THE MAINE TURNPIKE AUTHORITY

Financial Statements

For the Years Ended December 31, 2022 and 2021

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Independent Auditor's Report

To the Board of Directors
Maine Turnpike Authority
Portland, Maine

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Maine Turnpike Authority (the "Authority"), a component unit of the State of Maine, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Maine Turnpike Authority as of December 31, 2022 and 2021, and respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Maine Turnpike Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Maine Turnpike Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Maine Turnpike Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Maine Turnpike Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10, the trend data on infrastructure condition on page 48, the schedule of changes in net OPEB liabiilty and related ratios - MTA group health insurance plan, on page 49, the schedule of proportionate share of net OPEB liability - group life insurance, on page 50, the schedule of OPEB contributions - group life insurance, on page 50, the schedule of proportionate share of net pension liabiilty on page 51, and the schedule of contributions on page 51, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. The management's discussion and analysis presents the comparison of 2022 to 2021, and excludes comparative amounts for 2020, which are required under generally accepted accounting principles. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Calculation of the Composite Debt Service Ratio on page 52 and the Statement of Activities for the State of Maine General Purpose Financial Statements on page 53, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Maine Turnpike Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

South Portland, Maine
March 15, 2023

THE MAINE TURNPIKE AUTHORITY

Management's Discussion and Analysis

December 31, 2022

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, 2022 and 2021. 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.

Financial Highlights

Net operating income for the Maine Turnpike Authority was $80,865,245 and $66,286,735 for calendar years 2022 and 2021, respectively. The increase in net operating income is mostly due to an increase in Net Fare Revenue, Concession Revenue and Interest Income, offset by an increase in Maintenance, Depreciation and Preservation expenses. Total Revenues increased 17.9% in 2022, which is mostly due to a toll increase that went into effect on November 1, 2021 as well as an increase in traffic of 4.05% over the prior year. The increase in Maintenance Expenses over the prior year is due to the rise in prices for goods and services stemming from record level inflation. The increase in Depreciation is due to the capitalization of the Exit 45 Interchange and the York Toll Plaza. The increase in Preservation Expense is due to an increase in pavement rehabilitation compared over the prior year.

Current year activity produced a change in net position of $61,492,692 compared to $43,360,102 for fiscal years 2022 and 2021, respectively. The term "net position" refers to the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. At the close of calendar year 2022, the Authority had a net position of $492,179,308, an increase of 14% over calendar year 2021. At the close of calendar year 2021, the Authority's net position was $432,364,929. The Authority's overall financial position has improved as shown by the increase in net position.

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. 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 statement of net position presents information on all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position serve as a relative indicator of the change in financial position of the Authority.

The statement of revenues, expenses, and changes in net position shows the result of the Authority's total operations during the fiscal year and reflects both operating and non-operating activities. Changes in net position reflect the fiscal period 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 and related financing, and investing.

Notes to the Financial Statements

The notes provide additional information that is essential to fully understand the 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, the retiree healthcare plan, and information on the Authority's participation in the Maine Public Employer's Retirement System. 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 Statement of Net Position

	December 31,	
	2022	**2021**
Assets and Deferred Outflows		
Current Assets	$ 198,974,802	$ 222,249,190
Capital Assets, Net of Accumulated Depreciation	936,034,265	893,272,758
Non-Current Assets	35,503,851	-
Non-Current Restricted Assets	72,214,033	63,534,630
Other Assets	166,020	186,571
Deferred Loss on Refunding Bonds	1,514,253	7,402,199
Deferred Outflows of Resources	6,553,635	10,254,819
Total Assets and Deferred Outflows	**$ 1,250,960,860**	**$ 1,196,900,167**
Liabilities and Deferred Inflows		
Current Liabilities	67,338,135	70,568,854
Bonds Payable, Net of Unamortized Premiums and Discounts, net of current position	584,461,760	617,647,014
Other Post Employment Benefits Liabilities	36,006,997	54,353,627
Other Non-current Liabilities	1,153,055	1,051,101
Net Pension (Asset)/Liability	8,484,970	(1,102,845)
Deferred Concession Lease Inflows	37,804,276	-
Deferred Inflows of Resources	23,532,359	22,017,487
Total Liablilities and Deferred Inflows	**$ 758,781,552**	**$ 764,535,238**
Net Position:		
Net Investment in Capital Assets	422,724,265	353,758,250
Restricted	75,046,275	38,313,435
Unrestricted (Deficit)	(5,591,232)	40,293,243
Total Net Position	**$ 492,179,308**	**$ 432,364,929**
Total Liabilities, Deferred Outflows and Net Position	**$ 1,250,960,860**	**$ 1,196,900,167**

As noted earlier, net position serves as an indicator of the Authority's overall financial position. In the case of the Authority, assets and deferred outflows exceeded liabilities and deferred inflows by $492,179,308 at the close of 2022. This represents an increase of $59,814,379 (14%) over the net position balance of $432,364,929 as of December 31, 2021.

The largest portion of the Authority's net position reflects its net 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. The net investment in Capital Assets was $422,724,265 and $353,758,250 as of December 31, 2022 and 2021, respectively.

In 2019, a joint agreement was made between the Maine Turnpike Authority, the MaineDOT and NHDOT regarding repairs needed to the Piscataqua River Bridge that connects the states of Maine and New Hampshire. This also is the primary gateway to the Maine Turnpike from the south. The rehabilitation includes widening and improving the outside shoulder to accommodate future traffic when functioning as a travel lane, paving the median and installing a concrete median barrier, paving and restriping the full width. The Maine Turnpike Authority's share of the project cost is approximately $12 million and the project began in the fall of 2019 and is expected to be completed by the summer of 2023. Since the Piscataqua River Bridge is jointly owned by the MaineDOT and the NHDOT, the Maine Turnpike Authority has no ownership interest in the bridge, therefore the Authority's share of the project cost is treated as a transfer of equity to the MaineDOT. The total transfer of equity to the MaineDOT was $1,334,908 and $3,948,158 in 2022 and 2021, respectively. As of December 31, 2022, the total amount of the transfer of equity to the MaineDOT, since the start of the project, is $9,427,179.

Restricted net position is reserved for projects defined in the bond resolutions and applicable bond issue official statements. The Authority's restricted net position was $75,046,275 and $38,313,435 as of December 31, 2022 and 2021, respectively. The increase in the restricted net position is attributed to a portion of the December 31, 2022 cash and investment balances in the General Reserve Fund were board designated as restricted assets for the Exit 35 rebuild. Cash and Investment balances in the General Reserve Fund were not board designated as restricted in the year ended December 31, 2021. The unrestricted net position for the year ended December 31, 2022 is negative due to the net pension and OPEB liabilities.

The Maine Turnpike Authority's Changes in Net Position

	For the Years Ended December 31, 2022	2021
Revenues:		
Net Fare Revenues	$ 160,229,824	$ 138,771,705
Concession Rental	5,457,876	4,405,257
Investment Income	4,237,472	89,113
Miscellaneous	2,806,604	2,458,300
Total Revenues	**$ 172,731,775**	**$ 145,724,375**
Expenses (Income):		
Operations	23,750,890	23,526,371
Maintenance	35,083,674	31,357,369
Administrative	2,359,605	2,124,300
Depreciation	16,736,343	13,734,369
Preservation	12,907,360	8,619,174
Interest Expense	24,856,136	26,372,064
Other	(4,454,924)	(3,369,374)
Total Expenses	**$ 111,239,083**	**$ 102,364,273**
Change in Net Position	**61,492,692**	**43,360,102**
Net Position, beginning of year	**$ 432,364,929**	**$ 392,952,985**
Prior Period Adjustments	**$ (343,405)**	**$ -**
Equity Transfers - MaineDOT	**$ (1,334,908)**	**$ (3,948,158)**
Net Position, end of year	**$ 492,179,308**	**$ 432,364,929**

The Authority's net fare revenues, which represent approximately 95% of all operating revenues, increased $21,458,119 (15.5%) in 2022. The increase is due to a toll increase that went into effect on November 1, 2021 as well as an increase in traffic of 4.05% over the prior year. Investment income in 2022 increased 46.55% over prior year 2021 due to a favorable interest rate environment. Operations, Maintenance and Administrative expenses increased $4,186,129 (7.3%) in 2022. This increase is mainly attributed to an increase in Maintenance expenses due to an increase in salaries and hours worked due to weather related events. The record high gasoline and diesel prices per gallon and inflated prices on parts and services are also factors that increased expenses compared to the prior year. The capital program in 2022 was one of the largest in the Authority's history. This is due to several large projects such as reconstruction of the South Portland interchange (Exit 45) and the Portland area widening. Preservation expenses increased $4,288,186 (49.8%) in 2022 due to an increase in the cost of the pavement rehabilitation program.

Capital Assets and Debt Administration

Capital Assets

The Authority's investment in capital assets as of December 31, 2022 amounted to $1,064,850,925 of gross asset value with accumulated depreciation of $128,816,660, leaving a net book value of $936,034,265. Capital assets include right-of-way, roads, bridges, buildings, equipment and vehicles. Please see Note 3 of the financial statements for a schedule of changes in the Authority's capital assets.

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

The Authority has been in the process of updating and modernizing its electronic toll system and toll facilities. The toll system, operational since 2004, has been replaced by Transcore's Infinity system. This project upgraded each toll plaza location with improved traffic counting and video/image technology to continue the highly accurate data collection the Authority requires. Outdated toll booths, administrative buildings and access tunnels at each location were replaced or rehabilitated. Upgrades were completed in 2022 to Exit 45 (Maine Mall). The toll plaza at Exit 45 (Maine Mall) was relocated and reconfigured to have a northbound toll plaza and a southbound toll plaza. The Exit 45 southbound exit ramp was completely reconfigured, and the old bridge used for that exit was replaced and relocated a short distance away to coincide with the new interchange configuration. This is the last plaza to be converted to Transcore's Infinity electronic toll system and project punch list items will be completed in 2023. Phase 2 of the Portland Area Widening project (between miles 44 and 46) continued and is expected to be substantially completed by the end of 2023. In 2022, the bridge replacement was finished for the Route 197 bridge. Lastly, the demolition of the Exit 7 (York) toll plaza was completed in 2022.

Modified Approach for Infrastructure Assets

The Maine Turnpike Authority has elected to use the modified approach to infrastructure reporting. 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 2022, $12,907,360 was spent for preservation compared to an estimated cost of $11,990,500.

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 a rating of 8 (generally good condition) or better. The results of the 2022 inspection states that the Maine Turnpike has been maintained in generally good condition and presents a favorable appearance, which is the same assessment the Authority received in 2021.

Long-term Debt

The Authority has outstanding bonds payable of $513,310,000 and $22,370,000 for revenue and subordinated bonds, excluding unamortized bond discounts and premiums. Please see Note 6 of the financial statements for the annual principal payment requirements on revenue and subordinated bonds as of December 31, 2022.

The Authority has a bond cap, set by the Legislature, on the amount of revenue bonds that can be outstanding at any given time. As of December 31, 2022, the Maine Turnpike Authority has a bond cap of $600 million for general turnpike projects and a $150 million bond cap for the Gorham connector project. As of December 31, 2022, outstanding bonds were $483,310,000, leaving $116,690,000 available under the cap for general turnpike projects. As of December 31, 2022, outstanding bonds were $30,000,000, leaving $120,000,000 available under the cap for the Gorham Bypass project.

The Authority's current bond ratings are as follows:

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

In 2022, Fitch, Standard & Poor's and Moody's reviewed the Authority's finances and each agency affirmed the Authority's ratings and gave a stable outlook.

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.

Currently, the Debt Service Reserve requirement is approximately $22,196,264, which is fifty percent of maximum annual debt service (MADS). The debt service reserve requirement is fully funded with cash. The Authority has approximately $4,871,000 of surety bonds in place, however it is rated lower than the Authority's bond ratings and therefore do not count towards the Debt Service Reserve requirement.

Please see Note 7 of the Financial Statements for more discussion of the Debt Service Reserve Fund.

Budgetary Controls

Each year the Maine Turnpike Authority presents their Operating, Reserve Maintenance and Capital budgets to the Transportation Committee and it is ultimately voted on by the State of Maine Legislature. The Authority has made several decisions which have resulted in significant reductions to preceding budgets that have been received very positively by the Committee and the Legislature. More importantly, actual expenses have begun to prove that these decisions have positively affected the Authority's outcome without negatively impacting the mission of the Authority which is to provide a safe and efficient highway operated at a reasonable cost.

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.*

STATEMENTS OF NET POSITION

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	December 31, 2022	2021
Current Assets:		
Cash and Equivalents	$ 50,694,323	$ 89,857,905
Investments - Short Term	21,508,469	31,508,469
Restricted Cash and Equivalents to meet current restricted liabilities	51,534,877	28,746,212
Restricted Investments - Short Term	62,152,804	62,148,610
Accounts Receivable and Accrued Interest Receivable	7,261,817	7,156,881
Concession Lease Receivable	2,229,988	-
Inventory	1,506,257	955,363
Other - Current Assets	2,086,268	1,875,750
Total Current Assets	**198,974,802**	**222,249,190**
Non-Current Assets:		
Non-Current Assets		
Concession Lease Receivable Long Term	35,503,851	-
Restricted Assets		
Cash and Equivalents	71,302,384	61,131,067
Accounts Receivable and Accrued Interest Receivable	911,648	2,403,563
Total Restricted Assets	**107,717,884**	**63,534,630**
Other Assets		
Prepaid Bond Insurance - Net	166,020	186,571
Total Other Assets	**166,020**	**186,571**
Capital Assets not being Depreciated:		
Land and Infrastructure	728,896,740	672,016,781
Construction in Progress	71,156,534	89,522,754
Capital Assets net of Accumulated Depreciation:		
Property and Equipment	135,980,991	131,733,223
Total Capital Assets - Net of Accumulated Depreciation	**936,034,265**	**893,272,758**
Total Non-Current Assets	**1,043,918,169**	**956,993,959**
TOTAL ASSETS	**1,242,892,971**	**1,179,243,149**
Deferred Outflows of Resources:		
Deferred Loss on Refunding Bonds	1,514,253	7,402,199
Deferred Pension Outflows	4,525,227	5,788,896
Deferred Other Post Employment Benefit Outflows	2,028,408	4,465,923
Total Deferred Outflows of Resources	**8,067,888**	**17,657,018**
Total Assets and Deferred Outflows of Resources	**$ 1,250,960,860**	**$ 1,196,900,167**

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF NET POSITION, *continued*

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	December 31, 2022	2021
Current Liabilities Payable from Unrestricted Assets:		
Accounts, Contracts and Retainage Payable	$ 7,221,774	$ 7,417,752
Accrued Salary, Vacation and Sick Leave Payable	4,366,669	3,988,434
Unearned Fare Revenue	14,234,814	13,339,700
Unearned Concession Rentals	-	93,245
Total Current Liabilities Payable from Unrestricted Assets	**25,823,258**	**24,839,130**
Current Liabilities Payable from Restricted Assets:		
Accounts, Contracts and Retainage Payable	8,362,866	13,422,747
Accrued Salary, Vacation and Sick Leave Payable	478,873	555,541
Bond Interest Payable	12,127,289	12,978,795
Current Portion of Revenue Bonds and Subordinated Debt Payable	20,140,000	18,435,000
Other Current Liabilities	405,850	337,640
Total Current Liabilities Payable from Restricted Assets	**41,514,877**	**45,729,723**
Total Current Liabilities	**67,338,135**	**70,568,854**
Non-current Liabilities:		
Long-term Revenue Bonds and Subordinated Debt Payable	584,461,760	617,647,014
Other Post Employment Benefits Liabilities	36,006,997	54,353,627
Other Non-current Liabilities	1,153,055	1,051,101
Net Pension (Asset)/Liability	8,484,970	(1,102,845)
Total Non-current Liabilities	**630,106,782**	**671,948,897**
Total Liabilities	**697,444,917**	**742,517,751**
Deferred Inflows of Resources:		
Deferred Concession Lease Inflows	37,804,276	-
Deferred Pension Inflows	4,514,978	16,221,843
Deferred Other Post Employment Benefit Inflows	19,017,381	5,795,644
Total Liabilities and Deferred Inflows of Resources	**758,781,552**	**764,535,238**
Net Position:		
Net Investment in Capital Assets	422,724,265	353,758,250
Restricted	75,046,275	38,313,435
Unrestricted (Deficit)	(5,591,232)	40,293,243
Total Net Position	**492,179,308**	**432,364,929**
Total Liabilities, Deferred Inflows of Resources and Net Position	**$1,250,960,860**	**$1,196,900,167**

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For the Years Ended December 31, 2022	2021
REVENUES		
Operating Revenue:		
Net Fare Revenue	$ 160,229,824	$ 138,771,705
Concession Rentals	5,457,876	4,405,257
Miscellaneous	2,806,604	2,458,300
Total Operating Revenues	**168,494,304**	**145,635,262**
Interest Income		
Revenue Fund	439,136	(36,279)
Reserve Maintenance Fund	1,389,422	25,828
Improvement Account	752,934	24,227
Interchange Account	608,210	8,887
Maine Department of Transportation Account	19,110	552
Total Interest Income	**3,208,813**	**23,214**
Total Revenues	**171,703,116**	**145,658,476**
EXPENSES		
Operating Expenses:		
Operations	23,750,890	23,526,371
Maintenance	35,083,674	31,357,369
Administration	2,359,605	2,124,300
Depreciation	16,736,343	13,734,369
Reserve Maintenance - Preservation	12,907,360	8,619,174
Other Expenses - Capital General Expenses	-	10,158
Total Operating Expenses	**90,837,871**	**79,371,740**
Net Operating Income	**80,865,245**	**66,286,735**
Non-Operating Revenue/(Expenses):		
Investment Income	1,028,659	65,899
Loss on Sale and Disposal of Capital Assets	(838,874)	(1,044,806)
Interest Expense	(24,856,136)	(26,372,064)
Bond Issuance Cost	(485,421)	(491,429)
Bond Insurance Amortization	(20,550)	(22,073)
Bond Premium/Discount Amortization	7,188,939	5,885,924
Deferred Loss on Refunding Amortization	(369,137)	(902,266)
General Reserve Expense	(1,020,033)	(45,819)
Total Non-Operating Revenue/(Expenses)	**(19,372,553)**	**(22,926,633)**
Change in Net Position	**61,492,692**	**43,360,102**
Net Position at beginning of year	**432,364,929**	**392,952,985**
Prior Period Adjustments	(343,405)	-
Equity Transfers - MaineDOT	(1,334,908)	(3,948,158)
Net Position at end of year	**$ 492,179,308**	**$ 432,364,929**

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

	For the Years Ended December 31, 2022	2021
Operating Activities:		
Cash Received from Tolls/Customers	$ 208,316,482	$ 178,561,268
Cash Payments to Suppliers	(87,896,091)	(79,311,296)
Cash Payments to Employees	(25,873,535)	(24,454,181)
Net Cash Provided by Operating Activities	**94,546,857**	**74,795,791**
Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(63,927,616)	(69,818,318)
Proceeds from Issuance of Refunding Revenue Bonds	510,330	-
Payments for Bond Issuance Expenses	(283,065)	(416,292)
Interest Paid on Revenue Bonds	(26,071,383)	(23,535,759)
Payment of Principal on Revenue Bonds	(17,050,000)	(16,020,000)
Interest Paid on Subordinated Debt Bonds	(1,060,800)	(1,114,000)
Payment of Principal on Special Obligation Bonds	(1,385,000)	(1,330,000)
Net Cash Used in Capital and Financing Activities	**(109,267,534)**	**(112,234,369)**
Cash Payments made for the Piscataqua River Bridge Repairs	**(4,926,436)**	**(1,467,778)**
Investing Activities:		
Purchase of Investments	-	(100,034,610)
Proceeds from Sales and Maturities of Investments	10,000,000	167,690,069
Interest Received	3,443,513	108,487
Net Cash Provided by Investing Activities	**13,443,513**	**67,763,945**
Net Increase (Decrease) in Cash and Equivalents	(6,203,600)	28,857,589
Cash and Equivalents at Beginning of Year	179,735,184	150,877,595
Cash and Equivalents at End of Year	**$ 173,531,584**	**$ 179,735,184**
Cash and Equivalents - Unrestricted	$ 50,694,323	$ 89,857,905
Restricted Cash and Equivalents - Current	51,534,877	28,746,212
Restricted Cash and Equivalents - Non-Current	71,302,384	61,131,067
	$ 173,531,584	**$ 179,735,184**

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS, *continued*

	For the Years Ended December 31,	
	2022	**2021**
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:		
Income from Operations	**$ 80,865,245**	**$ 66,286,735**
Adjustments to Reconcile Operating Income to Net Cash provided by Operating Activities:		
Depreciation	16,736,343	13,734,368
Interest (Income)/Expense Included in Operating Revenue	(3,208,813)	(23,214)
Changes in Assets and Liabilities:		
Accounts Receivable	1,567,181	(1,430,979)
Prepaid Accounts	(210,518)	(116,747)
Inventory	(550,894)	514,594
Accounts, Contracts and Retainage Payable	1,787,545	(3,345,919)
OPEB Liability and Deferred Inflows/Outflows	(2,687,378)	793,055
Net Pension Liability and Deferred Inflows/Outflows	(855,381)	(2,990,105)
Unearned Toll and Concession Revenue	801,959	973,201
Accrued Salary, Vacation and Sick Leave Payable	301,568	400,800
Net Cash Provided by Operating Activities	**$ 94,546,857**	**$ 74,795,791**

The accompanying notes are an integral part of these 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.

In evaluating the Authority as a reporting entity, management has addressed all potential component units for which the Authority may be financially accountable and, as such, should be included within the Authority's financial statements. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 61, the Authority is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Authority. Additionally, the Authority is required to consider other organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the reporting entity's financial statements to be misleading. Based on the application of these criteria, there are no other entities that should be included as part of these financial statements.

Under these standards, the Authority is considered to be a component unit of the State of Maine.

Basis of Accounting – The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (standards and interpretations), constitute GAAP for governmental units. GAAP also includes guidance from the American Institute of Certified Public Accountants in the publication entitled, State and Local Governments. The Authority prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States for governmental proprietary funds, which are similar to those for private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred. 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.

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

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. Operating revenues for fares are recognized as the vehicles pass through the toll system. Prepayments on account are recorded as unearned fare revenue. Concession rental income is recognized based on the terms of the rental agreements. Net fare revenue is net of credit card fees of $3,244,036 and $2,689,526 for 2022 and 2021, respectively.

Non-operating revenues – Non-operating revenues consists of the amortization of bond premiums and discounts realized on previously issued debt, investment income earned and non-operating accounts and gains or loss from the sale of capital assets.

Interest Income on Operating Accounts – Interest income generated from on-going operations is included in operating revenue.

Cash and Equivalents – For purposes of the statements of cash flow, demand deposit accounts with commercial banks, and cash invested in short-term investments with original maturities of three months or less from the date of acquisition 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.

Fair Value Measurements - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Authority uses various methods, including market, income and cost approaches. Based on these approaches, the Authority often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Authority utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Authority is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

- Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.

- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

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

In determining the appropriate levels, the Authority performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

Accounts Receivable – Accounts receivable consists primarily of toll revenues due from commercial accounts and other tolling agencies. The Authority obtains surety bonds to cover commercial accounts receivable. Management believes that all accounts receivable as of December 31, 2022 and 2021 are fully collectable. Therefore, no allowance for doubtful accounts was recorded.

Inventory – Inventory consists of EZ Pass transponders, salt and fuel for MTA vehicles. The EZ Pass transponders will be sold to customers and are valued using the First-In First-Out (FIFO) method. Salt and vehicle fuel, to be used in operations, are valued using a weighted average method. Inventory items are carried at the lower of cost or net realizable value.

Other Assets – 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.

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. 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.

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

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:

Buildings	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

The following minimum capitalization thresholds for capitalizing fixed assets are as follows:

Land and Improvements (non-exhaustible)	$ 1
Land Improvements (exhaustible)	$ 5,000
Buildings and Improvements	$ 25,000
Machinery/Equipment/Vehicles	$ 5,000
Computers, Printers & IT Equipment	$ 5,000
Software	$ 10,000
Infrastructure	$ 100,000

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.

GASB 87 Lease Accounting

The Authority does not have any lease obligations as a lessee.

The Authority is a lessor in several noncancelable operating leases. If the contract provides the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Lease receivable assets and deferred inflow of resources are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term.

The lease receivable is initially and subsequently recognized based on the present value of its future lease receipts. Variable payments are included in the future lease receipts when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease income in the future period in which they are incurred.

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

The Authority recognizes interest revenue on the lease receivable, and an inflow of resources (lease revenue) from the deferred inflow of resources in a systematic and rational manner over the term of the leases.

The discount rate used is the implicit rate in the lease contract, if it is readily determinable, or the Authority's incremental borrowing rate. The implicit rates of our leases are not readily determinable and accordingly, the Authority uses the incremental borrowing rate based on the information available at the commencement date for all leases. The Authority's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment.

For all underlying classes of assets, the Authority has elected to not recognize lease receivable assets and deferred inflow of resources for short-term leases that have a lease term of 12 months or less at lease commencement. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The Authority recognizes short-term lease cost on a straight-line basis over the lease term.

The Authority made an accounting policy election for the building facilities to not separate the lease components of a contract and its associated non-lease components, such as lessor-provided maintenance and other services.

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.

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, which amounted to $565,479 and $476,597 for the years ended December 31, 2022 and 2021, respectively, and are included on the statement of net position under Accrued Salary, Vacation and Sick Leave Payable.

Unearned Toll Revenue – The Authority offers a prepaid balance program which allows patrons to carry a balance on their account for future toll expenses. This balance is reduced by each trip through the tolls and can be increased by the patron at any time but also includes a minimum balance set by the Authority. The Authority offers a Volume Discount Plan for passenger vehicles for which revenue is earned based on the vehicle passing through the toll system. Any amount remaining in the patrons account is accounted for as unearned revenue.

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 such as bond insurance are amortized using the straight-line method over the life of the bonds. Other bond issuance costs, such as consulting, legal and underwriter fees are expensed in the period they are incurred.

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

Refunded Bonds – The Authority defeased certain bonds in 2012, 2014, 2015 and 2022 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 Outflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that apples to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has three items that qualifies for reporting in this category. The first is a deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other two items are the deferred outflows related to the pension liability and the deferred outflows related to the other post-employment benefits liability, each of which are more fully disclosed in the footnotes.

Deferred Inflows of Resources - In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources.* This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources recognized on the statement of net position and balance sheet relate to the net pension liability, and the other post-employment liability, each of which are more fully disclosed in the footnotes.

Lease-related amounts are recognized at the inception of leases in which the Authority is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable. The inflow of resources is recognized in a systematic and rational manner of the term of the lease.

Use of Estimates – The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements, and reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

Use of Restricted/Unrestricted Net Position – When an expense is incurred for purposes for which both restricted and unrestricted assets are available, the Authority's policy is to apply restricted net position first.

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

Recently Adopted Accounting Pronouncements – In June 2017, the GASB issued GASB 87, *Leases.* This new standard provides users of the financial statements a more accurate picture of the assets and the long-term financial obligations of governments that lease. Lessees will recognize a lease liability and an intangible asset representing the lessee's right to use the leased asset and lessors will recognize a lease receivable and a deferred inflow of resources. The new leasing standard was implemented effective January 1, 2022.

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, 2022, the Authority reported deposits of $742,159 with bank balances of $1,729,861. The entire balance of $1,729,861 was covered by the F.D.I.C. As of December 31, 2021, the Authority reported deposits of $401,216 with bank balances of $665,656. The entire balance of $665,656 was covered by the F.D.I.C.

Investments

At December 31, 2022, the Authority had the following investments and maturities:

	Fair Value	Less Than 1 Year	1-5 Years	More Than 5 Years
Money Market	$ 245,270,284	$ 245,270,284	$ -	$ -
U.S. Government Securities	8,112,251	8,112,251	-	-
Federated Treasury Obligation Fund	3,068,163	3,068,163	-	-
Total Investments	**$ 256,450,698**	**$ 256,450,698**	**$ -**	**$ -**

At December 31, 2021, the Authority had the following investments and maturities:

	Fair Value	Less Than 1 Year	1-5 Years	More Than 5 Years
Money Market	$ 259,087,247	$ 259,087,247	$ -	$ -
U.S. Government Securities	10,536,933	10,536,933	-	-
Federated Treasury Obligation Fund	3,366,867	3,366,867	-	-
Total Investments	**$ 272,991,047**	**$ 272,991,047**	**$ -**	**$ -**

Note 2 – Deposits and Investments, *continued*

Deposits and investments are as follows:

	2022	2021
Deposits	$ 742,159	$ 401,216
Investment	256,450,698	272,991,047
Total Deposits and Investments	**$ 257,192,857**	**$ 273,392,263**

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

	2022	2021
Cash and Equivalents	$ 50,694,323	$ 89,857,905
Current Restricted Cash and Equivalents	51,534,877	28,746,212
Noncurrent Restricted Cash and Equivalents	71,302,384	61,131,067
Investments - Short Term	21,508,469	31,508,469
Current Restricted Investments - Short Term	62,152,804	62,148,610
Total Deposits and Investments	**$ 257,192,857**	**$ 273,392,263**

Fair Value

Fair Values of Assets measured on a recurring basis at December 31 are as follows:

	Total	Level 1	Level 2	Level 3
December 31, 2022				
Cash Equivalents	742,159	742,159	-	-
Money Market	245,270,284	245,270,284	-	-
U.S. Government Securities	8,112,251	8,112,251	-	-
Federated Treasury Obligations Fund	3,068,163	-	3,068,163	-
	$ 257,192,857	**$ 254,124,694**	**$ 3,068,163**	**$ -**

	Total	Level 1	Level 2	Level 3
December 31, 2021				
Cash Equivalents	401,216	401,216	-	-
Money Market	259,087,247	259,087,247	-	-
U.S. Government Securities	10,536,933	10,536,933	-	-
Federated Treasury Obligations Fund	3,366,867	-	3,366,867	-
	$ 273,392,263	**$ 270,025,396**	**$ 3,366,867**	**$ -**

There were no assets classified Level 3 as of December 31, 2022 or December 31, 2021.

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 maturities 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 a 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. The Federal Treasury Obligations Fund is a money market fund and is rated AAAm by Standard & Poor's.

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.

Notes to Financial Statements, *continued*

Note 3 – Capital Assets

A Summary of changes to capital assets for the year ended December 31, 2022 is as follows:

	Balance 12/31/2021	Additions	Transfers	Disposals	Balance 12/31/2022
Capitalized Assets Not Being Depreciated (cost)					
Land	$ 78,646,196	10,000	27,672,573	(3,000)	$ 106,325,769
Infrastructure	593,370,585	-	30,014,325	(813,939)	622,570,971
Construction in Progress	89,522,754	57,484,440	(75,850,660)	-	71,156,534
Total Capital Assets Not Being Depreciated	**761,539,535**	**57,494,440**	**(18,163,763)**	**(816,939)**	**800,053,274**
Capitalized Assets Being Depreciated (cost)					
Land Improvements (exhaustible)	35,054,443	-	6,448,204	-	41,502,647
Buildings	86,338,274	-	3,092,628	(221,122)	89,209,780
Machinery and Equipment	135,247,697	2,858,234	8,622,931	(12,643,637)	134,085,225
Total Capital Assets Being Depreciated	**256,640,414**	**2,858,234**	**18,163,763**	**(12,864,759)**	**264,797,652**
Less Accumulated Depreciation for:					
Land Improvements (exhaustible)	(12,988,785)	(2,064,474)	-	-	(15,053,258)
Buildings	(37,938,492)	(2,757,615)	-	217,073	(40,479,033)
Machinery and Equipment	(73,979,915)	(11,914,255)	-	12,609,800	(73,284,369)
Total Accumulated Depreciation	**(124,907,191)**	**(16,736,343)**	**-**	**12,826,873**	**(128,816,660)**
Total Capital Assets Being Depreciated, net	**131,733,223**	**(13,878,109)**	**18,163,763**	**(37,886)**	**135,980,991**
Total Capital Assets	**$ 893,272,758**	**43,616,331**	**-**	**(854,824)**	**$ 936,034,265**

A Summary of changes to capital assets for the year ended December 31, 2021 is as follows:

	Balance 12/31/2020	Additions	Transfers	Disposals	Balance 12/31/2021
Capitalized Assets Not Being Depreciated (cost)					
Land	$ 56,319,344	2,988,795	19,338,056	-	$ 78,646,196
Infrastructure	537,999,160	-	57,731,975	(2,360,550)	593,370,585
Construction in Progress	154,439,250	64,163,621	(129,080,117)	-	89,522,754
Total Capital Assets Not Being Depreciated	**748,757,755**	**67,152,416**	**(52,010,086)**	**(2,360,550)**	**761,539,535**
Capitalized Assets Being Depreciated (cost)					
Land Improvements (exhaustible)	24,677,455	-	10,394,964	(17,976)	35,054,443
Buildings	75,670,677	-	12,000,340	(1,332,743)	86,338,274
Machinery and Equipment	106,416,835	1,561,857	29,614,781	(2,345,776)	135,247,697
Total Capital Assets Being Depreciated	**206,764,967**	**1,561,857**	**52,010,086**	**(3,696,496)**	**256,640,414**
Less Accumulated Depreciation for:					
Land Improvements (exhaustible)	(11,420,537)	(1,586,224)	-	17,976	(12,988,785)
Buildings	(35,983,385)	(2,592,139)	-	637,032	(37,938,492)
Machinery and Equipment	(66,325,741)	(9,556,005)	-	1,901,832	(73,979,915)
Total Accumulated Depreciation	**(113,729,663)**	**(13,734,369)**	**-**	**2,556,841**	**(124,907,191)**
Total Capital Assets Being Depreciated, net	**93,035,305**	**(12,172,512)**	**52,010,086**	**(1,139,655)**	**131,733,223**
Total Capital Assets	**$ 841,793,060**	**54,979,904**	**-**	**(3,500,205)**	**$ 893,272,758**

Note 4 – Letter of Credit

The Authority has a $35 million letter of credit with Bangor Savings Bank which expires on December 31, 2023. It is secured under the General Resolution solely by the Authority's Revenues (as defined therein) on a subordinated basis to the Authority's outstanding bonds and additional bonds to be issued on a senior basis, all in accordance with the Resolution. There was no outstanding balance on the letter of credit as of December 31, 2022 and 2021.

Note 5 – Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Authority's net investment in capital assets was calculated as follows:

	Years Ended December 31,	
	2022	**2021**
Capital Assets	$ 1,064,850,925	$ 1,018,179,949
Unspent Bond Proceeds	-	13,405,492
Accumulated Depreciation	(128,816,660)	(124,907,191)
Bonds Payable	(513,310,000)	(552,920,000)
Total Net Investment In Capital Assets	**$ 422,724,265**	**$ 353,758,250**

Note 6 – 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, 2022, the Authority had the following outstanding bonds:

- $39,715,000 of Series 2014 Revenue Refunding Bonds, issued in July 2014. The proceeds from the bonds were used to advance refund a portion of principal amounts of the Series 2004 maturing in the years 2015 through 2020 and Series 2007 maturing in the years 2018 through 2024, in the outstanding principal amount of $43,765,000.

- $144,875,000 of Series 2015 Revenue Refunding Bonds, issued in April 2015. The proceeds from the bonds were used to refund the principal amounts of the Series 2005 Bonds maturing in the years 2016 through 2030; Series 2007 Bonds maturing in the years 2025 through 2035; and Series 2009 Bonds maturing 2020 through 2038

- $150,000,000 of Series 2018 Revenue Bonds, issued in February 2018, to pay a portion of the costs of various turnpike projects.

- $130,000,000 of Series 2020 Revenue Bonds, issued in November 2020, to pay a portion of the costs of the Gorham Bypass project as well as various turnpike projects.

Note 6 – Long-term Debt, *continued*

Revenue Bonds Payable, *continued*

- $102,340,000 of Series 2022 Refunding Revenue Bonds, issued in April 2022. The proceeds from the bonds were used to advance refund the principal amounts of the Series 2012A and Series 2012B maturing in the years 2023 through 2042, in the outstanding principal amount of $124,900,000.

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 12/31/2022
Series 2014	39,715,000	7/1/2015 - 2024	2.00-5.00 %	3,170,000
Series 2015	144,875,000	7/1/2020 - 2038	2.00-5.00 %	127,800,000
Series 2018	150,000,000	7/1/2024 - 2047	4.00-5.00 %	150,000,000
Series 2020	130,000,000	7/1/2026 - 2050	3.00-5.00 %	130,000,000
Series 2022	102,340,000	7/1/2023 - 2042	4.00-5.00 %	102,340,000
Total Revenue Bonds Payable				**$513,310,000**

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

Year Ending	Principal	Interest	Total debt service
2023	18,690,000	23,263,028	41,953,028
2024	19,010,000	22,328,528	41,338,528
2025	20,110,000	21,378,028	41,488,028
2026	24,020,000	20,372,528	44,392,528
2027	25,220,000	19,171,528	44,391,528
2028 - 2032	120,540,000	79,113,315	199,653,315
2033 - 2037	97,290,000	54,210,250	151,500,250
2038 - 2042	86,415,000	33,629,650	120,044,650
2043 - 2047	78,585,000	16,594,300	95,179,300
2048 - 2050	23,430,000	2,109,150	25,539,150
Totals	**$513,310,000**	**292,170,303**	**805,480,305**

Note 6 – Long-term Debt, *continued*

Revenue Bonds Payable, *continued*

A summary of changes in revenue bonds is as follows:

Issue	12/31/2021	Additions	Reductions	12/31/2022
Series 2012	132,520,000	-	(132,520,000)	-
Series 2014	4,640,000	-	(1,470,000)	3,170,000
Series 2015	135,760,000	-	(7,960,000)	127,800,000
Series 2018	150,000,000	-	-	150,000,000
Series 2020	130,000,000	-	-	130,000,000
Series 2022	-	102,340,000	-	102,340,000
Totals	**$552,920,000**	**$102,340,000**	**($141,950,000)**	**$513,310,000**

Special Obligation Bonds Payable

• $27,555,000 of Series 2014 Special Obligation Bonds, issued in July 2014, to purchase a section of Interstate 95 in Kittery extending approximately 1.9 miles from the current southern end of the Turnpike to the abutment of the bridge over the Piscataqua River at the New Hampshire Border. This Kittery segment of the Interstate was maintained by the Authority under contract with Maine DOT and the Authority was reimbursed for the costs associated with upkeep of this section of the Interstate.

Issue	Amount Issued	Maturity Date	Interest Rate	Balance 12/31/2022
Series 2014	$27,555,000	7/1/2019 - 2034	3.00-5.00 %	$22,370,000
Total Special Obligation Bonds Payable				**$22,370,000**

Notes to Financial Statements, *continued*

Note 6 – Long-term Debt, *continued*

Special Obligation Bonds Payable, *continued*

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

Year Ending	Principal	Interest	Total Debt Service
2023	1,450,000	991,550	2,441,550
2024	1,525,000	919,050	2,444,050
2025	1,600,000	842,800	2,442,800
2026	1,680,000	762,800	2,442,800
2027	1,730,000	712,400	2,442,400
2028 - 2032	9,845,000	2,372,050	12,217,050
2033 - 2034	4,540,000	343,250	4,883,250
Totals	**$22,370,000**	**$6,943,900**	**$29,313,900**

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

Issue	12/31/2021	Additions	Reductions	12/31/2022
Series 2014	$23,755,000	$0	($1,385,000)	$22,370,000
Totals	**$23,755,000**	**$0**	**($1,385,000)**	**$22,370,000**

Changes in Revenue and Special Obligation long-term liability for the year ended December 31, 2022, were as follows:

Bond Type	12/31/2021	Additions	Reductions	12/31/2022	Due within one year
Revenue Bonds	$552,920,000	102,340,000	($141,950,000)	$513,310,000	$18,690,000
Special Obligation Bonds	23,755,000	-	(1,385,000)	22,370,000	1,450,000
Subtotal	**576,675,000**	**102,340,000**	**(143,335,000)**	**535,680,000**	**20,140,000**
Adjustment for Premium / Discounts	59,407,012	23,555,751	(14,041,005)	68,921,758	-
Total	**636,082,011**	**$125,895,751**	**($157,376,005)**	**$604,601,758**	**$20,140,000**

Note 6 – Long-term Debt, *continued*

Changes in Revenue and Special Obligation long-term liability for the year ended December 31, 2021, were as follows:

Bond Type	12/31/2020	Additions	Reductions	12/31/2021	Due within one year
Revenue Bonds	$568,940,000	-	($16,020,000)	$552,920,000	$17,050,000
Special Obligation Bonds	25,085,000	-	(1,330,000)	23,755,000	1,385,000
Subtotal	**594,025,000**	**-**	**(17,350,000)**	**576,675,000**	**18,435,000**
Adjustment for Premium / Discounts	65,292,936	-	(5,885,924)	59,407,011	-
Total	**$659,317,936**	**$0**	**($23,235,924)**	**$636,082,011**	**$18,435,000**

Note 7 – 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 in the past, the Authority acquired surety policies issued by Financial Security Assurance, Inc (FSA) and AMBAC Assurance Corporation. Currently, the Authority has one surety in place:

Debt Service Reserve Fund Surety Policy Provider	Series Availability	Termination Date	Maximum Amount
Ambac	All Turnpike Revenue Bonds	July 1, 2030	$ 4,871,359

In 2008, as a result of the sub-prime mortgage crisis, AMBAC was downgraded significantly and did not maintain ratings by Moody's and S&P at least equal to the ratings on the Authority's outstanding revenue bonds.

As a result, while still in effect, this surety no longer qualifies under the general bond resolution to meet the Debt Service Reserve Fund requirement.

Currently, the Debt Service Reserve requirement is $22,196,264, which is one half of maximum annual debt service (MADS). The debt service reserve requirement was $24,234,308 in 2021. The required balance was reduced $2,038,044 in 2022 with the issuance of the Series 2022 forward delivery refunding bonds. The debt service reserve fund is currently 100% funded with cash.

Note 8 – Maine Public Employees Retirement System (MainePERS) – Consolidated Retirement Pension Plan

Plan Descriptions

The Authority contributes to the Maine Public Employees Retirement System, as part of the PLD Consolidated Plan (the Plan) which is a cost sharing multiple employer defined benefit pension plan. The Plan was established as the administrator of a public employee retirement system under the Laws of the State of Maine. The PLD Plan covers 311 participating employers. The Authority's full-time and permanent part-time employees are eligible to participate in the Plan.

Benefit terms are established by Maine statute, in the case of the PLD Consolidated Plan, an advisory group, also established by statute, reviews the terms of the Plan and periodically makes recommendations to the legislature to amend them. The Plan's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD Plan members, normal retirement age is 60 for members hired before July 1, 2014. Normal retirement age is 65 for members hired on or after July 1, 2014. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The Plan also provides disability and death benefits which are established by statute for State employee members and by contract with other participating employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the Plan's Board of Trustees and is currently 1.52%.

For the years ended December 31, 2022 and 2021, the Authority's total payroll for all employees was $25,741,660 and $24,489,867, respectively and total covered payroll was $24,939,837 and $23,840,322, respectively for the PLD Plan. Covered payroll refers to all compensation paid by the Authority to active employees covered by the Plan.

Note 8 – Maine Public Employees Retirement System (MainePERS) – Consolidated Retirement Pension Plan, *continued*

Contributions

The contribution requirements of the PLD Plan members are defined by law or the Plan's Board. Employees of the Authority are required to contribute 7.05% or 7.80% of covered compensation to the PLD Plan, depending on the date they were hired. The contributions are deducted from the employee's wages or salary and remitted by the Authority to the Plan on a monthly basis. Employer contribution rates are determined through actuarial valuations. The Authority's required contribution rate for the years ended December 31, 2022 and 2021, was 10.2% and 10.3%, respectively, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority's contributions to the Plan for the years ended December 31, 2022 and 2021 were $2,738,485 and $2,582,038, respectively.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2022 and 2021, the Authority reported a liability of $8,484,970 and an asset of $1,102,845, respectively for its proportionate share of the net pension liability. The net pension asset/liability was measured as of June 30, 2022 and June 30, 2021, and the total pension asset/liability used to calculate the net pension asset/liability was determined by actuarial valuations as of these dates. The Authority's proportion of the net pension asset/liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the Authority's proportion was 3.19%, which was a decrease of 0.240% from its proportion measured as of June 30, 2021. At June 30, 2021, the Authority's proportion was 3.43%, which was a decline of 0.4309% from its proportion measured as of June 30, 2020.

For the years ended December 31, 2022 and 2021, the Authority recognized pension (benefit)/expense of $1,645,222 and ($617,451), respectively. At December 31, 2022 and 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Note 8 – Maine Public Employees Retirement System (MainePERS) – Consolidated Retirement Pension Plan, *continued*

December 31, 2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	$ 1,576,876	$ -
Changes of assumptions	1,722,155	-
Net difference between projected and actual earnings on Plan investments	-	3,561,189
Changes in proportion and differences between contributions and proportionate share of contributions	-	953,789
Contributions subsequent to the measurement date	1,226,196	-
Total	**$ 4,525,227**	**$ 4,514,978**

December 31, 2021

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	$ 713,407	$ 74,958
Changes of assumptions	3,703,261	-
Net difference between projected and actual earnings on Plan investments	-	15,032,178
Changes in proportion and differences between contributions and proportionate share of contributions	134,271	1,114,707
Contributions subsequent to the measurement date	1,237,957	-
Total	**$ 5,788,896**	**$ 16,221,843**

Note 8 – Maine Public Employees Retirement System (MainePERS) – Consolidated Retirement Pension Plan, *continued*

The $1,226,196 of deferred outflows of resources as of December 31, 2022, resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. The $1,237,957 of deferred outflows of resources as of December 31, 2021, resulting from the Authority's contribution subsequent to the measurement date were recognized as a reduction of the net position liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be netted and recognized in pension expense, (addition or (reduction) to expense) as follows:

Years ending December 31,	
2023	$ 339,546
2024	(1,015,729)
2025	(2,212,409)
2026	1,672,647
Total	**$ (1,215,945)**

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	PLD Plan 2.75%, per annum
Salary increases	PLD Plan 2.75% - 11.48%, per year
Investment rate of return	PLD Plan 6.50%, per annum, compounded annually

Mortality rates were based on the 2010 Public Plan General Benefits-weighted Healthy Retiree Mortality table, for males and females, projected generationally using the RPEC_2020 model.

The actuarial assumptions used in the June 30, 2022 valuation was based on the results of an actuarial experience study for the periods of July 1, 2015 to June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Note 8 – Maine Public Employees Retirement System (MainePERS) – Consolidated Retirement Pension Plan, *continued*

Actuarial Assumptions - Continued

Asset Class	Long-term Expected Real Rate of Return
Public Equities	6.0%
U.S. Government	2.3%
Private Equity	7.6%
Real Assets:	
Real Estate	5.2%
Infrastructure	5.3%
Natural Resources	5.0%
Traditional Credit	3.2%
Alternative Credit	7.4%
Diversifiers	5.9%
Total	

Discount Rate

The discount rate used to measure the total pension liability was 6.50% for the PLD Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension (Asset)/Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	Discount Rate	Authority's proportionate share of net pension (asset)liability
1% decrease	5.500%	$ 25,067,016
Current discount rate	6.500%	8,484,970
1% increase	7.500%	(5,220,682)

Note 8 – Maine Public Employees Retirement System (MainePERS) – Consolidated Retirement Pension Plan, *continued*

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Maine Public Employees Retirement System financial report.

Note 9 – Leases

The Authority, as a lessor, has entered into the following lease agreements. In 2006, the Authority entered into lease agreements with HMS Host and CN Brown to operate its five service plazas on the Turnpike. The Authority entered into the arrangements as a means to provide services to users of the Turnpike in a more efficient, cost-effective manner. In July 2021, HMS Host sold its toll concession business to Applegreen. Applegreen, based in the United Kingdom, assumed all rights, obligations and liabilities of HMS Host under the operating agreement and will continue to operate under the HMS Host name. The lease agreement with CN Brown provides for contingent rent based on sales.

In April 2018 the Authority entered into a lease agreement with Maine Crafts Association for an area located in the Authority's West Gardiner Service Plaza. The lease agreement is contingent based on gross sales however also provide a guaranteed minimum rent of $800 per month from April 1, 2018 through March 31, 2023.

Contingent rent for HMS host is 20% of sales for years 1-10, 21% of sales for years 11-20 and 22% of sales for years 21-30. Contingent rent for CN Brown is based on the gallons of gasoline and diesel fuel sold at a fuel rent factor of 8 cents per gallon, adjusted upward each year for the Consumer Price Index Change that exceeds 2%, plus 10% of the sales of other products, plus 5% of the sales of tobacco products and plus 2% of the amount received from the Lottery Commission. The Authority has retained the right to approve the activities of the lessees and also has established limits to the prices that can be charged to customers. Contingent rent for the Maine Crafts Association is 2% on all gross sales exceeding $500,000, and 4% on all gross sales exceeding $600,000.

The lease agreement with HMS Host requires $8 million of capital improvements to be paid for by HMS Host, consisting of leasehold improvements, equipment and furnishings as approved by the Authority. $4 million of these improvements must be incurred prior to December 31, 2017 and the remaining $4 million must be incurred prior to December 31, 2027. If the required amount of $8 million has not been reinvested by HMS Host by the end of the term, then the remainder of the sum shall be rebated to the Authority in cash. Prior to the December 31, 2017 requirement date, HMS Host did invest in excess of $4 million dollars in the facilities.

Note 9 – Leases, *continued*

The following table discloses information related to the revenue earned and balance sheet components related to GASB 87.

Lease	Lease Revenue	Variable Lease Revenue	Interest Income	Total Income	Lease Receivable	Accrued Interest Receivable	Deferred Inflow of Resources
Applegreen	$ 2,182,365	$ 731,920	$ 867,639	$ 3,781,924	$ 37,731,448	$ 70,432	$ 37,801,880
CN Brown	-	1,664,197	-	1,664,197	-	-	-
Maine Crafts Association	9,449	2,155	151	11,755	2,391	4	2,396
Totals	$ 2,191,814	$ 2,398,272	$ 867,790	$ 5,457,876	$ 37,733,839	$ 70,436	$ 37,804,276

The following disclosures relate to the lease revenue earned in 2021, prior to the adoption of GASB 87. HMS Host percentage rent was $3,007,551 in 2021. The lease agreement with CN Brown provides for contingent rent based on sales. The Authority received $1,388,106 in contingent rentals from CN Brown in 2021. The Authority received minimum rent of $9,600 and contingent rent of $2,077 from Maine Crafts Association in 2021.

Note 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Participating Local District Consolidated Plan – Retiree Group Life Insurance

General Information

Plan description. Employees are provided with OPEB through the Participating Local District Consolidated Plan – Retiree Group Life Insurance (PLD Plan), a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MainePERS). State of Maine Statutes grants the authority to establish and amend the benefit terms to the MainePERS Board of Trustees. MainePERS issues a publicly available financial report that can be obtained at www.mainepers.org.

Benefits provided. The Group Life Insurance Plan (the Plan) provides basic group life insurance benefits, during retirement, to retirees who participated in the Plan prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits). The level of coverage in retirement is initially set to an amount equal to the retirees' average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or $2,500.

Contributions. Premium rates are those determined by the System's Board of Trustees to be actuarially sufficient to pay anticipated claims. PLD employers are required to remit a premium of $0.48 per $1,000 of coverage for covered active employees, a portion of which is to provide a level of coverage in retirement. PLD employers with retired PLD employees continue to remit a premium of $0.48 per $1,000 of coverage per month during the post-employment retired period. Contributions to the OPEB plan from the Authority were $104,845 and $98,087 for the years ended June 30, 2022 and June 30, 2021 actuarial valuations. Employees are not required to contribute to the OPEB plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2022 and 2021, the Authority reported a liability of $1,188,481 and $853,433, respectively for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of June 30, 2022 and June 30, 2021, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of these dates. The Authority's proportion of the collective net OPEB liability was based on a projection of the Authority's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Authority's proportion was 8.206%, which was a slight decrease from its proportion measured as of June 30, 2021, which was 8.267%.

Note 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), *continued*

Participating Local District Consolidated Plan – Retiree Group Life Insurance, *continued*

For the years ended December 31, 2022 and 2021, the Authority recognized OPEB expense (benefit) of ($23,399) and $($95,857), respectively. The Authority's reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Results	$ 57,809	$ 10,517	$ 96,437	$ 261,941
Changes of Assumptions	98,822	371,118	143,980	575,509
Net Difference Between Projected and Actual Earnings on Plan Investments	102,751	-	-	-
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	41,530	38,547	54,370	39,896
Contributions Subsequent to the Measurement Date	52,423	-	49,044	-
Total	**$ 353,335**	**$ 420,182**	**$ 343,831**	**$ 877,346**

Of the total amount reported as deferred outflows of resources related to OPEB as of December 31, 2022, $52,423 resulting from Authority contributions subsequent to the measurement date will be included as a reduction of the collective net OPEB liability in the year ending December 31, 2023. Of the total amount reported as deferred outflows of resources related to OPEB as of December 31, 2021, $49,044 resulting from Authority contributions subsequent to the measurement date was included as a reduction of the collective net OPEB liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Authority's OPEB expense, as follows:

Year Ended December 31,	
2023	$ (32,952)
2024	(78,013)
2025	(102,885)
2026	85,157
2027	12,694
	(3,271)
Total	**$ (119,270)**

Note 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), *continued*

Participating Local District Consolidated Plan – Retiree Group Life Insurance, *continued*

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	2.75% - 11.48% including inflation
Investment rate of return	6.50% per annum, compounded annually
Healthcare cost trend rates	Not applicable to the group life insurance plan

Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality table, for males and females, projected generationally using the RPEC_2020 model.

The actuarial assumptions used in the June 30, 2022 valuation was based on the results of an actuarial experience study for the period from June 30, 2015 through June 30, 2020.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. Those ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetical rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Public Equities	6.0%
Real Estate	5.2%
Traditional Credit	3.0%
US Government Securities	2.3%

Note 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), ***continued***

Participating Local District Consolidated Plan – Retiree Group Life Insurance, ***continued***

The discount rate used to measure the total OPEB liability for the PLD Plan was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarily determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Authority's proportionate share of the collective net OPEB liability to changes in the discount rate. The following presents the Authority's proportionate share of the collective net OPEB liability, as well as what the Authority's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current discount rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Authority's Proportionate Share of the Collective Net OPEB Liability	$ 1,613,048	$ 1,188,481	$ 847,595

Retiree Group Health Insurance Plan
General Information

Plan description. 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 $1,128,329 and $1,319,678 of insurance contributions for approximately 293 retirees for the years ended December 31, 2022 and 2021 respectively. Benefit provisions are established and amended through negotiations between the Authority and the respective unions.

The Authority does not issue a separate financial report for its OPEB as the Authority does not fund an OPEB plan and operates on a pay-as-you-go basis. Employers fund their own benefits. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits provided. The Health Plan provides healthcare and life insurance benefits for retirees and their dependents. Authority employees with 1 year of continuous service and health plan participation at retirement are eligible to participate in the Health Plan. Retirees who are not eligible for Medicare retain coverage in the same group health plan as active employees. Retirees must pay for Medicare Part B coverage to be eligible to participate in the State-sponsored employer funded Companion Plan.

Note 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), *continued*

Retiree Group Health Insurance Plan, *continued*

Plan Membership. At December 31, 2022, the following were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	293
Active Employees	317
Total	**610**

Total OPEB Liability

The Authority's total OPEB liability of $34,818,516 was measured as of December 31, 2022 and $53,500,194 was measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2023.

Actuarial assumptions and other inputs. The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

General inflation of 2.50% was used along with an aggregate payroll increase of 2.75%. Merit payroll increases, mortality, termination, disability and retirement assumptions relied on the 2015-2020 experience study. Mortality rates were based on the fully generational with adjust Society of Actuaries Scale MP-2020. PubG-2010 Healthy Employee Benefits-Weighted Mortality Table projected generationally using MP-2020 with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115 with convergence to the ultimate rates in 2027.

The discount rate was based on high quality AA/Aa or higher bond yields in effect for 20-year, tax exempt general obligation municipal bonds using the Bond Buyer index.

Note 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), ***continued***

Retiree Group Health Insurance Plan, ***continued***

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study, conducted by the MainePERS Consolidated Plan for Participating Local Districts, for the period July 1, 2015 through June 30, 2020.

Changes in the Total OPEB Liability

	December 31, 2022	December 31, 2021
Balance as of beginning of year	$ 53,500,194	$ 51,792,481
Changes for the Year:		
Service Cost	1,876,074	1,794,435
Interest	1,125,785	1,118,493
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	(10,208,144)	-
Changes in Assumptions of Other Inputs	(10,022,356)	450,450
Benefit Payments	(1,453,037)	(1,655,665)
Net Changes	(18,681,678)	1,707,713
Balance as of end of year	**$ 34,818,516**	**$ 53,500,194**

Changes in assumptions or other inputs reflect a change in the discount rate from 2.06% in 2021 to 3.72% in 2022.

Sensitivity of the total OPEB liability to changes in the discount rate.

The following table shows how the total OPEB liabilities would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate used for the Health Plan is 3.72%.

	1% Decrease (2.72%)	Discount Rate (3.72%)	1% Increase (4.72%)
Total OPEB Liability	$ 39,470,473	$ 34,818,516	$ 30,969,444

Note 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), *continued*

Retiree Group Health Insurance Plan, *continued*

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The following table shows how the total OPEB liabilities would change if the healthcare rate used was one percentage point lower or one percentage point higher than the current rate of 5.50% to 7.50%.

	1% Decrease (4.50%-6.50%)	Current Trend (5.50%-7.50%)	1% Increase (6.50%-8.50%)
Total OPEB Liability	$ 30,742,022	$ 34,818,516	$ 39,818,717

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2022 and 2021, the Authority recognized an OPEB credit of $1,102,720 and an expense of $2,646,173, respectively. At December 31, 2022 and 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	December 31, 2022		December 31, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Results	$ -	$ 10,707,259	$ -	$ 4,451,768
Changes of Assumptions	1,675,073	7,889,940	4,122,093	466,530
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-	-	-
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	-	-	-	-
Contributions Subsequent to the Measurement Date	-	-	-	-
Total	**$ 1,675,073**	**$ 18,597,199**	**$ 4,122,093**	**$ 4,918,298**

Note 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), *continued*

Retiree Group Health Insurance Plan, *continued*

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	
2023	$ (4,685,826)
2024	(4,968,936)
2025	(4,254,312)
2026	(3,013,052)
Total	**$ (16,922,126)**

Note 11 – Union Contract

In October 2020, the Authority signed a three-year contract with the Maine State Employees Association (MSEA) and expires at the end of 2023. For this contract, the Employee and Supervisory Units were reorganized into three new units: Fare Collection, Headquarters, and Maintenance & Operations. The Authority and MSEA will start negotiating the next three-year contract in the spring of 2023.

Note 12 – Commitments and 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.

Future commitments on outstanding construction projects for improvements and maintenance totaled approximately $88,241,871 and $77,689,933 as of December 31, 2022 and December 31, 2021, respectively.

Due to changes to enabling legislation in 2011, the Authority is potentially obligated to provide 5% of its annual operating revenues to the Maine Department of Transportation (MaineDOT). The Authority has incurred and expects to continue to incur significant expenses from construction projects that will be of mutual benefit to MaineDOT and accordingly has met its obligation to MaineDOT.

Note 13 – 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. The Authority is responsible for claims made up to $750,000 per covered claim. 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:

	2022	2021
Unpaid Claims as of January 1	$ 1,387,904	$ 1,504,609
Incurred Claims / Claim Resolutions	530,532	251,883
Total Claim Payments	359,531	368,586
Current Claims Liability	405,850	337,640
Long-term Claims Liability	1,153,055	1,050,264
Total Unpaid Claims Liability	**$ 1,558,905**	**$ 1,387,904**

Note 14 – MaineDOT Equity Transfers

In 2019, a joint agreement was made between the Maine Turnpike Authority, the MaineDOT and NHDOT regarding repairs needed to the Piscataqua River Bridge that connects the states of Maine and New Hampshire. This bridge is the primary gateway to the Maine Turnpike from the south. The rehabilitation includes widening and improving the outside shoulder to accommodate future traffic when functioning as a travel lane, paving the median and installing a concrete median barrier, paving and restriping the full width. The Maine Turnpike Authority's share of the project cost is approximately $12 million, which the Authority considers as a transfer of equity to the MaineDOT. The project began in the fall of 2019 and is expected to be completed by the summer of 2023. Since the Piscataqua River Bridge is jointly owned by the MaineDOT and the NHDOT, the Maine Turnpike Authority has no ownership interest in the bridge, therefore the Authority's share of the project cost is treated as a transfer of equity to the MaineDOT. The total transfer of equity to the MaineDOT was $1,334,908 and $3,948,158 in 2022 and 2021, respectively. As of December 31, 2022, the total amount of the transfer of equity to the MaineDOT, since the start of the project, is $9,427,179.

Note 15 – Prior Period Adjustments

During 2022, management was made aware of two events that required the recording of adjustments to the prior audited period:

- HMS Host, the Authority's restaurant concessionaire until 2021, overpaid their rent in 2019. HMS Host was instructed to take a credit against future rent due in 2020, but failed to do so. They sold their business to Applegreen in 2021. Net position was increased by $93,245.

- In 2021 the Authority installed multi-protocol readers at each tolling plaza. As a result, BestPass tags, which feature two separate tag protocols, duplicated tolls in 2021. Net position was decreased by $436,650.

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 2022 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 2022 is as follows:

	Budget	Actual
Preservation Expense	$ 11,990,500	$ 12,907,360

Maine Turnpike Authority
Schedule of Changes in Net OPEB Liability and Related Ratios - MTA Group Health Insurance Plan
December 31, 2022

Total OPEB liability

Year	Service Cost	Interest	Changes in Benefit Terms	Differences Between Expected and Actual Experience	Changes Of Assumptions Or Other Inputs	Benefit Payments	Net Change in Total OPEB Liability	Total OPEB Liability - Ending	Covered Payroll	Total OPEB Liability as a Percentage of Covered Payroll	Discount Rate Used
2022	$ 1,876,074	$ 1,125,785	$ -	$ (10,208,144)	$ (10,022,356)	$ (1,453,037)	$ (18,681,678)	$ 34,818,516	$ 21,705,322	160.4%	3.72%
2021	1,794,435	1,118,493	-	-	450,450	(1,655,665)	1,707,713	53,500,194	22,037,718	242.8%	2.06%
2020	1,874,329	1,589,027	-	(8,013,182)	1,131,136	(1,816,398)	(5,235,088)	51,792,481	21,457,868	241.4%	2.12%
2019	1,333,533	1,909,232	-	-	9,430,003	(1,756,589)	10,916,179	57,027,569	22,682,162	251.4%	2.74%
2018	1,500,957	1,704,318	-	-	(4,198,762)	(1,876,608)	(2,870,095)	46,111,391	20,878,892	220.9%	4.10%

Notes to schedule:

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

Funding method was changed from Projected Unit Credit funding to Entry Age Normal funding method.

This schedule is presented to illustrate requirements to show information for 10 years. However, until a full 10 year trend is completed, the Authority presents information for those years of which information is available.

Group Term Life Healthcare Plan

Maine Turnpike Authority
Schedule of Proportionate Share of Net OPEB Liability - Group Life Insurance
Maine Public Employees Retirement System
December 31, 2022

Year Ended	Authority's Proportion of the Collective Net OPEB Liability	Authority's Proportionate Share of the Collective Net OPEB Liability	State's Proportionate Share of the Collective Net OPEB Liability	Total Collective Net OPEB Liability	Authority's Covered Payroll	Authority's Proportionate Share of the Collective Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Dec. 31, 2022	8.21%	$ 1,188,481	$ -	$ 1,188,481	$ 24,939,837	4.77%	55.88%
Dec. 31, 2021	8.27%	853,433	-	853,433	23,840,322	3.58%	67.30%
Dec. 31, 2020	8.08%	1,065,776	-	1,065,776	25,350,467	4.20%	55.40%
Dec. 31, 2019	8.35%	1,785,923	-	1,785,923	23,673,818	7.54%	43.18%
Dec. 31, 2018	8.15%	1,645,671	-	1,645,671	22,811,303	7.21%	43.92%
Dec. 31, 2017	8.14%	1,361,435	-	1,361,435	22,246,620	6.12%	47.42%

This schedule is presented to illustrate requirements to show information for 10 years. However, until a full 10 year trend is completed, the Authority presents information for those years of which information is available.

Maine Turnpike Authority
Schedule of OPEB Contributions - Group Life Insurance
Maine Public Employees Retirement System
December 31, 2022

Year Ended	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Authority's Covered Payroll	Contributions as as a Percentage of Covered Payroll
Dec. 31, 2022	$ 42,600	$ 42,600	$ -	$ 24,939,837	0.17%
Dec. 31, 2021	38,600	38,600	-	23,840,322	0.16%
Dec. 31, 2020	36,000	36,000	-	25,350,467	0.14%
Dec. 31, 2019	34,000	34,000	-	23,673,818	0.14%
Dec. 31, 2018	31,300	31,300	-	22,811,303	0.14%
Dec. 31, 2017	33,000	33,000	-	22,246,620	0.15%

This schedule is presented to illustrate requirements to show information for 10 years. However, until a full 10 year trend is completed, the Authority presents information for those years of which information is available.

Maine Turnpike Authority
Schedule of Proportionate Share of Net Pension Liability
Maine Public Employees Retirement System
December 31, 2022

Maine Public Employee Retirement System

Fiscal Year	Valuation Date	Authority's Proportion of the Net Pension Liability(Asset)	Authority's Proportionate Share of the Net Pension Liability	Covered Employee Payroll	Authority's Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	07/01/2022	$ 8,484,970	3.1918%	$ 24,939,837	34.02%	93.26%
2021	07/01/2021	(1,102,845)	3.4318%	23,840,322	N/A	100.90%
2020	07/01/2020	15,351,264	3.8638%	25,350,467	60.56%	88.35%
2019	07/01/2019	11,437,656	3.7419%	23,673,818	48.31%	90.60%
2018	07/01/2018	10,611,572	3.8774%	22,811,303	46.52%	91.14%
2017	07/01/2017	16,098,398	3.9318%	22,246,620	72.36%	86.43%
2016	07/01/2016	20,031,423	3.7701%	20,397,862	98.20%	81.61%
2015	07/01/2015	12,529,254	3.9271%	19,263,547	65.04%	88.27%
2014	07/01/2014	5,724,658	3.7202%	18,906,556	30.28%	94.10%

Maine Turnpike Authority
Schedule of Contributions
Maine Public Employees Retirement System
December 31, 2022

Maine Public Employee Retirement System

Fiscal Year	Valuation Date	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2022	07/01/2022	$ 2,738,485	$ 2,738,485	$ -	$ 24,939,837	10.98%
2021	07/01/2021	2,582,038	2,582,038	-	23,840,322	10.83%
2020	07/01/2020	2,738,995	2,738,995	-	25,350,467	10.80%
2019	07/01/2019	2,545,495	2,545,495	-	23,673,818	10.75%
2018	07/01/2018	2,391,982	2,391,982	-	22,811,303	10.49%
2017	07/01/2017	2,285,861	2,285,861	-	22,246,620	10.28%
2016	07/01/2016	2,034,516	2,034,516	-	20,397,862	9.97%
2015	07/01/2015	1,739,777	1,739,777	-	19,263,547	9.03%
2014	07/01/2014	1,471,779	1,471,779	-	18,906,556	7.78%

OTHER SUPPLEMENTARY INFORMATION

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

	Years Ended December 31st, 2022	2021
Revenues:		
Net Fare Revenue	$ 160,230	$ 138,772
Concession Rental	5,458	4,405
Investment Income [1]	3,861	38
Miscellaneous	2,807	2,458
Total Revenues	**$ 172,356**	**$ 145,673**
Expenses:		
Operations	23,751	23,527
Maintenance	14,151	12,635
Adminstrative	2,360	2,124
Total Expenses	**$ 40,262**	**$ 38,286**
Net Operating Revenues	**$ 132,094**	**$ 107,387**
Debt Service Payments [2]	40,272	39,556
Reserve Maintenance Fund Deposit	40,000	40,000
MDOT Account / Sub Debt Fund Deposit	2,446	2,444
Other General Reserve Fund Deposits	**$ 49,376**	**$ 25,387**
Debt Service Ratio of Net Revenues to Debt Service [3]	**3.28**	**2.71**

Note: Revenues and expenses are presented on this schedule on the accrual basis in accordance with accounting principles generally accepted in the United States. Certain amounts included on the Statements of Revenues, Expenses, and Changes in Net Position 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. The Bond Resolution requires a minimum ratio of 2.0.

Statement of Activities for the State of Maine General Purpose Financial Statements (000's)

For the year Ended December 31, 2022

Functions/Programs	Expenses	Charges for Services	Program Investment Income	Operating Grants and Contrib.	Capital Grants/ Contrib.	Total
Governmental Activities						
Subtotal Governmental Activities	$ -	$ -	$ -	$ -	$ -	$ -
Business-type Activities:						
THE MAINE TURNPIKE AUTHORITY	110,400	160,229				49,829
Subtotal Business-type Activities	**110,400**	**160,229**	**-**	**-**	**-**	**49,829**
Total	**$ 110,400**	**$ 160,229**	**$ -**	**$ -**	**$ -**	**$ 49,829**

General Revenues:	
Unrestricted Interest and Investment Earnings	4,237
Non program Specific Grants, Contrib. & Approp.	-
Miscellaneous Income	8,265
Gain (Loss) on Asset Dispositions	(839)
Extraordinary Item	-
Total General Revenues and Extraordinary Items	**11,663**
Change in Net Assets	**61,492**
Net Assets, Beginning of the Year	432,365
Prior Period Adjustments	(343)
Equity Transfers - MaineDOT	(1,335)
Net Assets, End of the Year	**$ 492,179**

This schedule is strictly used by the State of Maine for the purpose of component unit reporting.