

**THE TACOMA NARROWS BRIDGE ACCOUNT  
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION**

**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
State Fiscal Year 2013, Quarter Ending September 30, 2012**

	<u>NOTES</u>	<u>FIRST QUARTER FISCAL YEAR 2013</u>
<b>REVENUES:</b>		
Tolling Revenue	1	16,007,122
Civil Penalty	2	703,464
Violation Penalty Revenue		5,591
Transponder Sales	3	88,137
Toll Vendor Contractual Damages	4	104,266
Toll Bill Reprocessing Fee	5	98,345
Interest Income		4,417
Miscellaneous	6	11,555
Undistributed Receipts/Suspense		<u>(152,780)</u>
<b>Total Revenues</b>		<u><b>16,870,116</b></u>
<b>EXPENDITURES:</b>		
Goods and Services		
Toll CSC Operations Vendor Contract		505,123
Toll Booth and Lane Vendor Contract		809,496
Insurance		1,557,190
Credit Card and Bank Fees		239,834
Transponder Cost of Goods Sold	7	60,670
Other	8	43,373
Personal Service Contracts	9	177,290
Salaries and Benefits		136,772
Civil Penalty Adjudication Costs	10	106,809
Infrastructure Maintenance & Preservation	11	<u>52,091</u>
<b>Total Expenditures</b>		<u><b>3,688,647</b></u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>		<u><b>13,181,469</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Operating Transfers Out	12	<u>(11,466,884)</u>
<b>Total Other Financing Sources (Uses)</b>		<u><b>(11,466,884)</b></u>
<b>NET CHANGE IN FUND BALANCE</b>		1,714,585
<b>FUND BALANCE - BEGINNING</b>		<u><b>3,912,335</b></u>
<b>FUND BALANCE - ENDING</b>		<u><u><b>5,626,920</b></u></u>

Toll Financial Statements were prepared in accordance with Generally Accepted Accounting Principles for governmental fund types.

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

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#### State Fiscal Year 2013, Quarter Ending September 30, 2012

#### Notes:

**Backlogged Financial Reconciliations** - 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 any *material* discrepancies in the accounting records, ETCC has not completed key reconciliations dating back to December 2011, 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.

**Motor Vehicle Account Obligation** – The TNB Account is obligated to repay \$5.288 million loaned from the Motor Vehicle Account during the 05/07 biennium. As directed by legislation, all net TNB Civil Penalty Revenue received under the future Notice of Civil Penalty Adjudication process must be transferred to the Motor Vehicle Account each biennium as repayment of the outstanding obligation until the full amount of the original loan (\$5.288 million) has been repaid.

#### Detailed Notes:

- 1 Tolling Revenue represents the revenue earned, 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 or via pay-by-mail.
- 2 Civil Penalty Revenue is earned when any one of the following conditions exist: (a) Payment of Notice of Civil Penalty is received, or (b) Notice of Civil Penalty payment due date passes without receiving a request for administrative hearing, or (c) Administrative Law Judge upholds the Notice of Civil Penalty.
- 3 Transponder Sales represents the sale of transponder devices purchased by potential Good to Go electronic toll account customers.
- 4 Toll Vendor Contractual Damages is comprised of: \$4,267 for ETCC KPIs (Key Performance Indicators) and \$99,999 for the short-term portion of future amounts due from ETCC.
- 5 Toll Bill Reprocessing Fee Revenue represents TNBs allocated portion of fees associated with the issuance of second toll billings.
- 6 Miscellaneous Revenue includes administrative & statement fees, NSF check fees, and cash over. Miscellaneous revenue also includes payments related to sale of surplus property and prior period recoveries.
7. Transponder Cost of Goods Sold represents the cost of transponders including the purchase price of transponders, packaging materials, and costs for postage.
8. Other Goods and Services expenditures include items such as supplies, communications, rents, repairs, pay-by-mail postage, as well as services provided by outside vendors, etc.
9. Personal Service Contract expenditures are for costs incurred for traffic and revenue forecast consulting and CSC operations consulting.
10. Civil Penalty Adjudication Costs include TNBs share of the adjudication system vendor contract with ETCC for the adjudication system module as well as TNBs share of supplies, communications, and salaries & benefits of WSDOT adjudication staff.
11. 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 \$11,333 and Salaries and Benefits of \$40,758).
12. 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.