847</u>

The accompanying notes are an integral part of these statements.

MARYLAND TRANSPORTATION AUTHORITY

STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED JUNE 30, 1986 AND 1985

	<u>1986</u>	<u>1985</u>
FUNDS PROVIDED (USED) INTERNALLY:		
Operations:		
Excess of revenues over expenses, before extraordinary item	\$ 39,287,459	\$ 43,898,510
Revenues not providing funds:		
Seagirt settlement (Note 6D)	(1,000,000)	
Expenses not requiring use of funds-		
Amortization of bond issuance costs	<u>288,009</u>	<u>139,052</u>
Funds provided by operations, before extraordinary item	38,575,468	44,037,562
Extraordinary item	<u>24,901,000</u>	
Funds provided by Operations	<u>63,476,468</u>	<u>44,037,562</u>
Effect on cash of changes in certain working capital and other items:		
Accrued interest receivable	19,578	62,235
Accounts receivable	(168,792)	971,215
Supply inventory	(26,966)	(19,554)
Accounts payable and accrued operating expenses payable from current assets	306,809	257,436
Deferred Income	272,471	169,808
Restricted assets	4,966,437	(28,522,975)
Current liabilities payable from Restricted Assets	8,433,402	3,524,507
Other liabilities		<u>1,000,000</u>
TOTAL FUNDS PROVIDED INTERNALLY	<u>77,279,407</u>	<u>21,480,234</u>
FINANCING:		
Federal portion of construction costs (Note 8)	<u>759,454,000</u>	
Issuance of 1985 revenue bonds	201,925,000	
Less-bond issuance costs	<u>(9,237,000)</u>	
Net bond proceeds	<u>192,688,000</u>	
Defeasance of 1978 revenue bonds	115,495,000	
Less-unamortized bond issuance costs	<u>(3,323,000)</u>	
Net bond defeasance	<u>112,172,000</u>	
Net financing from bond refunding	80,516,000	
Principal payment on revenue bonds		<u>(1,105,000)</u>
TOTAL FUNDS PROVIDED (USED) EXTERNALLY	<u>839,970,000</u>	<u>(1,105,000)</u>
ACQUISITION OF PROPERTY	<u>916,992,387</u>	<u>19,154,140</u>
INCREASE IN CASH AND INVESTMENTS	257,020	1,221,094
CASH AND INVESTMENTS, BEGINNING OF YEAR	<u>7,520,204</u>	<u>6,299,110</u>
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 7,777,224</u>	<u>\$ 7,520,204</u>

The accompanying notes are an integral part of these statements.

MARYLAND TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1986 AND 1985

Note 1 - ORGANIZATION, NATURE OF ACCOUNTS,
AND SIGNIFICANT ACCOUNTING POLICIES:

A. Organization-

The Maryland Transportation Authority (the "Authority"), a component unit agency of the State of Maryland, is responsible for various Transportation Facilities Projects located throughout the State. The existing projects consist of the Potomac River Bridge (the "Harry W. Nice Memorial Bridge"), the Chesapeake Bay Bridge (the "Wm. Preston Lane, Jr. Memorial Bridge"), the Baltimore Harbor Tunnel, the Baltimore Harbor Outer Bridge (the "Francis Scott Key Bridge"), the John F. Kennedy Memorial Highway (the "Northeastern Expressway") and the Fort MchHenry Tunnel (See Note 8). In addition to existing projects, the Authority is permitted to construct and operate additional projects which currently include the Susquehanna River Bridge (the "Thomas J. Hatem Memorial Bridge") and the Seagirt Marine Facility (See Note 8).

The Authority was established by statute to act on the behalf of the Maryland Department of Transportation. The Authority is responsible for the supervision, financing, construction, operation and maintenance of the State's toll facilities in accordance with a Trust Agreement dated as of December 1, 1985, relating to the Maryland Transportation Authority - Transportation Facilities Projects Revenue Bonds, Series 1985 and the Authority's interpretation thereof.

B. Nature of Accounts-

In accordance with the 1985 Trust Agreement, the Authority has established and maintains certain restricted accounts. Funds have been deposited in these accounts and are restricted for the payment of debt service related to the revenue bonds, major maintenance project requirements and improvements, betterments, enlargements, or capital additions.

C. Significant Accounting Policies-

Property

The Authority maintains its accounts on a basis of accounting as described in the 1985 Trust Agreement. This basis of accounting is in accordance with generally accepted accounting principles. Under the Authority's policy of accounting for toll facilities pursuant to "betterment accounting", property costs represent a historical accumulation of costs expended to acquire rights-of-way and to construct, reconstruct, and place in operation the various projects and related facilities. Costs also include the cost of improvement, enlargement, betterments, and certain general and administrative expenses incurred during the construction phase. Subsequent betterments are capitalized. All such costs are not reduced for subsequent replacements, as such replacements are accounted for as a period cost.

Such expenses are included in major repairs, replacements, and insurance. Depreciation of the projects and related facilities is not included as an operating expense or otherwise provided. These policies are consistent with practices followed by similar entities within the toll bridge, turnpike, and tunnel industry.

Included in Property is approximately \$35,000,000 representing the cost of the Susquehanna Bridge and costs incurred to date in the development of the Seagirt Marine Facility. The 1985 Trust Agreement classifies these facilities as General Account Projects and thus the operating results of these facilities are not considered in the various restrictive covenant calculations of the Agreement.

Investments

Investments are carried at cost as it is the Authority's intention to hold securities until maturity (see Note 3).

Deferred Bond Issuance Costs

Underwriting, legal, and other direct costs associated with the issuance of debt under the 1985 Trust Agreement are deferred and are being amortized over the term of the debt.

Debt and Related Interest

Funds for the payment of interest and serial bonds due on July 1, 1985, were deposited with paying agents as of June 30, 1985 and, accordingly, there are no liabilities for these amounts shown in the financial statements at that date.

Income Taxes

The Authority is exempt from Federal, state and local income taxes.

Sick Leave and Vacation Policies

The Authority's sick leave policy is that time earned is accumulated but does not vest. During fiscal years 1986 and 1985, sick leave earned exceeded sick leave used and, in the opinion of the Authority, the payment on the excess is not probable. Accordingly, the excess is not reflected in the accompanying financial statements.

The Authority's vacation leave policy is that time earned is accumulated and vested and a liability for the unused leave is reflected in the accompanying financial statements.

Note 2 - CASH:

The cash overdrafts as shown in the accompanying balance sheets at June 30, 1986 and 1985, arose primarily from the purchase of short-term investments which mature in July of the subsequent fiscal year.

Note 3 - INVESTMENTS:

Investments at June 30, 1986 and 1985, consisted of the following:

<u>Description and Maturity</u>	<u>1986</u>	
	<u>Cost</u>	<u>Market Value</u>
Repurchase agreements and certificates of deposit due in varying amounts from July 1 to 24, 1986	\$ 36,093,000	\$ 36,093,000
United States Government and Agency obligations, maturing:		
Within one year	125,161,982	125,226,446
After one year	<u>15,131,987</u>	<u>15,488,472</u>
Total	<u>\$176,386,969</u>	<u>\$176,807,918</u>

<u>Description and Maturity</u>	<u>1985</u>	
	<u>Cost</u>	<u>Market Value</u>
Repurchase agreements and certificates of deposit due in varying amounts from July 1 to August 6, 1985	\$ 23,216,064	\$ 23,216,064
United States Government and Agency obligations, maturing:		
Within one year	112,071,284	113,061,368
After one year	<u>48,322,109</u>	<u>47,563,292</u>
Total	<u>\$183,609,457</u>	<u>\$183,840,724</u>

Note 4 - REVENUE BONDS, FIRST SERIES (REFUNDING):

In December 1985, the Authority placed in escrow with Union Trust Company of Maryland, trustee, \$85,625,455 from the 1985 revenue bonds and approximately \$4,972,000 from other funds. These deposits were used to purchase U.S. Government securities with appropriate maturities such that the securities, together with interest accruing thereon, would service the previously outstanding debt of \$115,495,000, along with approximately \$3,500,000 of accrued interest, thereby defeasing it. Accordingly, these escrow funds and the related liabilities for the refunded bonds are not recorded in the financial statements.

In connection with this defeasance, the Authority recognized a gain of \$24,901,000 on the extinguishment of the previous debt. This gain has been classified as an extraordinary item in the financial statements.

The Revenue Bonds, Series 1985, issued in accordance with the provisions of the Trust Agreement dated as of December 1, 1985, and interest thereon do not constitute a debt or a pledge of the faith and credit of the State of Maryland, or the Maryland Department of Transportation, but are payable solely from the revenues of the Transportation Facilities Projects of the Authority. Bonds outstanding at June 30, 1986 consisted of:

Serial bonds maturing in annual install- ments ranging from \$1,805,000 to \$4,540,000 from July 1, 1987, to July 1, 2000, inclusive, with interest rates ranging from 5.5% to 8.65%, payable semiannually	\$ 40,545,000
Term bonds with interest payable semiannually at 8.80% due July 1, 2005	29,390,000
Term bonds with interest payable semiannually at 9% due July 1, 2015	114,195,000
Term bonds with interest payable semiannually at 7% due July 1, 2016	<u>17,795,000</u>
Total	<u>\$201,925,000</u>

The serial bonds maturing after July 1, 1995 are subject to redemption, at the Authority's option, beginning July 1, 1995. The redemption prices range, as a percentage of the principal amount, from 100% to 102%.

The bonds maturing July 1, 2016 are subject to redemption, at the Authority's option, beginning July 1, 1995 at a redemption price of 100%.

A portion of the bonds maturing on July 1, 2005, \$22,480,000, are subject to redemption beginning in 2001. A portion of the bonds maturing July 1, 2015, \$97,870,000, are subject to redemption beginning in 2006. The principal amortization requirements range from \$4,930,000 to \$14,975,000 per year.

Note 5 - COMMITMENTS:

The Authority was contractually liable for approximately \$20,000,000 of uncompleted construction and improvement contracts relating to the various projects as of June 30, 1986.

The Authority contemplates the expenditure, through 1991, of approximately \$350,000,000 for capital additions, improvements and major rehabilitation.

Note 6 - RELATIONSHIPS WITH OTHER GOVERNMENTAL ENTITIES:

A. State of Maryland Retirement and Pension Plans-

Eligible employees are covered under the State of Maryland's defined benefit retirement and pension plans. Contributions by the Authority are based on percentages of total employee compensation as specified by the Maryland State Retirement System. The Authority's pension and retirement expense for the years ended June 30, 1986 and 1985 was approximately \$2,105,000 and \$1,239,000 respectively.

The State of Maryland Retirement System does not maintain the retirement and pension plans' information by agency, and therefore, the Authority's portion of the plans' net assets available for benefits and the actuarial present value of vested and nonvested accumulated plan benefits are not readily determinable. The Authority has approximately 900 employees participating in the plans compared to approximately 161,000 participants in the plans. The actuarial present value of accumulated plan benefits and plan net assets available for plan benefits for the entire Maryland State Retirement System at June 30, 1985, the latest date of actuarial review, are approximately \$12 billion and \$4.4 billion, respectively.

B. Maryland State Police

The Maryland State Police patrol the John F. Kennedy Memorial Highway. The Authority reimburses the State Police for the costs of providing this service, including an allowance for overhead. The cost for these services was approximately \$1,807,000 and \$1,650,000 for the years ended June 30, 1986 and 1985, respectively.

C. Maryland State Highway Administration

The Maryland State Highway Administration performs certain inspection, testing, engineering, and payroll processing functions which are reimbursed by the Authority. The cost for these services was approximately \$500,000 and \$700,000 for the years ended June 30, 1986 and 1985, respectively.

D. City of Baltimore

In 1985, the City of Baltimore and the Authority settled a claim with a contractor for work that the contractor performed on the Seagirt Facility in connection with the construction of the Fort McHenry Tunnel. Because at that time the Authority had yet to acquire the Seagirt Facility, income related to the \$1 million settlement paid by the contractor to the Authority was deferred and was reflected as a liability in the accompanying financial statements in 1985. During 1986, the Authority acquired the Seagirt Facility and, accordingly, recognized the settlement amount as income.

E. Maryland Port Administration

The Maryland Port Administration is performing construction management duties with regards to the development of the Seagirt Marine Facility and is being reimbursed by the Authority. The cost for these services was approximately \$228,000 for the year ended June 30, 1986.

Note 7 - LITIGATION:

The Authority is a defendant in several claims and suits resulting from construction of several project additions and other operational matters. The Authority plans to vigorously defend these claims. In the opinion of the Authority, the settlement of these claims will not have a material adverse effect on the accompanying financial statements.

Note 8 - FORT McHENRY TUNNEL AND SEAGIRT MARINE FACILITY:

In August 1981, the Authority entered into an agreement with the City of Baltimore to finance the non-Federal share (approximately \$78,000,000) plus related interest of approximately \$31,000,000, associated with the construction of the Fort McHenry Tunnel. The Authority placed approximately \$96,000,000 from the 1985 bond issuance into an escrow account to cover these costs and expects to recover its costs through future net toll revenues of the tunnel.

In connection with this agreement, the Authority has reimbursed the City, approximately \$16,000,000, for the principal and interest paid on the debt acquired to finance the construction of the toll plaza and related facilities at the Fort McHenry Tunnel. The amount of the reimbursement to the City reduced the Authority's responsibility for financing the non-Federal share of the project.

As part of the agreement, the Authority acquired 140 acres of land created with dredged material from tunnel construction and subsequently purchased an additional 73 acres of adjacent land. The site, located near the Dundalk Marine Terminal, is being developed into the Seagirt Marine Terminal and is expected to be opened in 1989.

The Federal share of construction costs of the Fort McHenry Tunnel totaled approximately \$759,454,000. Such amount has been included in the Balance Sheet as of June 30, 1986 in Property and in Federal Grants for Construction.

MARYLAND TRANSPORTATION AUTHORITY
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Schedule I

TOLL REVENUES AND EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES - OPERATING ACCOUNT
 FOR THE FISCAL YEAR ENDED JUNE 30, 1986

	FISCAL YEAR ENDED JUNE 30, 1986							
	Susquehanna River Bridge	Potomac River Bridge	Chesapeake Bay Bridge	Patapsco Tunnel	Ouler Harbor Crossing	John F. Kennedy Memorial Highway	Ft. McHenry Tunnel	TOTAL
TOLL REVENUE:								
Toll Income Based on Toll Transactions:								
Cash Tolls-Barriers	\$1,241,858.00	\$3,138,736.15	\$16,528,186.70	\$15,958,621.25	\$7,511,178.00	\$21,737,242.75	\$18,755,488.25	\$76,663,295.10
Ticket Tolls	91,521.83	231,173.10	2,255,864.20	2,748,182.85	2,288,895.90	955,627.45	1,588,486.35	9,997,991.68
Charge Tolls	4,875.75	2,172.45	21,189.40	27,416.88	3,286.00	66,888.75	7,793.70	132,654.85
Volume Discounts, Four Axles and Over, Md. tags				(384,174.78)				(384,174.78)
Total Toll Income based on Toll Transactions	\$1,338,247.58	\$3,364,881.70	\$18,604,360.30	\$18,429,965.32	\$9,722,551.90	\$22,758,878.95	\$12,271,688.30	\$86,489,766.85
Unredeemed Toll Tickets	\$3,928.85	\$18,832.70	\$184,628.85	\$91,912.81	\$73,878.14	\$31,961.56	\$55,451.41	\$379,743.92
Collections in Excess of Calculated Tolls	2,278.86	11,873.91	13,881.84	5,318.96	18,646.45	1262.951	6,872.78	36,882.43
Sale of Stickers	185,588.88							185,588.88
Concessions						3,477,529.81		3,477,529.81
Concessionaire maintenance participation					17,688.88	17,587.72		35,187.88
Telephone				798.33	5,948.83	48,659.38		55,485.74
Miscellaneous Revenue	1,275.71	851.73	2,215.17	18,288.42	7,535.27	1,685.24	3,872.89	27,636.43
TOTAL TOLL REVENUE	\$1,451,317.48	\$3,381,892.22	\$18,724,284.56	\$18,530,217.84	\$9,838,111.87	\$26,335,951.71	\$12,337,885.38	\$98,687,588.18
EXPENSES EXCLUDING GENERAL AND ADMINISTRATIVE EXPENSES:								
Operating Salaries	\$534,884.96	\$493,475.83	\$924,944.47	\$1,134,897.97	\$784,338.46	\$979,778.46	\$696,718.25	\$5,468,141.68
Maintenance Salaries	87,855.38	88,455.87	268,744.38	1,488,521.98	285,127.18	1,483,392.23	194,331.66	3,419,628.52
Police Patrol Salaries	295,188.58	283,428.39	556,666.38	2,862,746.76	674,185.23	1,866,872.29	2,844,278.33	7,782,381.88
Operating, Maintenance and Patrol Expenses	\$36,436.28	\$87,745.74	\$88,588.88	\$2,887,818.52	\$97,399.13	\$2,456,445.84	\$83,879.61	\$8,949,497.12
Total Expenses	\$1,352,596.96	\$1,245,897.83	\$2,542,935.23	\$7,993,977.23	\$2,668,969.92	\$5,985,688.82	\$3,918,391.85	\$25,619,649.84
REMAINDER	\$98,720.44	\$2,136,795.19	\$16,181,269.33	\$10,544,239.81	\$7,177,141.95	\$20,430,278.89	\$8,419,493.53	\$64,987,931.14
GENERAL AND ADMINISTRATIVE EXPENSES:								
Salaries								\$2,572,856.59
Other Expenses								1,261,235.82
Total								\$3,834,091.61
EXCESS OF TOLL REVENUE OVER CURRENT EXPENSES								\$61,153,839.53

MARYLAND TRANSPORTATION AUTHORITY

Schedule 2

MAINTENANCE AND OPERATIONS RESERVE ACCOUNT EXPENSES
FOR THE YEAR ENDED JUNE 30, 1986

	Susquehanna River Bridge	Potomac River Bridge	Chesapeake Bay Bridge	Palapsco Tunnel	Outer Harbor Crossing	John F. Kennedy Memorial Highway	Ft. McHenry Tunnel	General and Administrative
TOTAL								
FOR THE FISCAL YEAR ENDED JUNE 30, 1986								
Resurfacing	\$927,693.53					\$927,693.53		
Unusual or extraordinary maintenance	20,110,415.50	\$336,716.00	\$14,044,676.47	\$1,007,660.09	\$1,607,614.03	\$360,600.12	2,691,138.20	\$45,658.07
Renewal and replacement	2,362,915.01	115,638.47	70,484.34	339,619.72	628,905.07	261,158.96	395,438.99	45,394.01
Engineering	2,326,271.52	129,090.72	529,300.39	564,661.00	504,261.00	60,090.05	300,041.32	1,736.20
Insurance	1,749,027.05	44,501.19	52,967.20	340,550.31	203,235.99	133,609.79	101,966.06	704,759.02
Total	\$27,477,123.41	\$625,946.46	\$14,705,500.08	\$2,252,499.92	\$3,024,016.97	\$1,055,458.90	\$4,585,078.90	\$877,549.70

MARYLAND TRANSPORTATION AUTHORITYNET OPERATING REVENUES UNDER TRUST AGREEMENT DATED AS OF DECEMBER 1, 1985FOR THE YEAR ENDED JUNE 30, 1986

A reconciliation of net operating revenues, as shown on schedules 1 and 2, with the amount of such revenues shown in the Statements of Revenues and Expenses and Accumulated Excess of Revenues over Expenses for the Year Ended June 30, 1986:

Excess of toll revenue over current expenses	\$ 61,153,840
Less Maintenance and Operations Reserve Account expenses	<u>27,477,123</u>
Net operating revenues, as shown	33,676,717
Add-	
Nonoperating income, net	4,734,234
Extraordinary item-Gain on bond defeasance	24,901,000
Increase in accounts payable and accrued operating expenses	796,079
Timing difference of inventory adjustment	48,583
Increase in accrued concession revenues	<u>31,846</u>
Excess of revenues over expenses	<u>\$ 64,188,459</u>

MARYLAND TRANSPORTATION AUTHORITY

Schedule 4

TRAFFIC VOLUME AND TOLL INCOME, SUSQUEHANNA RIVER BRIDGE (THOMAS J. MATEM MEMORIAL BRIDGE)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986 AND 1985

	TRAFFIC VOLUME							TOLL INCOME					
	FISCAL YEAR ENDED JUNE 30							FISCAL YEAR ENDED JUNE 30					
	Rates	1986		1985		INCREASE OR DECREASE		1986		1985		INCREASE OR DECREASE	
Number		Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
AUTOMOBILES AND LIGHT COMMERCIAL VEHICLES													
Passenger Ca	\$0.50	1,723,834	24.45%	1,700,706	25.23%	23,840	1.36%	\$861,917.00	64.41%	\$858,393.00	67.32%	\$11,524.00	1.36%
Pass Car Com	\$0.03	2,671	0.04%	243,311	3.61%	(240,640)	-90.90%	\$80.13	0.01%	\$7,299.33	0.58%	(\$7,219.20)	-90.90%
Pass Car Com	\$0.00	4,718,973	66.94%	4,267,166	63.29%	451,807	10.59%	-	-	-	-	-	-
Rec Veh 3-ax	\$0.75	4,682	0.07%	4,304	0.06%	378	0.70%	\$3,511.50	0.26%	\$3,220.00	0.26%	\$283.50	0.70%
Rec Veh 4-ax	\$1.00	3,873	0.05%	3,898	0.06%	(25)	-0.64%	\$3,873.00	0.29%	\$3,898.00	0.31%	(\$25.00)	-0.64%
Local Bus	\$0.15	1,970	0.03%	2,880	0.04%	(910)	-31.79%	\$295.50	0.02%	\$433.20	0.03%	(\$137.70)	-31.79%
Offical duty		40,381	0.69%	45,007	0.67%	3,294	7.31%	-	-	-	-	-	-
Total.....		6,504,384	92.27%	6,267,440	92.96%	236,944	3.78%	\$869,677.13	64.99%	\$865,251.53	68.49%	\$4,425.60	0.51%
HEAVY COMMERCIAL VEHICLES													
Two-axle...	\$0.50	123,780	1.76%	103,385	1.53%	20,475	19.82%	\$61,890.00	4.62%	\$51,652.50	4.09%	\$10,237.50	19.82%
Three-axle..	\$0.75	47,285	0.67%	43,292	0.64%	3,993	9.22%	\$35,463.75	2.65%	\$32,469.00	2.57%	\$2,994.75	9.22%
Four-axle...	\$1.00	31,780	0.45%	31,804	0.47%	(176)	-0.55%	\$31,780.00	2.37%	\$31,804.00	2.52%	(\$176.00)	-0.55%
Five-axle...	\$1.25	226,240	3.21%	186,860	2.77%	39,380	21.00%	\$282,810.00	21.13%	\$233,575.00	18.49%	\$49,235.00	21.00%
Six-axle or Unusual size	\$1.50	3,473	0.05%	1,570	0.02%	1,903	121.21%	\$5,209.50	0.39%	\$2,355.00	0.19%	\$2,854.50	121.21%
	\$5.00	-	-	870	-	(55)	-6.32%	\$0,150.00	0.61%	-	-	-	-
Two-axle(Co)	\$0.25	21,529	0.31%	20,920	0.31%	609	2.91%	\$5,382.25	0.40%	\$5,230.00	0.41%	\$152.25	2.91%
Three-axle(C)	\$0.35	57,480	0.82%	53,320	0.79%	4,152	7.79%	\$20,110.00	1.50%	\$18,664.00	1.48%	\$1,453.20	7.79%
Four-axle(Co)	\$0.45	1,356	0.02%	1,430	0.02%	(82)	-5.70%	\$610.20	0.05%	\$647.10	0.05%	(\$36.90)	-5.70%
Five-axle(Co)	\$0.55	31,325	0.44%	31,286	0.46%	39	0.12%	\$17,220.75	1.29%	\$17,207.30	1.36%	\$21.45	0.12%
Total.....		544,999	7.73%	474,753	7.04%	70,246	14.80%	\$460,570.45	35.01%	\$398,034.70	31.51%	\$70,535.75	17.72%
Total		7,049,383	100.00%	6,742,193	100.00%	307,190	4.56%	\$1,330,247.58	100.00%	\$1,263,286.23	100.00%	\$74,961.35	5.93%

* New Toll Rates July 1, 1985

(Continued)

MARYLAND TRANSPORTATION AUTHORITY

Schedule 4

TRAFFIC VOLUME AND TOLL INCOME, POTOMAC RIVER TOLL BRIDGE (HARRY W. NICE MEMORIAL BRIDGE)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986 AND 1985

TRAFFIC VOLUME							TOLL INCOME						
FISCAL YEAR ENDED JUNE 30							FISCAL YEAR ENDED JUNE						
							INCREASE OR DECREASE						
1986							1985						
Rate	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
AUTOMOBILES AND LIGHT COMMERCIAL VEHICLES:													
Passenger Ca	\$0.75	2,544,869	71.45%	2,621,216	72.38%	(76,347)	-2.91%	\$1,900,651.75	56.74%	\$1,965,912.00	57.70%	(\$67,260.25)	-2.91%
	\$0.40	2,414	0.07%	2,700	0.07%	(294)	-10.06%	\$965.60	0.03%	\$1,003.20	0.03%	(\$117.60)	-10.06%
Pass Car Com	\$0.30	357,325	10.03%	-	-	-	-	\$107,197.50	3.19%	-	-	-	-
	\$0.25	-	-	330,122	9.33%	19,203	5.60%	-	-	\$04,530.50	2.40%	\$22,667.00	26.02%
Rec Veh 3-ax	\$1.10	31,049	0.87%	31,302	0.86%	(253)	-0.81%	\$34,153.90	1.02%	\$34,432.20	1.01%	(\$278.30)	-0.81%
Rec Veh 4-ax	\$1.45	24,621	0.69%	24,020	0.68%	(199)	-0.80%	\$35,700.45	1.06%	\$35,989.00	1.06%	(\$288.55)	-0.80%
Offical duty	None	34,535	0.97%	36,989	1.02%	(2,454)	-6.63%	-	-	-	-	-	-
Total.....		2,994,813	84.89%	3,055,157	84.27%	(60,344)	-1.98%	\$2,006,669.20	62.03%	\$2,121,946.90	62.28%	(\$115,277.70)	-1.66%
Heavy Commercial													
Two-axle*	\$1.00	63,104	1.77%	63,906	1.76%	(802)	-1.25%	\$63,104.00	1.88%	\$63,906.00	1.88%	(\$802.00)	-1.25%
Three-axle*	\$1.50	27,913	0.78%	27,705	0.76%	208	0.75%	\$41,869.50	1.24%	\$41,557.50	1.22%	\$312.00	0.75%
Four-axle*	\$2.00	40,925	1.15%	43,005	1.21%	(2,980)	-6.74%	\$81,850.00	2.43%	\$87,770.00	2.58%	(\$5,920.00)	-6.74%
Five-axle*	\$2.50	427,590	12.01%	426,727	11.77%	863	0.20%	\$1,069,975.00	31.78%	\$1,066,017.50	31.31%	\$3,957.50	0.20%
Six-axle or	\$3.00	7,100	0.20%	7,039	0.22%	(731)	-9.33%	\$21,324.00	0.63%	\$23,517.00	0.69%	(\$2,193.00)	-9.33%
Unusual size	\$10.00	21	0.00%	-	-	-	-	\$210.00	0.01%	-	-	-	-
	\$5.00	-	-	315	0.01%	(294)	-93.33%	-	-	\$1,575.00	0.05%	(\$1,365.00)	-86.67%
Total.....		566,741	15.91%	570,457	15.73%	(3,716)	-0.65%	\$1,277,412.50	37.97%	\$1,285,223.00	37.72%	(\$7,810.50)	-0.61%
Total		3,561,554	100.00%	3,625,614	100.00%	(64,060)	-1.77%	\$3,364,081.70	100.00%	\$3,407,169.90	100.00%	(\$43,088.20)	-1.26%

* New Toll Rates July 1, 1985

(Continued)

MARYLAND TRANSPORTATION AUTHORITY

Schedule 4

TRAFFIC VOLUME AND TOLL INCOME, CHESAPEAKE BAY BRIDGE (WM. PRESTON LANE, JR. MEMORIAL BRIDGE)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986 AND 1985

	TRAFFIC VOLUME							TOLL INCOME					
	FISCAL YEAR ENDED JUNE 30							FISCAL YEAR ENDED JUNE 30					
	1986		1985		INCREASE OR DECREASE		1986		1985		INCREASE OR DECREASE		
Rates	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
AUTOMOBILES AND LIGHT COMMERCIAL VEHICLES:													
Passenger Ca	\$1.00	9,312,863	66.18%	9,893,435	68.12%	229,428	2.53%	\$11,641,878.75	62.57%	\$11,354,293.75	64.03%	\$286,785.00	2.53%
	\$0.75	87,936	0.62%	84,914	0.64%	3,022	3.56%	\$52,761.68		\$50,948.40	0.29%	\$1,813.28	3.56%
Pass Car Com	\$0.40	2,936,484	20.87%	-	-	-	-	\$1,468,242.00	7.89%	-	-	-	-
	\$0.35	-	-	2,494,263	18.71%	442,221	17.73%	-	-	\$1,122,418.35	6.33%	\$345,823.65	30.01%
Rec Veh 3-ax	\$1.50	147,146	1.05%	150,474	1.13%	(3,328)	-2.21%	\$272,220.10	1.46%	\$278,376.90	1.57%	(\$6,156.80)	-2.21%
Rec Veh 4-ax	\$2.00	64,191	0.46%	63,614	0.46%	577	0.91%	\$157,267.95	0.85%	\$155,854.38	0.80%	\$1,413.65	0.91%
Official duty	None	223,183	1.59%	222,776	1.67%	407	0.18%	-	-	-	-	-	-
Total.....		12,771,723	98.76%	12,899,476	98.74%	672,247	5.56%	\$13,591,578.48	73.86%	\$12,961,891.78	73.89%	\$629,678.78	4.86%
HEAVY COMMERCIAL:													
Two-axle...	\$1.25	237,491	1.69%	288,498	1.56%	28,993	13.91%	\$427,483.00	2.30%	\$375,296.40	2.12%	\$52,187.40	13.91%
Three-axle...	\$2.00	82,232	0.58%	79,376	0.60%	2,856	3.60%	\$222,026.40	1.19%	\$214,315.20	1.21%	\$7,711.20	3.60%
Four-axle...	\$2.50	95,528	0.68%	105,733	0.79%	10,205	9.66%	\$343,872.00	1.85%	\$388,638.00	2.15%	(\$46,766.00)	-9.66%
Five-axle...	\$3.25	864,455	6.14%	823,669	6.18%	40,786	4.95%	\$3,898,447.50	20.91%	\$3,786,518.50	20.98%	\$113,537.00	4.95%
Six-axle or	\$3.75	15,563	0.11%	13,514	0.10%	2,049	15.16%	\$84,848.28	0.45%	\$72,975.68	0.41%	\$11,864.60	15.16%
Unusual size	\$18.00	4,532	0.03%	3,714	0.03%	818	22.02%	\$45,328.00	0.24%	-	-	\$45,328.00	100.00%
	\$6.00	-	-	-	-	-	-	-	-	\$22,284.00	0.13%	\$22,284.00	100.00%
Total.....		1,299,793	9.24%	1,234,584	9.26%	65,209	5.29%	\$5,812,789.98	26.94%	\$4,772,828.58	26.91%	\$1,040,769.40	5.05%
Total		14,071,516	100.00%	13,333,980	100.00%	737,536	5.53%	\$18,684,368.38	100.00%	\$17,733,912.28	100.00%	\$950,448.18	4.91%

* New Toll Rates July 1, 1985

(Continued)

MARYLAND TRANSPORTATION AUTHORITY

Schedule 4

TRAFFIC VOLUME AND TOLL INCOME, PATAPSCO TUNNEL
FOR THE FISCAL ENDED JUNE 30, 1986 AND 1985

	TRAFFIC VOLUME.....								TOLL INCOME.....					
FISCAL YEAR ENDED JUNE 30.....							FISCAL YEAR ENDED JUNE 30.....					
	1984.....		1985.....		INCREASE OR DECREASE...		1986.....		1985.....		INCREASE OR DECREASE...			
Rates	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent		
AUTOMOBILES AND LIGHT COMMERCIAL VEHICLES:														
Passenger Car*	\$1.00	12,146,443	65.93%	16,956,712	70.70%	(4,810,269)	-20.37%	\$12,146,443.00	65.93%	\$17,717,534.00	63.50%	(\$571,091.00)	-4.09%	
Pass Car Count	\$0.75	3,896,249	21.15%	3,595,545	15.01%	300,704	0.36%	\$1,558,499.60	8.46%	\$1,258,440.75	6.29%	\$300,058.85	23.04%	
Rec Veh 3-axles*	\$0.35	53,325	0.29%	74,605	0.31%	(21,280)	-28.60%	\$19,987.50	0.43%	\$82,153.50	0.41%	(\$62,166.00)	-2.64%	
Rec Veh 4-axles*	\$1.10	21,135	0.11%	33,030	0.14%	(11,895)	-37.53%	\$42,270.00	0.23%	\$49,053.50	0.25%	(\$6,783.50)	-13.03%	
Official duty	None	365,862	1.98%	373,009	1.56%	(7,147)	-2.13%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	
Total.....		16,482,214	89.47%	21,033,701	87.80%	(4,551,567)	-21.64%	\$13,027,200.10	75.03%	\$14,107,101.75	70.53%	(\$1,079,901.65)	-1.90%	
HEAVY COMMERCIAL VEHICLES:														
Two-axle*.....	\$1.25	477,798	2.59%	576,764	2.41%	(98,966)	-17.16%	\$597,247.50	3.24%	\$576,764.00	2.80%	\$20,483.50	3.55%	
Three-axle*.....	\$1.00	237,798	1.29%	325,057	1.36%	(87,259)	-26.04%	\$475,596.00	2.50%	\$487,305.50	2.44%	(\$11,709.50)	-2.46%	
Four-axle*.....	\$1.50	199,873	1.00%	324,049	1.36%	(124,176)	-38.47%	\$499,682.50	2.71%	\$649,690.00	3.25%	(\$150,007.50)	-23.09%	
Five-axle*.....	\$2.00	1,020,512	5.54%	1,409,195	7.05%	(388,683)	-39.59%	\$3,316,664.00	18.00%	\$4,222,907.50	21.11%	(\$906,243.50)	-21.46%	
Six-axle or more*	\$3.25	4,720	0.03%	7,220	0.03%	(2,500)	-34.70%	\$17,700.00	0.10%	\$21,684.00	0.11%	(\$3,984.00)	-18.37%	
Unusual size	\$10.00	5	0.00%	14	0.00%	(9)	-64.29%	\$50.00	0.00%	\$70.00	0.00%	(\$20.00)	-28.57%	
	\$5.00							\$304,174.70	-1.65%	\$64,307.60	-0.32%	\$239,867.10	373.00%	
Total.....		1,940,706	10.53%	2,923,107	12.20%	(982,401)	-33.61%	\$4,602,765.22	24.97%	\$5,894,401.40	29.47%	(\$1,291,636.18)	-21.91%	
TOTAL		18,422,920	100.00%	23,956,808	100.00%	(5,533,888)	-23.10%	\$18,429,965.32	100.00%	\$20,001,663.15	100.00%	(\$1,571,697.83)	-7.86%	

* New Toll Rates July 1, 1985

(Continued)

MARYLAND TRANSPORTATION AUTHORITY

 TRAFFIC VOLUME AND TOLL INCOME, OUTER HARBOR CROSSING (FRANCIS SCOTT KEY BRIDGE)
 FOR THE FISCAL ENDED JUNE 30, 1986 AND 1985

	TRAFFIC VOLUME.....							TOLL INCOME.....					
	FISCAL YEAR ENDED JUNE 30.....							FISCAL YEAR ENDED JUNE 30.....					
	1986.....		1985.....		INCREASE OR DECREASE...		1986.....		1985.....		INCREASE OR DECREASE...		
Rates	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
AUTOMOBILES AND LIGHT COMMERCIAL VEHICLES:													
Passenger Cars	\$1.00	5,111,594	52.66%					\$5,111,594.00	52.57%				
Pass Car Conv	\$0.75			6,831,566	57.24%	1919,972	-15.25%			\$4,523,674.50	54.26%	\$507,919.50	13.00%
	\$0.40	3,111,846	32.06%					\$1,244,738.40	12.80%				
	\$0.35			2,927,625	27.70%	184,221	6.29%			\$1,024,668.75	12.29%	\$220,069.65	21.48%
Rec Veh 3-axles*	\$1.50	46,564	0.48%					\$69,846.00	0.72%				
	\$1.10			48,285	0.46%	11,721	-3.56%			\$53,113.50	0.64%	\$16,732.50	31.50%
Rec Veh 4-axles*	\$2.00	25,838	0.27%					\$51,676.00	0.53%				
	\$1.45			22,903	0.22%	2,935	12.81%			\$33,209.35	0.40%	\$10,466.65	55.61%
Offical duty	None	172,520	1.70%	182,961	1.74%	(10,433)	-5.70%	\$0.00	0.00%	\$0.00	0.00%		
Total.....		8,468,378	87.23%	9,213,348	87.44%	(744,970)	-8.09%	\$6,477,854.40	66.63%	\$5,634,666.10	67.59%	\$843,188.30	14.96%
HEAVY COMMERCIAL VEHICLES:													
Two-axle*	\$1.25	258,217	2.58%					\$312,771.25	3.22%				
	\$1.00			256,465	2.43%	(4,248)	-2.44%			\$256,465.00	3.98%	\$56,306.25	21.95%
Three-axle*	\$2.00	197,940	2.04%					\$395,880.00	4.07%				
	\$1.50			187,678	1.78%	10,262	5.47%			\$281,517.00	3.30%	\$114,363.00	40.62%
Four-axle*	\$2.50	85,818	0.80%					\$214,545.00	2.21%				
	\$2.00			98,937	0.94%	(13,119)	-13.26%			\$197,874.00	2.37%	\$16,671.00	8.43%
Five-axle*	\$3.25	692,580	7.13%					\$2,250,625.00	23.15%				
	\$2.50			766,369	7.27%	(73,869)	-9.64%			\$1,915,922.50	22.90%	\$334,702.50	17.47%
Six-axle or more*	\$3.75	9,143	0.09%					\$34,286.25	0.35%				
	\$3.00			18,078	0.18%	(1,735)	-15.95%			\$32,634.00	0.39%	\$1,652.25	5.06%
Unusual size	\$10.00	3,659	0.04%					\$36,590.00	0.38%				
	\$5.00			3,469	0.03%	190	5.48%			\$17,345.00	0.21%	\$19,245.00	110.95%
Total.....		1,239,277	12.77%	1,323,796	12.56%	(84,519)	-6.38%	\$3,244,697.50	33.37%	\$2,781,757.50	32.41%	\$542,940.00	20.10%
TOTAL		9,707,647	100.00%	10,537,136	100.00%	(829,489)	-7.87%	\$9,722,551.90	100.00%	\$8,336,423.60	100.00%	\$1,386,128.30	16.63%

* New Toll Rates July 1, 1985

MARYLAND TRANSPORTATION AUTHORITY

Schedule 4

TRAFFIC VOLUME AND TOLL INCOME, JOHN F. KENNEDY MEMORIAL HIGHWAY
FOR THE FISCAL ENDED JUNE 30, 1986 AND 1985

	TRAFFIC VOLUME.....							TOLL INCOME.....							
	.....FISCAL YEAR ENDED JUNE 30.....							.....FISCAL YEAR ENDED JUNE 30.....							
	Rates	.....1986.....		.....1985.....		INCREASE OR DECREASE.....		Number	Percent	.....1986.....		.....1985.....		INCREASE OR DECREASE.....	
Number		Percent	Number	Percent	Number	Percent	Number			Percent	Number	Percent	Number	Percent	
AUTOMOBILES AND LIGHT COMMERCIAL VEHICLES:															
Passenger Cars	\$1.00	13,370,491	79.15%	12,030,016	79.02%	547,675	4.27%	\$13,370,491.00	50.78%	\$12,030,016.00	64.63%	\$547,675.00	4.27%		
Pass Car Cows*	\$0.40	162,690	0.96%	0	0.00%	162,690		\$65,079.20	0.29%	\$0.00	0.00%	\$65,079.20			
Reg Veh 3-axles†	\$1.50	27,444	0.16%	10,054	0.06%	17,390	172.97%	\$41,166.00	0.10%	\$15,081.00	0.08%	\$26,085.00	172.97%		
Reg Veh 4-axles†	\$2.00	22,153	0.13%	9,691	0.06%	12,462	128.59%	\$44,306.00	0.19%	\$19,382.00	0.10%	\$24,924.00	128.59%		
Offical duty	None	73,083	0.43%	60,000	0.43%	4,235	6.15%								
Total.....		13,663,869	80.04%	12,919,409	80.37%	744,460	5.76%	\$13,529,842.20	59.45%	\$12,065,279.00	64.01%	\$663,763.20	5.16%		
HEAVY COMMERCIAL VEHICLES:															
Two-axles.....	\$1.25	367,407	2.17%					\$459,250.75	2.02%						
	\$1.00			314,372	1.96%	53,035	16.07%			\$314,372.00	1.50%	\$144,086.75	46.09%		
Three-axles.....	\$2.00	295,121	1.75%					\$590,242.00	2.59%						
	\$1.50			311,611	1.94%	(16,490)	-5.29%			\$467,416.50	2.35%	\$122,025.50	26.20%		
Four-axles.....	\$2.50	356,300	2.11%					\$890,750.00	3.91%						
	\$2.00			396,066	2.46%	(39,766)	-10.04%			\$792,132.00	3.99%	\$90,610.00	12.45%		
Five-axles.....	\$3.25	2,104,694	12.92%					\$7,100,255.50	31.20%						
	\$2.50			2,101,957	13.00%	62,757	3.94%			\$5,254,092.50	26.47%	\$1,845,363.00	35.12%		
Six-axle or more	\$3.75	26,614	0.16%					\$99,802.50	0.44%						
	\$3.00			21,730	0.14%	4,076	22.43%			\$65,214.00	0.33%	\$34,500.50	53.04%		
Unusual size	\$10.00	0,952	0.05%	9,295	0.06%	(343)	-3.69%	\$09,520.00	0.39%	\$92,950.00	0.47%	(\$3,430.00)	-3.69%		
Total.....		3,239,000	19.16%	3,155,039	19.63%	84,049	2.66%	\$9,229,020.75	40.55%	\$6,906,977.00	35.19%	\$2,242,051.75	32.10%		
TOTAL		16,902,957	100.00%	16,074,448	100.00%	828,509	5.15%	\$22,758,870.95	100.00%	\$19,052,256.00	100.00%	\$2,906,614.95	14.64%		

* New Toll Rates July 1, 1985

(Continued)

MARYLAND TRANSPORTATION AUTHORITY

Schedule 4

TRAFFIC VOLUME AND TOLL INCOME, FORT MCHENRY TUNNEL
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

.....TRAFFIC VOLUME.... .. TOLL INCOME.....
FISCAL YEAR ENDED JUNE 30

AUTOMOBILES AND LIGHT VEHICLES:	Rates	Number	Percent	Number	Percent
Passenger Car*	\$1.00	7,192,543	66.03%	\$7,192,543.00	58.61%
Pass Car Comm*	\$0.40	1,976,382	18.14%	\$790,552.80	6.44%
Reg Veh 3-axes*	\$1.50	38,885	0.36%	\$58,287.50	0.47%
Reg Veh 4-axes*	\$2.00	15,281	0.14%	\$30,402.00	0.25%
Offical duty	None	138,184	1.28%	\$0.00	0.00%
Total.....		9,353,115	85.87%	\$8,071,785.30	65.78%
HEAVY COMMERCIAL					
Two-axle*.....	\$1.25	255,518	2.35%	\$319,397.50	2.60%
Three-axle*.....	\$2.00	149,849	1.38%	\$299,698.00	2.44%
Four-axle*.....	\$2.50	146,392	1.34%	\$365,980.00	2.98%
Five-axle*.....	\$3.25	978,645	8.99%	\$3,181,246.25	25.92%
Six-axle or more*	\$3.75	8,731	0.08%	\$32,741.25	0.27%
Unusual size	\$10.00	92	0.00%	\$920.00	0.01%
Total.....		1,539,427	14.13%	\$4,199,955.00	34.22%
Total		10,892,542	100.00%	\$12,271,680.30	100.00%

MARYLAND TRANSPORTATION AUTHORITY

Schedule 5

STATEMENT OF RESERVES CREATED UNDER ARTICLE V OF TRUST AGREEMENT DATED DECEMBER 1, 1985
FOR THE FISCAL YEAR ENDED JUNE 30, 1986

YEAR ENDED JUNE 30, 1986	MAINTENANCE AND OPERATIONS RESERVE ACCOUNT		SINKING FUND.....			
	OPERATING ACCOUNT	RESERVE ACCOUNT	BOND SERVICE ACCOUNT	RESERVE ACCOUNT	CAPITAL ACCOUNT	GENERAL ACCOUNT
Balance, July 1, 1985	\$7,469,611.27	\$38,751,940.15	\$0.00	\$7,974,665.00	\$46,604,224.07	\$79,944,500.20
ADDITIONS:						
Gross Revenue	\$90,607,500.10					
Property Damage Recovery		\$134,453.50				
Sale of Property		206,927.15				
Sale of Plans and Specifications		8,412.26			\$960.00	
Loss on Inventory Disposal		0.75				
Proceeds from Insurance		40,213.33				
Miscellaneous Income						\$260,813.03
Net Proceeds from Sale of Bonds			\$766,044.00	\$11,256,730.50		
Net Income from Investments	1,161,436.38	3,076,002.52	175,421.05	675,123.15	7,547,450.25	6,413,454.74
Transfer from Operating Account		25,950,000.04	10,075,032.63			25,560,293.63
Transfer from General Account					36,400,000.00	
Transfer from Debt Retirement and Reserve Accounts	850,544.99					
TOTAL ADDITIONS	\$92,619,561.55	\$29,424,009.63	\$11,016,498.40	\$11,931,853.65	\$43,940,410.25	\$32,242,561.40
TOTAL	\$100,009,172.82	\$68,176,029.78	\$11,016,498.40	\$19,906,518.65	\$90,552,634.32	\$112,187,069.60
DEDUCTIONS:						
Expenditures for Operations, Maintenance and Improvements	\$29,453,740.65	\$27,477,123.41			\$43,610,199.05	\$19,005,710.26
Transfer to Debt Retirement-Bond Service Account	11,472,103.09					
Transfer to Maintenance and Operations Reserve Account	25,950,000.04					
Transfer to General Account	25,560,293.63					
Transfer to Operating Account			\$175,421.04	\$675,123.15		
Transfer to Capital Account						36,400,000.00
TOTAL DEDUCTIONS	\$92,444,210.21	\$27,477,123.41	\$175,421.04	\$675,123.15	\$43,610,199.05	\$55,405,710.26
BALANCE, JUNE 30, 1986	\$7,644,954.61	\$40,699,706.37	\$11,641,076.64	\$19,231,395.50	\$46,934,434.47	\$56,781,351.42

MARYLAND TRANSPORTATION AUTHORITY

Schedule 6

RECONCILIATION OF VARIOUS RESERVES TO ACCRUAL BASIS EQUITYFOR THE YEAR ENDED JUNE 30, 1986

	<u>Operating Fund</u>	<u>Maintenance and Operations Reserve Fund</u>	<u>Interest and Sinking Fund Bond Service Account</u>	<u>Reserve Account</u>	<u>Capital Fund</u>	<u>General Fund</u>
A reconciliation of cash equity, as shown on schedule 5, with the amount of such equity as shown in the balance sheet as of June 30, 1986 is as follows:						
EQUITY, AS SHOWN	\$ 7,644,954	\$ 40,699,706	\$11,641,077	\$19,231,395	\$46,934,434	\$56,781,351
NET EFFECT OF CASH TO ACCRUAL ADJUSTMENTS	<u>(2,013,885)</u>	<u>(3,338,000)</u>	<u>(10,047,000)</u>	<u>320,612</u>	<u>(1,515,294)</u>	<u>725,000</u>
ACCRUAL BASIS EQUITY, JUNE 30, 1986	5,631,069	<u>\$ 37,361,706</u>	<u>\$ 1,594,077</u>	<u>\$19,552,007</u>	<u>\$45,419,140</u>	<u>\$57,506,351</u>
PROPERTY	1,632,146,145					
DEFERRED BOND ISSUANCE COSTS	9,018,000					
BONDED DEBT	(201,925,000)					
FEDERAL GRANTS FOR CONSTRUCTION	<u>(763,785,189)</u>					
TOTAL UNRESTRICTED EQUITY, JUNE 30, 1986		<u>\$681,085,025</u>				

MARYLAND TRANSPORTATION AUTHORITY

Schedule 7

INVESTMENT OF FUNDS CREATED UNDER ARTICLE V OF TRUST AGREEMENT DATED AS OF DECEMBER 1, 1985
JUNE 30, 1986

PAR VALUE	DESCRIPTION	PURCHASE DATES	MATURITY DATE	RATE OF INTEREST	YIELD %	OPERATING ACCOUNT	MAINTENANCE AND OPERATIONS RESERVE ACCOUNT	.....SINKING FUND..... BOND SERVICE ACCOUNT	RESERVE ACCOUNT	CAPITAL ACCOUNT	GENERAL ACCOUNT
\$10,078,000	USTN	VAR	8/15/93	8.625	8.561	-	\$ 2,999,062.50	-	\$7,077,925.00	-	-
5,000,000	FHLB	6/14/85	5/25/89	10.20	10.193	-	-	-	-	-	\$ 5,000,000.00
8,000,000	FNMA	6/14/85	6/10/87	11.20	10.925	-	8,000,000.00	-	-	-	-
2,370,000	USTB	6/20/86	12/10/86	6.17	6.456	-	-	-	-	-	2,296,479.31
4,220,000	USTB	VAR	12/11/86	6.14	6.410	-	-	-	-	\$ 4,097,262.73	-
8,135,000	USTB	VAR	12/04/86	6.43	6.734	-	3,874,510.00	-	-	-	3,999,658.01
5,555,000	USTB	VAR	11/28/86	6.34	6.634	-	-	-	-	2,424,888.89	2,957,318.92
9,750,000	USTC	12/17/85	11/21/86	0.00	0.00	-	-	-	9,750,000.00	-	-
10,102,000	CATS	VAR	11/15/86	10.681	14.565	-	-	-	-	7,511,523.08	-
6,000,000	USTB	VAR	11/13/86	6.37	6.653	-	-	-	-	3,885,866.67	1,938,345.00
4,000,000	USTB	5/22/86	11/06/86	6.21	6.484	-	3,884,080.00	-	-	-	-
9,000,000	USTB	VAR	10/30/86	6.439	6.772	-	-	-	-	3,889,088.89	4,787,287.50
2,500,000	USTB	4/17/86	10/16/86	5.84	6.101	-	-	-	-	2,426,188.89	-
2,000,000	FNMA	9/10/84	10/10/86	12.90	13.079	-	-	-	-	-	2,000,000.00
4,000,000	USTB	VAR	10/02/86	6.09	6.333	-	1,952,825.00	-	-	-	1,946,662.78
3,575,000	USTB	5/19/86	9/25/86	6.22	6.450	-	-	-	-	3,495,319.21	-
4,050,000	USTB	VAR	9/18/86	5.82	6.054	-	1,951,575.00	-	-	-	1,999,137.22
2,000,000	USTB	3/20/86	9/11/86	6.57	6.881	-	-	-	-	1,936,125.00	-
2,400,000	FHLMON	6/26/86	9/11/86	6.33	6.506	-	-	-	-	-	2,367,506.00
650,000	FHLMON	6/26/86	9/05/86	6.33	6.499	-	-	-	-	-	641,885.29
2,740,000	USTN	9/05/84	8/31/86	12.375	12.843	-	-	-	-	-	2,727,156.25
4,500,000	USTB	VAR	8/21/86	6.45	6.697	-	1,485,906.67	-	-	2,910,645.00	-
4,500,000	USTB	3/13/86	8/14/86	7.02	7.353	-	-	-	-	-	4,356,090.00
4,800,000	USTB	VAR	8/07/86	6.67	6.951	-	1,756,140.00	-	-	2,915,381.66	-
3,000,000	USTB	6/09/86	7/24/86	6.25	6.387	-	2,976,562.50	-	-	-	-
4,000,000	GMAC	6/30/86	7/24/86	6.781	6.875	-	-	-	-	-	4,000,000.00
1,900,000	GMAC	6/20/86	7/17/86	6.810	6.905	-	1,900,000.00	-	-	-	-
9,000,000	USTB	VAR	7/17/86	7.01	7.350	-	-	-	-	4,855,616.39	3,892,043.33
4,040,000	USTB	VAR	7/10/86	7.12	7.416	-	3,930,608.80	-	-	-	-

(Continued)

MARYLAND TRANSPORTATION AUTHORITY
 INVESTMENT OF FUNDS CREATED UNDER ARTICLE V OF TRUST AGREEMENT DATED AS OF DECEMBER 1, 1985
 JUNE 30, 1986

PAR VALUE	DESCRIPTION	PURCHASE DATES	MATURITY DATE	RATE OF INTEREST	YIELD %	OPERATING ACCOUNT	MAINTENANCE AND SINKING FUND			CAPITAL ACCOUNT	GENERAL ACCOUNT
							OPERATIONS RESERVE ACCOUNT	BOND SERVICE ACCOUNT	RESERVE ACCOUNT		
\$ 5,800,000	GEC	VAR	7/10/86	6.769	6.863	-	-	-	-	\$ 2,300,000.00	\$ 3,500,000.00
8,000,000	USTB	3/13/86	7/03/86	6.63	6.864	-	-	-	-	2,938,120.00	4,896,866.66
3,000,000	WCC	6/19/86	7/02/86	6.716	6.809	-	\$ 3,000,000.00	-	-	-	-
8,110,000	AEC	VAR	7/01/86	6.506	6.596	\$ 4,158,000.00	-	\$ 3,055,000.00	\$ 897,000.00	-	-
9,783,000	WCC	VAR	7/01/86	6.60	6.738	2,469,000.00	1,230,000.00	3,500,000.00	-	1,347,000.00	1,237,000.00
3,500,000	GEC	6/26/86	7/01/86	6.255	6.342	-	-	3,500,000.00	-	-	-
1,506,700	USTC	12/17/85	7/01/86	0.00	0.00	-	-	-	1,506,700.00	-	-
TOTAL INVESTMENT OF FUNDS CREATED UNDER ARTICLE V OF TRUST AGREEMENT											
AT COST						\$ 6,627,000.00	\$38,941,270.47	\$10,055,000.00	\$19,231,625.00	\$46,933,026.41	\$54,543,436.27

- VAR - Purchases made on various dates - Yield based on weighted average.
- USTN - U.S. Treasury Notes
- CATS - Certificates of Accrual Treasuries
- USTB - U.S. Treasury Bills
- FFCB - Federal Farm Credit Bank
- REPO - Repurchase Agreement
- FHLB - Federal Home Loan
- FNMA - Federal National Mortgage Association
- MHBCD - M Bank Houston Certificate of Deposit
- FHLMN - Federal Home Loan Mortgage Discount Notes
- MHIBCD - M Bank Houston Interest Bearing Certificate of Deposit
- USTC - United States Treasury Certificate of Indebtedness
- GEC - General Electric Credit
- GMAC - General Motors Acceptance Corporation
- AEC - American Express Credit
- FMCC - Ford Motor Credit Corporation
- WCC - Westinghouse Credit Corporation

Total investments shown above are \$55,612 less than that shown in the financial statements and accompanying notes because of the Authority's policy of fully amortizing premiums on investments with the initial interest payments rather than amortizing such premiums over the life of the investments.

MARYLAND TRANSPORTATION AUTHORITY

Schedule B

INVESTMENTS IN TRANSPORTATION FACILITIES AND GENERAL ACCOUNT PROJECTS
JUNE 30, 1986

TOTAL	SUSQUEHANNA RIVER BRIDGE	POTOMAC RIVER BRIDGE	CHESAPEAKE BAY BRIDGES (BOTH SPANS)	PATAPSCO TUNNEL	OUTER HARBOR CROSSING	JOHN F. KENNEDY MEMORIAL HIGHWAY	FORT McHENRY TUNNEL	FINANCING AND UNALLOCATED EXPENSES	SEAGIRT MARINE FERRIVAL
FOR THE PERIOD DECEMBER 10, 1905 THROUGH JUNE 30, 1986									
Rights-of-Way	\$4,297.38		\$2,367.92	\$380.00		\$1,629.46			
Construction	136,510,311.35	\$1,670.00	\$13,882.76	1,934,605.81	\$2,000,926.67	369,933.15	1,052,965.13	112,130,050.01	19,005,719.00
Utility Adjustment	414.00			414.00					
Engineering	1,003,171.37	989.79	2,856.14	106,152.31	562,652.59	(36,937.63)	211,842.70	76,005.07	(100.40)
Administrative	274,327.71			134.00	2,460.93	4,242.95		(9,500.25)	476,990.00
General Operating Equipment	317,341.64			385.00				316,956.64	
Federal Grants	759,454,000.00							759,454,000.00	
Total	\$897,571,863.43	\$2,529.79	\$16,330.90	\$2,123,645.01	\$2,566,754.19	\$337,236.47	\$1,266,437.29	\$871,976,313.07	\$19,005,610.60
FOR THE FISCAL YEAR ENDED JUNE 30, 1986									
Rights-of-Way	\$30,040,703		20,193	976		4,027			30,014,707
Construction	125,453,540	\$1,620	35,422	3,819,135	5,399,113	693,023	3,272,067	112,233,160	
Utility Adjustment	382,576			339,620	2,965		39,903		
Engineering	1,529,005	1,404	3,320	306,559	842,856	(42,760)	325,722	110,190	(25,406)
Administrative	457,506			404	3,936	4,243		40,300	400,703
General Operating Equipment	532,305			305		99		531,901	
Federal Grants	759,454,000							759,454,000	
Total	\$17,057,003	\$3,024	\$8,742	\$4,494,304	\$6,249,046	\$64,405	\$3,642,599	\$72,385,559	\$400,703
Capital Properties Costs from Prior Trust Agreements									
1978	\$109,222,764.86	\$440,550.60	\$4,099,392.22	\$9,890,952.43	\$74,365,477.47	\$46,501,427.41	\$9,030,461.33	\$1,300,455.26	\$1,742,282.15
1975 and Prior	597,033,206.75	4,705,052.00	5,629,470.40	160,337,000.43	156,314,081.25	136,497,764.90	125,005,170.47		1,743,859.14
Capitalized Interest	26,504,007.99								26,504,007.99
Northern and southern Crossing	197,959.41								197,959.41
Total Capital Properties	\$1,630,530,602.44	\$5,156,140.55	\$9,745,281.52	\$160,351,597.98	\$181,247,192.91	\$183,336,423.86	\$136,902,877.09	\$873,284,760.33	\$30,465,906.77

The following is a reconciliation of the funds invested in transportation facilities and general account projects at June 30, 1986, as shown above, with the cost of property shown in the accompanying balance sheet:

Funds invested in projects as shown above	\$1,630,530,602
Accounts and retainages payable at June 30, 1986	3,476,000
Less - Deferred bond issuance costs relating to Transportation facilities Projects Revenue Bonds paid by Capital account	1,810,457
Amount as shown in the accompanying balance sheet	\$1,632,146,145

MARYLAND TRANSPORTATION AUTHORITY
 =====

REVENUE BONDS DATED DECEMBER 1, 1985 - ISSUED AND OUTSTANDING
 JUNE 30, 1986

 BONDS ISSUED:

	RATE OF INTEREST	MATURITY JULY 1	PRINCIPAL AMOUNT

Serial Bonds	5.50%	1987	41,605,000
	6.00%	1988	1,905,000
	6.50%	1989	2,015,000
	6.75%	1990	2,150,000
	7.00%	1991	2,290,000
	7.25%	1992	2,455,000
	7.50%	1993	2,635,000
	7.75%	1994	2,825,000
	7.90%	1995	3,050,000
	8.10%	1996	3,290,000
	8.30%	1997	3,555,000
	8.50%	1998	3,850,000
	8.60%	1999	4,160,000
	8.65%	2000	4,540,000

Total Serial Bonds			40,545,000
Term Bonds	8.00%	2005	29,390,000
Term Bonds	9.00%	2015	114,195,000
Term Bonds	7.00%	2016	17,795,000

TOTAL BONDS ISSUED			\$201,925,000
