

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

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
For Fiscal Years Ended June 30, 2010 and 2011 - DRAFT*

	NOTES	2011	2,010
OPERATING REVENUES:			
Tolling Revenue	1	44,048,899	45,352,938
Violation Penalty Revenue	2	489,031	593,538
Transponder Sales	3	644,199	628,920
Toll Vendor Contractual Damages	4	763,297	0
Miscellaneous Revenue	5	81,083	107,529
Total Operating Revenues		<u>46,026,508</u>	<u>46,682,925</u>
OPERATING EXPENDITURES:			
Goods and Services			
Toll Operator Contract	6	5,620,595	6,781,141
Insurance	7	1,462,765	1,602,067
Credit Card and Bank Fees	8	783,599	906,622
Washington State Patrol	9	208,626	270,736
Transponder Cost of Goods Sold	10	595,282	608,600
Other	11	455,054	389,082
Salaries and Benefits	12	425,837	396,849
Infrastructure Maintenance & Preservation	13	324,012	228,593
Total Operating Expenditures		<u>9,875,770</u>	<u>11,183,691</u>
EXCESS OF OPERATING REVENUE OVER EXPENDITURES		<u>36,150,738</u>	<u>35,499,234</u>
NONOPERATING INCOME (EXPENDITURES)			
Prior Period Recoveries	14	881	12,032
Interest Income	15	177,325	411,429
Capital Improvement Outlays	16	(49,977)	(706,629)
Total Nonoperating Income (Expenditures)		<u>128,229</u>	<u>(283,168)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>36,278,967</u>	<u>35,216,066</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers Out	17	(44,955,420)	(34,902,925)
Total Other Financing Sources (Uses)		<u>(44,955,420)</u>	<u>(34,902,925)</u>
NET CHANGE IN FUND BALANCE		<u>(8,676,453)</u>	<u>313,141</u>
FUND BALANCE - BEGINNING		<u>16,800,126</u>	<u>16,486,985</u>
FUND BALANCE - ENDING		<u><u>8,123,673</u></u>	<u><u>16,800,126</u></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.

*The Financial Statements are marked draft as the state's books are not officially closed each fiscal year until the State Auditor issues his report and the Office of Financial Management publishes the Comprehensive Annual Financial Report (CAFR) in November.

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Notes to the Financial Statements - June 30, 2011:

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	<u>\$ 6,516</u>
total	<u>\$ 455,054</u>
- 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 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.
- 16 Capital Improvement Outlays represent the cost of TNB construction activities.
- 17 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.