

**THE TACOMA NARROWS BRIDGE ACCOUNT (FUND 511)**  
**WASHINGTON STATE**  
**DEPARTMENT OF TRANSPORTATION**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**State Fiscal Year 2011, Quarter June 30, 2011**

	NOTES	JULY THROUGH MARCH	APRIL THROUGH JUNE	YEAR-TO-DATE
<b>OPERATING REVENUES:</b>				
Tolling Revenue	1	32,831,257	11,217,642	44,048,899
Violation Penalty Revenue	2	398,415	90,616	489,031
Transponder Sales	3	451,318	192,881	644,199
Toll Vendor Contractual Damages	4	10,440	752,857	763,297
Miscellaneous Revenue	5	71,201	9,881	81,083
Total Operating Revenues		<u>33,762,632</u>	<u>12,263,877</u>	<u>46,026,508</u>
<b>OPERATING EXPENDITURES:</b>				
Goods and Services				
Toll Operator Contract	6	4,748,570	872,025	5,620,595
Insurance	7	1,462,765	0	1,462,765
Credit Card and Bank Fees	8	539,080	244,519	783,599
Washington State Patrol	9	178,824	29,803	208,626
Transponder Cost of Goods Sold	10	441,299	153,983	595,282
Other	11	396,115	58,939	455,054
Salaries and Benefits	12	290,242	135,595	425,837
Infrastructure Maintenance & Preservation	13	275,069	48,943	324,012
Total Operating Expenditures		<u>8,331,963</u>	<u>1,543,807</u>	<u>9,875,770</u>
<b>EXCESS OF OPERATING REVENUE OVER EXPENDITURES</b>		<u>25,430,669</u>	<u>10,720,069</u>	<u>36,150,738</u>
<b>NONOPERATING INCOME (EXPENDITURES)</b>				
Prior Period Recoveries	14	881	0	881
Undistributed Receipts/Suspense	15	(49,378)	49,378	0
Interest Income	16	152,093	25,232	177,325
Capital Improvement Outlays	17	(50,084)	106	(49,977)
Total Nonoperating Income (Expenditures)		<u>53,512</u>	<u>74,717</u>	<u>128,229</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>		<u>25,484,181</u>	<u>10,794,786</u>	<u>36,278,967</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers Out	18	(32,378,336)	(12,577,084)	(44,955,420)
Total Other Financing Sources (Uses)		<u>(32,378,336)</u>	<u>(12,577,084)</u>	<u>(44,955,420)</u>
<b>NET CHANGE IN FUND BALANCE</b>		<u>(6,894,155)</u>	<u>(1,782,298)</u>	<u>(8,676,453)</u>
<b>FUND BALANCE - BEGINNING</b>		<u>16,800,126</u>	<u>9,905,971</u>	<u>16,800,126</u>
<b>FUND BALANCE - ENDING</b>		<u>9,905,971</u>	<u>8,123,673</u>	<u>8,123,673</u>

Toll Financial Statements were prepared in accordance with Generally Accepted Accounting Principles for governmental type funds.

The notes to the financial statements are an integral part of this statement.

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Notes:

As of February 13, 2011, WSDOT transitioned tolling customer service center operations to a new vendor – Electronic Transaction Consultants Corporation (ETCC). With this transition, the new ETCC system encountered problems in the accuracy and timeliness of recording revenue and other accounting transactions. WSDOT and ETCC have investigated and corrected accounting records for known discrepancies. While we are not aware of material discrepancies in the accounting records for the fiscal year ending June 30, 2011, ETCC has not completed key reconciliations which ensure timely and accurate processing of financial transactions. Upon completion of these reconciliations, any discrepancies identified will be addressed and necessary correcting adjustments made during fiscal year 2012.

- 1 Tolling Revenue represents the money collected, net of any adjustments, from vehicles traveling over the Tacoma Narrows Bridge in an eastbound direction. Tolls are collected either at a toll booth or via an electronic toll account.
- 2 Violation Penalty Revenue is collected by the Pierce County court system and forwarded to WSDOT for adjudicated toll infractions. Toll violations are detected through the use of a photo enforcement system. The penalty amount is three times the cash toll for a standard passenger car and is collected in accordance with RCW 46.63.160(9). Violation Penalty Revenue for the April to June quarter was less than usual due to implementation challenges surrounding ETCC's new tolling customer service center back office.
- 3 Transponder Sales represents the sale of transponder devices purchased by potential Good to Go electronic toll account customers.
- 4 Toll Vendor Contractual Damages includes recognition of \$11,556 in revenue from the TNB lane vendor (TransCore) due to vendor system issues which caused a decrease in toll revenue and \$396,000 from the TNB CSC operations vendor (ETCC) due to vendor system issues which caused a decrease in toll revenue. Also included is revenue from ETCC to repay TNB for costs related to Washington State Patrol activities, WSDOT staff salaries, and TransCore CSC operation costs.
- 5 Miscellaneous Revenue includes administrative & statement fees, NSF check fees, and cash over. Miscellaneous revenue also includes a monthly payment related to a sale of surplus property on a real estate contract.
- 6 Toll Operator Contract expenditures are for contract payments to the TNB third party operator, TransCore, for services provided in collecting tolls and managing electronic toll accounts. During the April to June quarter, the costs shown were for the operation of the Toll Booths.
- 7 TNB makes commercial property insurance payments to the Risk Management Division of the Office of Financial Management. The Office of Financial Management maintains the TNB's commercial property insurance policy and bills TNB.
- 8 Credit card fees include processing fees paid for Visa, MasterCard, American Express, and Discover.
- 9 The Washington State Patrol supports toll violation activity at the TNB. The Patrol validates automobile owner information and submits infractions to the Pierce County District Court for processing.
- 10 Transponder Cost of Goods Sold represents the cost of transponders including the purchase price of transponders, packaging materials, and costs for postage.
- 11 Other Goods and Services expenditures represent purchases of supplies, rents, repairs, printing, communication, and services provided by outside vendors. Technical Services includes consultant costs for the TNB Cashless Study required by the legislature. Year-to-date expenditures in the Other Goods and Services category are comprised of the following :

Technical Services	\$ 217,334
Supplies	\$ 7,286
Communications	\$ 34,911
Repairs/Copier Maintenance	\$ 18,464
Rentals (TEF,Leases,Copiers)	\$ 158,189
Printing	\$ 3,863
Purchased Services	\$ 8,492
Manufactured Signs	\$ 6,516
total	\$ 455,054

- 12 Salaries and Benefits includes WSDOT staff supporting TNB operations.
- 13 Infrastructure Maintenance & Preservation includes the cost of maintenance and bridge preservation activities on the new Tacoma Narrows Bridge not performed by TNB Toll Operations staff. (These costs include Goods and Services of \$180,623 and Salaries and Benefits of \$143,389.)
- 14 Prior Period Recoveries include a rebate for usage of a hybrid car, a refund from Pitney Bowes due closure of a postage meter account, and reclassification of a receipt from miscellaneous revenue to an accounts receivable reduction.
- 15 Undistributed Receipts includes all suspense revenue. This includes suspense of cash toll revenue that occurs as cash moves in and out of the account. Where applicable, suspense revenue is analyzed and periodically reclassified to the appropriate revenue source or expense item. This source is cleared to zero at the end of each year.
- 16 Interest Income is a proportionate share of earnings from investments based upon the TNB account's average daily cash balance for the period. Interest also includes TNB's proportionate share of the Central Toll Account interest. TNB's share of the Central Toll Account interest was \$6,219 for the quarter.
- 17 Capital Improvement Outlays represent the cost of TNB construction activities.
- 18 Operating Transfers Out is a transfer of toll proceeds and cash from the TNB Account to the Highway Bond Retirement Account to facilitate the payment of debt service.