

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 Ended March 31, 2011

	NOTES	JULY THROUGH DECEMBER	JANUARY THROUGH MARCH	YEAR-TO-DATE
OPERATING REVENUES:				
Tolling Revenue	1	23,032,351	9,798,905	32,831,257
Violation Penalty Revenue	2	260,050	138,365	398,415
Transponder Sales	3	314,663	136,655	451,318
Miscellaneous Revenue	4	48,996	32,645	81,641
Total Operating Revenues		<u>23,656,061</u>	<u>10,106,570</u>	<u>33,762,632</u>
OPERATING EXPENDITURES:				
Goods and Services				
Toll Operator Contract	5	3,431,746	1,316,824	4,748,570
Insurance	6	1,462,765	0	1,462,765
Credit Card and Bank Fees	7	363,815	175,265	539,080
Washington State Patrol	8	142,536	36,288	178,824
Other	9	113,806	282,310	396,115
Transponder Cost of Goods Sold	10	303,706	137,593	441,299
Salaries and Benefits	11	234,042	56,199	290,242
Infrastructure Maintenance & Preservation	12	210,266	64,802	275,069
Total Operating Expenditures		<u>6,262,682</u>	<u>2,069,281</u>	<u>8,331,963</u>
EXCESS OF OPERATING REVENUE OVER EXPENDITURES		<u>17,393,379</u>	<u>8,037,290</u>	<u>25,430,669</u>
NONOPERATING INCOME (EXPENDITURES)				
Prior Period Recoveries	13	(46)	927	881
Undistributed Receipts/Suspense	14	(68,016)	18,638	(49,378)
Interest Income	15	113,133	38,960	152,093
Capital Improvement Outlays	16	(37,602)	(12,482)	(50,084)
Total Nonoperating Income (Expenditures)		<u>7,469</u>	<u>46,043</u>	<u>53,512</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>17,400,848</u>	<u>8,083,333</u>	<u>25,484,181</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out	17	(18,095,210)	(14,283,126)	(32,378,336)
Total Other Financing Sources (Uses)		<u>(18,095,210)</u>	<u>(14,283,126)</u>	<u>(32,378,336)</u>
NET CHANGE IN FUND BALANCE		<u>(694,362)</u>	<u>(6,199,793)</u>	<u>(6,894,155)</u>
FUND BALANCE - BEGINNING		<u>16,800,126</u>	<u>16,105,764</u>	<u>16,800,126</u>
FUND BALANCE - ENDING		<u>16,105,764</u>	<u>9,905,971</u>	<u>9,905,971</u>

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

**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 Ended March 31, 2011**

The note disclosures are an integral part of these financial statements and should be considered in conjunction with the financial statements.

Notes:

As of February 13, 2011, WSDOT transitioned tolling customer service center operations to a new vendor – Electronic Tolling Consultants Corporation (ETCC). With this transition, ETCC experienced some challenges that have temporarily impacted tolling revenues (please see note 1).

- 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. Subsequent to the close of the quarter, WSDOT determined TNB Tolling Revenue was understated due to system defects in the new tolling system. The issue is being investigated and correcting entries will occur in the ensuing quarter to reflect the appropriate revenue amounts.
- 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).
- 3 Transponder Sales represents the sale of transponder devices purchased by potential Good to Go electronic toll account customers.
- 4 Miscellaneous Revenue includes administrative & statement fees, NSF check fees, and cash over/short. Miscellaneous revenue also includes a monthly payment related to a sale of surplus property on a real estate contract. Additionally included is a recognition of \$10,440 in revenue this quarter from the TNB tolling vendor, TransCore, due to vendor system issues which caused a \$10,440 dollar decrease in toll revenue.
- 5 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.
- 6 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 typically twice per year.
- 7 Credit card fees include processing fees paid to Bank of America Merchant Services for Visa and MasterCard processing, American Express, and Discover
- 8 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.
- 9 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. Rental costs increased this quarter due to proration of TNB's portion of the Toll Division Headquarters building lease costs for this fiscal year. Year-to-date expenditures in the Other Goods and Services category are comprised of the following :

Technical Services	\$201,882
Supplies	\$ 3,630
Communications	\$ 26,146
Equipment Repair (office & field)	\$ 16,064
Rentals (TEF,Leases,Copiers)	\$130,325
Printing	\$ 3,801
Purchased Services	\$ 7,751
Manufactured Signs	<u>\$ 6,516</u>
	\$396,115

- 10 Transponder Cost of Goods Sold represents the cost of transponders sold. Costs for this quarter slightly exceed transponder revenues due to conversion costs associated with converting motorcycle transponders.
- 11 Salaries and Benefits includes staff within WSDOT who support TNB operations.
- 12 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 \$187,299 and Salaries and Benefits of \$87,770.)
- 13 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.
- 14 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.
- 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 \$6,996 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.