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To the Board of Directors  
Maine Turnpike Authority  
Portland, Maine

In planning and performing our audit of the financial statements of Maine Turnpike Authority (the Authority), a component unit of the State of Maine, as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given those limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls. The following summarizes our suggestions concerning those matters. This letter does not affect our report dated March 19, 2013, on the financial statements of Maine Turnpike Authority.

#### **Prior Period Adjustment – Capital Assets**

During 2012, the Authority discovered an error related to the accounting for infrastructure assets. The cost of four bridges, that were replaced during 2011, were not accounted for as being disposed in 2011. As a result of the discovery of the error, the 2011 results had to be restated to reflect the loss on the disposal of the bridges in the amount of \$1,436,986. Although the amount is not material to the overall financial statements, it is an indication that an improvement could be made in internal control. Additional controls should be considered to help prevent a similar error from occurring in the future. We recommend the Authority consider implementing a checklist to assist with identifying assets to be removed from the capital asset ledger when assets are replaced, disposed of, or no longer in use or sold. Also, a second review to compare new capital asset additions to existing capital assets that should be disposed because they have been replaced could be an effective additional control.

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### **Prior Period Adjustment – Concession Rental Revenue**

During 2012 the Authority discovered an error related to the accounting for rental revenue earned from HMS Host, the concession tenant. HMS Host had made monthly rental payments to the Authority that was in excess of the percentage rent requirements as calculated on an annual basis. As a result of the discovery of the error the 2011 results had to be restated to reflect a reduction in the amount of lease revenue earned by \$395,757. Although the amount is not material to the overall financial statements, it is an indication that improvements could be made in internal control. Additional controls should be considered to help prevent a similar error from occurring in the future. We recommend the Authority develop an excel spreadsheet that can be used to track and compare the monthly payments received with the annual percentage rent due to determine the amount earned by the Authority. Also, a second review of the spreadsheet and comparison to the terms of the lease agreement can be an effective additional control.

We will review the status of these suggestions during our next audit engagement. We already have discussed these suggestions with various Authority personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the Board of Directors, management and others within the Maine Turnpike Authority and is not intended to be and should not be used by anyone other than these specified parties.

*Maypage LLC*

South Portland, Maine  
March 19, 2013