

STATE ROADS COMMISSION OF MARYLAND -  
BRIDGE AND TUNNEL REVENUE BONDS

REPORT  
ON EXAMINATION  
FOR THE YEAR ENDED  
SEPTEMBER 30, 1957

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**HASKINS & SELLS**

CERTIFIED PUBLIC ACCOUNTANTS

FIRST NATIONAL BANK BUILDING

BALTIMORE 2

December 14, 1957.

State Roads Commission  
of Maryland,  
108 E. Lexington Street,  
Baltimore, Maryland.

Dear Sirs:

We have examined the financial statements of State Roads Commission of Maryland - Bridge and Tunnel Revenue Bonds for the year ended September 30, 1957, listed below:

Balance Sheet, September 30, 1957 and  
1956, and Comparison (Exhibit A).  
Bonds Issued, Paid, Purchased or  
Redeemed for the Year Ended  
September 30, 1957 (Schedule 1).

Statement of Changes in Various Funds  
Created under Article V of Trust  
Agreement for the Year Ended  
September 30, 1957 (Exhibit B).

Revenue and Expenses of Susquehanna  
River, Potomac River, and Chesapeake  
Bay Toll Bridges, Individually and  
Combined, and General Administrative  
Expenses for the Years Ended Septem-  
ber 30, 1957 and 1956, and Comparison  
(Schedule 2).

General and Administrative Expenses  
(Sub-schedule 1).

Traffic on the Susquehanna River,  
Potomac River, and Chesapeake Bay  
Toll Bridges, by Toll Classification,  
and Corresponding Revenue, for the  
Years Ended September 30, 1957 and  
1956, and Comparison (Schedule 3).

Comparison of Annual Budget with  
Actual Expenses for the Year Ended  
September 30, 1957 (Schedule 4).  
Proceeds Received from Sales of Prop-  
erty Pursuant to Provisions of  
Section 713 of Trust Agreement for  
the Year Ended September 30, 1957  
(Schedule 5).

Statement of Patapsco Tunnel Construction  
Fund for the Year Ended September 30,  
1957 (Exhibit C).

We present our certificate and the following comments:

#### HISTORICAL REVIEW

The Commission is authorized and empowered, under an Act passed by the General Assembly of Maryland in 1947 and amended at the extraordinary session of 1947: to construct, maintain, repair, and operate bridges over and tunnels under rivers and navigable waters which are wholly or partly within the State; to issue revenue bonds for the purpose of refunding outstanding bridge revenue bonds and/or for paying all or any part of the cost of any one or more projects; to fix and revise from time to time tolls for transit over or through each project constructed by it; and to charge tolls for the use of such projects and pledge such tolls to the payment of bonds issued under the provision of the 1947 Act. This Act contains the express provision that all bonds issued thereunder shall not be deemed to be a debt of the State or a pledge of the faith and credit or the taxing power of the State, but such bonds shall be payable solely from the net revenues of the projects.

On November 9, 1954 the State Roads Commission of Maryland approved the execution of the Trust Agreement dated as of October 1, 1954 by and between the Commission and Fidelity-Baltimore National Bank & Trust Company providing for the issuance of \$180,000,000 Bridge and Tunnel Revenue Bonds. The proceeds from the bond issue

are to be used (1) for the redemption of the outstanding Bridge Revenue Bonds (Series 1948) in the principal amount of \$34,037,000, and (2) to provide funds for paying the cost of construction of the Patapsco Tunnel together with its approaches.

OPERATIONS

The following summary shows the results of operations of the Susquehanna River, Potomac River, and Chesapeake Bay Toll Bridges for the years ended September 30, 1957 and 1956, and comparison:

	..Year Ended September 30...		Increase
	1957	1956	(Decrease)
Total revenue from tolls and other sources.....	\$9,166,233.39	\$8,340,229.21	\$ 826,004.18
Operating and maintenance expenses of the bridges (exclusive of amounts charged to Operations Reserve Fund for insurance premiums, painting, and major repairs and replacements).....	534,929.41	480,692.67	54,236.74
Net operating revenue.....	\$8,631,303.98	\$7,859,536.54	\$ 771,767.44
General administrative expenses (exclusive of amounts charged to Operations Reserve Fund).....	174,337.25	141,366.91	32,970.34
Net revenue available for debt service and other reserve requirements.....	\$8,456,966.73	\$7,718,169.63	\$ 738,797.10
Deduct - funds required to meet specified budget requirements for current expenses of following fiscal year.....	159,400.00	158,400.00	1,000.00
Net revenue available for debt service.....	\$8,297,566.73	\$7,559,769.63	\$ 737,797.10
Interest requirements on principal amount of bonds outstanding at end of year: \$172,146,000 (1957) and \$179,109,000 (1956).....	\$4,934,560.00	\$5,143,450.00	\$(208,890.00)
Interest requirements earned - times.....	1.68	1.47	.21

Interest on the term Bridge and Tunnel Revenue Bonds may be paid from the Patapsco Tunnel Construction Fund during the construction of the Tunnel and for one year after its opening for traffic. Excluding the interest requirements on such bonds, net revenue for the 1957 and 1956 fiscal years would be equivalent to 9.76 and 8.89, respectively, times the annual interest requirement of \$850,180 on the outstanding serial bonds.

A condensed comparison of the Annual Budget with actual expenses for the year under review is shown in the accompanying Schedule 4.

The following is a condensed summary of the toll transactions and revenue for the respective fiscal years, as shown in the accompanying Schedule 3:

	..Toll Transactions...		.....Revenue.....	
	1957	1956	1957	1956
Susquehanna River				
Toll Bridge....	8,684,679	8,894,603	\$1,699,847.14	\$1,750,265.06
Potomac River				
Toll Bridge....	2,084,971	1,970,773	2,234,931.40	2,072,939.95
Chesapeake Bay				
Toll Bridge:				
Vehicles.....	2,836,256	2,448,557	4,246,665.30	3,672,618.90
Passengers....	3,886,395	3,319,386	957,773.55	818,341.50
Total.....	<u>17,492,301</u>	<u>16,633,319</u>	<u>\$9,139,217.39</u>	<u>\$8,314,165.41</u>

During the year under review the number of transactions at the three toll bridges increased 858,982 over 1956 or 5.16%. The combined revenue from the three toll bridges shows an increase of \$825,051.98 in the current year over 1956 or 9.92%.

We made tests of daily reports, toll collectors' reports, and tapes of the recording machines at the Susquehanna River, Potomac River, and Chesapeake Bay Toll Bridges. Collectors' cash in excess of calculated tolls amounted to \$2,131.22 for the fiscal year under review as compared with \$2,837.64 for the previous year. These

differences represent the excess of actual cash deposited and the value of toll tickets accepted over the value of the machine record of classified toll transactions and automatic axle recorders.

It was noted in connection with our tests that the recording machines and axle recorders at the three bridges have been intermittently out of order. The failure of these machines results in the loss of adequate accounting control over the toll transactions during the period when the machines are out of order.

CASH

CURRENT FUND - \$2,171,773.78  
 CONSTRUCTION FUND - \$3,743,030.76

The cash balances at September 30, 1957 consisted of the following:

	<u>Current Fund</u>	<u>Construction Fund</u>
On deposit:		
Fidelity-Baltimore National Bank & Trust Company, Baltimore, Maryland:		
Trust department.....	\$1,941,755.01	\$3,668,030.76
Banking department - revolving fund..	18,500.00	25,000.00
The National Bank of Perryville, Perryville, Maryland.....	40,634.43	
County Trust Company of Maryland:		
La Plata, Maryland.....	24,958.34	50,000.00
Annapolis, Maryland.....	70,651.55	
Total on deposit.....	<u>\$2,096,499.33</u>	<u>\$3,743,030.76</u>
On hand:		
Undeposited receipts of September 27-30, 1957 deposited October 1 and 2, 1957:		
The National Bank of Perryville.....	\$ 8,887.85	
County Trust Company of Maryland:		
La Plata, Maryland.....	23,289.25	
Annapolis, Maryland.....	11,597.35	
Petty cash and change funds at toll bridges:		
Susquehanna River.....	7,500.00	
Potomac River.....	18,500.00	
Chesapeake Bay.....	5,500.00	
Total.....	<u>75,274.45</u>	
Total.....	<u>\$2,171,773.78</u>	<u>\$3,743,030.76</u>

The amounts on deposit were reconciled with certifications obtained from the depositaries, and the undeposited receipts were accounted for as having been deposited in bank. Petty cash and change funds were counted subsequent to September 30, 1957.

The daily cash collections of the Potomac River Toll Bridge are deposited generally but twice a week due to the distance from the depositary and the cost involved.

The following obligations of the United States Government, which have been deposited as collateral security for moneys of the Bridge and Tunnel Revenue Bonds on deposit in the respective depositaries, were verified by certifications obtained from the depositaries and from the custodians at September 30, 1957:

County Trust Company of Maryland (Fidelity-Baltimore National Bank & Trust Company, (custodian):  
\$175,000 United States Treasury 2-3/4% bonds, due 12/15/65-60  
\$25,000 United States Treasury 2-1/4% bonds, due 6/15/62-59  
The National Bank of Perryville (Mercantile-Safe Deposit and Trust Company, custodian):  
\$80,000 United States Treasury 2-1/2% bonds, due 11/15/61

The Fidelity-Baltimore National Bank & Trust Company has certified to us that obligations of the United States Government, having a market value in excess of the total of such deposits, have been pledged as collateral security for all cash trust deposits with its Trust Department as required by law. Accordingly, the pledged securities are not earmarked for specific trust accounts, and for that reason the Bank cannot designate particular securities as collateral for cash deposits with it under the Trust Agreement. The revolving fund is on deposit, however, in its Banking Department and \$50,000 United States Treasury 2-1/4% bonds, due September 15, 1959/56, have been pledged as collateral security thereto.

UNITED STATES GOVERNMENT SECURITIES

CURRENT FUND - MARYLAND TOLL REVENUE  
PROJECTS:  
OPERATIONS RESERVE FUND - \$3,610,649.07  
INTEREST AND SINKING FUND -  
RESERVE ACCOUNT - \$9,883,019.09  
CONSTRUCTION FUND - PATAPSCO TUNNEL -  
\$34,642,493.54

The United States Government securities applicable to Current and Construction Funds are shown in detail in Exhibits B and C, respectively. The securities are valued generally at cost or principal amount whichever is less.

The securities in the Patapsco Tunnel Construction Fund are held by Bankers Trust Company, New York, in a custodian account for Fidelity-Baltimore National Bank & Trust Company, Trustee under Trust Agreement dated as of October 1, 1954; the securities in the Current Fund are held by the Trustee. The securities were verified by certifications obtained from the custodians, and the securities held by Fidelity-Baltimore National Bank & Trust Company, Trustee, were also examined by us subsequent to September 30, 1957.

Section 602 of the Trust Agreement provides that moneys held for the credit of any fund or account shall, as nearly as may be practicable, be invested and reinvested by the Trustee in direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States Government which shall mature, or which shall be subject to redemption by the holder thereof at the option of such holder, as follows:

Current Fund:

Bond Service Account - not later than date or dates when moneys held for credit of said Account will be required for the purpose intended.  
Reserve Account and Operations Reserve Fund - not later than twenty-four months after date of such investment.  
Construction Fund - not later than the date on which the Consulting Engineers shall have estimated the Patapsco Tunnel will be opened for traffic; thereafter, not later than twelve months after the date of such investment.



The income receivable on investment securities during the year ended September 30, 1957 was verified as having been collected.

ACCOUNTS RECEIVABLE - \$6,491.85

Requests for confirmation of balances as of September 30, 1957 were mailed to three debtors with balances aggregating \$4,997.45; replies were received confirming the correctness of their balances.

The recorded collections on September 30, 1957 receivables during the months of October and November 1957 amounted to \$6,116.30.

FUNDS HELD BY  
STATE ROADS COMMISSION - \$197,834.44

In accordance with the provisions of the Trust Agreement dated as of October 1, 1954 the amount of \$275,249.99 held for the credit of the Chesapeake Bay Toll Bridge Construction Fund as of December 6, 1954 was paid to the Commission to complete the construction of that bridge. In addition, the Commission held \$491,766.23 in the Chesapeake Bay Ferry System account representing net proceeds from disposals of assets of ferry system, of which \$486,000.00 was allocated for completion of construction of the bridge and \$5,766.23 for possible refunds of Chesapeake Bay Ferry System tickets.

Changes in this account during the year under review are as follows:

Balance, October 1, 1956.....	\$210,078.46
Receipt - proceeds from sale of two toll booths.	1,000.00
Total.....	<u>\$211,078.46</u>
Expenditures - construction costs.....	13,244.02
Balance, September 30, 1957, allocated for:	
Completion of Chesapeake Bay Toll	
Bridge.....	\$192,237.71
Possible refunds of Chesapeake	
Bay Ferry System tickets.....	<u>5,596.73</u>
	<u>\$197,834.44</u>

The balance of \$197,834.44 at September 30, 1957 was reconciled with a certification obtained from the Commission.

INVESTED IN BRIDGES AND TUNNEL

The Susquehanna and Potomac River Toll Bridges have been open for traffic since 1940 and the Chesapeake Bay Toll Bridge was opened for traffic on July 30, 1952. We are informed that the Consulting Engineers have not yet certified that the construction of these bridges is complete.

The Patapsco Tunnel was officially opened to traffic on November 30, 1957.

SUSQUEHANNA AND POTOMAC RIVER TOLL BRIDGES -  
\$10,331,111.90

The amount of \$10,331,111.90 represents the cost of constructing the Susquehanna and Potomac River Toll Bridges. Of this amount \$191,327.67 was expended subsequent to September 30, 1948, as mentioned hereinafter, and assets costing \$2,437.00 were disposed of during the same period. The remainder of \$10,142,221.23 represents the cost to September 30, 1948 which is in agreement with the report of the independent accountants who examined the accounts of the Commission for the fiscal year 1948 under the Trust Indenture covering the issuance of bonds in connection with the construction of these bridges.

Funds required for the construction of these two bridges were provided as follows:

Federal grants from Public Works	
Administration.....	\$ 4,331,189.28
Toll income invested in bridges.....	5,637,538.28
Portion of proceeds from sale of Bridge	
Revenue Bonds (Series 1948) - representing	
funds required for redemption of Bridge	
Revenue Refunding Bonds (Series 1941) on	
December 1, 1948.....	<u>362,384.34</u>
Total.....	<u>\$10,331,111.90</u>

CHESAPEAKE BAY TOLL BRIDGE - \$45,359,002.75

The amount of \$45,359,002.75 represents the cost to September 30, 1957 of constructing the Chesapeake Bay Toll Bridge. A summary of the transactions for the year ended September 30, 1957 is as follows:

Balance, October 1, 1956.....	\$45,345,758.73
Expenditures during the year from funds held by State Roads Com- mission, as mentioned hereinbefore	<u>13,244.02</u>
Balance, September 30, 1957.....	<u>\$45,359,002.75</u>

Funds required for the construction of the bridge were provided as follows at September 30, 1957:

Portion of proceeds from sale of Bridge and Tunnel Revenue Bonds - representing funds required for redemption of Bridge Revenue Bonds (Series 1948), less \$362,384.34 considered invested in Susquehanna and Potomac River Toll Bridges.....	\$33,674,615.66
Net income from construction fund invest- ments.....	1,351,774.80
Premium received on sale of \$6,425,000 Bridge Revenue Bonds (Series 1948).....	154,500.00
Portion of proceeds from disposal of assets of ferry system invested in bridge.....	294,762.29
Toll income invested in bridge.....	<u>9,883,350.00</u>
Total.....	<u>\$45,359,002.75</u>

PATAPSCO TUNNEL EXPENDITURES -  
\$109,947,736.45  
DISCOUNT ON BRIDGE AND TUNNEL  
REVENUE BONDS - \$2,106,000.00

Expenditures in connection with the construction of the Patapsco Tunnel are summarized in the accompanying Exhibit C. We made comprehensive tests of the vouchers in support of such expenditures. Payments to real estate brokers, contractors, and Consulting Engineers were in accordance with terms of their contracts. In connection with the acquisition of land and leasehold properties we

examined deeds, recording receipts, or other documents in support of such expenditures.

The net proceeds from the sale of \$180,000,000 principal amount of Bridge and Tunnel Revenue Bonds was \$177,894,000. The discount of \$2,106,000 is considered an additional cost of the Patapsco Tunnel.

Funds expended to September 30, 1957 for construction of the tunnel were provided as follows:

Portion of proceeds from sale of Bridge and Tunnel Revenue Bonds.....	\$ 97,617,475.70
Net income from construction fund investments.....	4,449,404.41
Proceeds from sales of plans and specifications.....	26,856.34
Toll income invested in Tunnel (equivalent to principal amount of term bonds purchased).....	<u>7,854,000.00</u>
Total.....	<u>\$109,947,736.45</u>

NORTHERN APPROACH EXTENSION  
TO PATAPSCO TUNNEL - \$723,879.77

On July 20, 1955 the Commission authorized the construction of a new highway starting in the vicinity of Erdman Avenue, supplementing the present highway designated as U. S. Route 40, and the construction of an extension to the northern approach of the Patapsco Tunnel to connect with the new highway. As provided in Article V, Section 510 (f), of the Trust Agreement, the cost of such an extension to the northern approach to the Patapsco Tunnel shall be paid from the Operations Reserve Fund. Accordingly, the Consulting Engineers recommended that an amount of \$3,000,000 be transferred to that Fund in order to provide funds when required to cover all or part of the cost of the new extension.

Expenditures to September 30, 1957 are summarized as follows:

	.....Expenditures.....		
	To	Year Ended	Total to
	September 30,	September 30,	September 30,
	1956	1957	1957
Land and rights-of-way.....	\$254,865.17	\$ 4,759.63	\$259,624.80
Construction.....	130,157.27	271,935.86	402,093.13
Engineering.....	46,432.75	15,607.09	62,039.84
Other.....	122.00		122.00
Total.....	<u>\$431,577.19</u>	<u>\$292,302.58</u>	<u>\$723,879.77</u>

We made comprehensive tests of the vouchers and other documents in support of such expenditures.

GUARANTY DEPOSITS  
FOR CREDIT TOLLS - \$6,000.00

At September 30, 1957 guaranty deposits for credit tolls had been received from the following companies:

Carolina Coach Company.....	\$5,000.00
Richmond-Greyhound Lines, Inc.	<u>1,000.00</u>
Total.....	<u>\$6,000.00</u>

The foregoing deposits were in agreement with confirmations obtained from the depositors.

TOLL TICKETS SOLD  
FOR FUTURE USE - \$102,443.77

It is the policy of the Commission to sell books of tickets to frequent users of the Susquehanna River, Potomac River, and Chesapeake Bay Toll Bridges. The amount of \$102,443.77 at September 30, 1957 represents the value of tickets sold in excess of tickets redeemed for the past three years; the balance of unredeemed tickets at September 30, 1954, amounting to \$19,069.09, was taken into income at September 30, 1957, as shown in Schedule 2.

The unissued books of tickets were counted by us as of October 2, 1957 and the count agreed with a constructed book inventory.

In connection with our verification of toll revenue we accounted for the proceeds from sales of book tickets and made test counts of subsequently canceled tickets accepted for toll charges.

FUNDS CREATED UNDER ARTICLE V OF  
TRUST AGREEMENT DATED AS OF OCTOBER 1, 1954

The following is a summary of the various fund balances at September 30, 1957:

Maryland Toll Revenue Projects:	
Revenue Fund.....	\$ 153,381.53
Operations Reserve Fund.....	4,052,657.76
Interest and Sinking Fund Accounts:	
Bond Service Account.....	425,090.00
Reserve Account.....	9,892,781.43
Redemption Account.....	<u>1,035,708.30</u>
Total.....	<u>\$15,559,619.02</u>

The transactions affecting the foregoing fund accounts during the year ended September 30, 1957 are summarized in the accompanying Exhibit B. In accordance with Article V of the Trust Agreement, consideration has been given to the transfers recorded by the Commission as of September 30, 1957 from the Maryland Toll Revenue Projects Revenue Fund to the other Funds although the Trustee did not actually make the transfers between Funds until October 16, 1957.

Note E of the accompanying Notes to Financial Statements shows the detail items comprising the balance of \$153,381.53 in the Revenue Fund at September 30, 1957.

The Operations Reserve Fund has been established to provide funds for the following purposes in connection with the bridges and tunnel:

- (a) Cost of unusual or extraordinary maintenance or repairs, maintenance or repairs not recurring annually, and renewals and replacements;
- (b) Cost of replacing equipment;
- (c) Cost of repairs or replacements resulting from an emergency and moneys in Revenue Fund are insufficient to meet such emergency;
- (d) Engineering expenses incurred in carrying out provisions of Section 510;
- (e) Premiums on insurance carried under provisions of Trust Agreement dated as of October 1, 1954; and,
- (f) Cost of an extension of the northern approach to the Patapsco Tunnel in the vicinity of Erdman Avenue to connect with a new highway.

The transactions in this Fund for the year ended September 30, 1957 are shown in the accompanying Exhibit B.

The balance of \$425,090 in the Bond Service Account at September 30, 1957 is after deducting therefrom \$2,467,280 representing moneys paid to the paying agents on or before that date to cover interest payable October 1, 1957. The balance of \$425,090 represents the amount required to pay interest on serial bonds at April 1, 1958; the amount required for April 1, 1958 interest on term bonds was transferred to the Bond Service Account from the Construction Fund subsequent to September 30, 1957 in accordance with Section 404 of Trust Agreement.

The provisions of Section 507 (b) of the Trust Agreement require that the balance in the Reserve Account should equal two years' interest on all bonds then outstanding. At September 30, 1957 the balance of \$9,892,781.43 exceeds the maximum requirements by \$23,661.43. In accordance with Section 509 of the Trust Agreement, this excess will be transferred to the credit of the Redemption Account in February 1958.

The accompanying Exhibit B summarizes the transactions in the Reserve Account during the year under review.

After the requirements of the Bond Service Account, the Reserve Account, and the Operations Reserve Fund have been met, in

the order named, the excess revenue of the Maryland Toll Revenue Projects Revenue Fund is transferred to the Redemption Account to be applied to the purchase and redemption of bonds issued under the provisions of the Trust Agreement. During the year under review excess revenue of \$6,966,485.86 was transferred to the Redemption Account and \$737,479.52 was transferred thereto from the Reserve Account. In accordance with Section 511 of the Trust Agreement, Bridge and Tunnel Revenue Term Bonds in the aggregate principal amount of \$6,963,000 were purchased for retirement at a cost of \$6,668,425. The balance in the Redemption Account at September 30, 1957 was \$1,035,708.30.

During October 1957 additional term bonds in the principal amount of \$1,114,000 were purchased at a cost of \$1,033,155.

BRIDGE AND TUNNEL REVENUE BONDS - \$172,146,000.00

The interest rates and maturity dates of the Bridge and Tunnel Revenue Bonds are shown in the accompanying Schedule 1.

The Bridge and Tunnel Revenue Bonds do not constitute a debt of the State of Maryland or a pledge of the faith and credit of the State, but shall be payable solely from the revenues of the bridges and tunnel. The State of Maryland is not obligated to pay these bonds or the interest thereon except from revenues of the bridges and tunnel, and neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of or the interest on these bonds.

The principal amount of Bridge and Tunnel Revenue Bonds outstanding at September 30, 1957 was in agreement with a certification obtained from Fidelity-Baltimore National Bank & Trust Company, Trustee under the Trust Agreement.



## TOLL RATES

Effective May 1, 1956 the toll rate structure for heavy commercial vehicles at the Potomac River Toll Bridge was simplified upon the recommendation of the Traffic Engineers, with the new rates being on an axle basis only. In the opinion of the Traffic Engineers the revised rates will not decrease toll revenue. The toll rates in effect at the other two bridges during the year under review were identical with the rates in effect during the preceding fiscal year.

On November 1, 1957 new toll rates became effective at the Chesapeake Bay and the Susquehanna River Toll Bridges. The Traffic Engineers estimate that, while these rate changes are expected to result in a small net decrease in the combined toll revenues of these two bridges for the year ended September 30, 1958 as compared with the current year, revenues from all "toll revenue projects" will be sufficient to meet the requirements of Section 501 of the Trust Agreement.

## COMPLIANCE WITH TRUST PROVISIONS

In accordance with Section 712 of Trust Agreement dated as of October 1, 1954 we report, based on our examination of the accompanying financial statements, that: (a) the moneys received by the Commission under the provisions of this Agreement have been applied in accordance with the provisions of this Agreement; (b) no payments for Current Expenses were in excess of the respective Annual Budgets to which they applied; and, (c) the Commission is not in default in the performance of any of the covenants contained in Section 501 of this Agreement.

GENERAL

The accounts of the Commission applicable to the Bridge and Tunnel Revenue Bonds are maintained generally on a cash basis; therefore, accrued interest receivable, expenses accrued and payable, and construction expenditures payable have not been taken into consideration in the preparation of the accompanying financial statements.

Sales of property pursuant to the provisions of Section 713 of Article VII of the Trust Agreement for the fiscal year under review are set forth in Schedule 5.

Yours truly,

*Hastings & Sells*

# HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

FIRST NATIONAL BANK BUILDING  
BALTIMORE 2

## ACCOUNTANTS' CERTIFICATE

State Roads Commission  
of Maryland:

We have examined the balance sheet of State Roads Commission of Maryland - Bridge and Tunnel Revenue Bonds as of September 30, 1957 and the related statement of changes in various funds created under Article V of Trust Agreement dated as of October 1, 1954 and statement of Patapsco Tunnel Construction Fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and above described statements present fairly the financial position of the Commission relating to the Bridge and Tunnel Revenue Bonds at September 30, 1957 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Haskins & Sells*

December 14, 1957.

STATE ROADS COMMISSION OF MARYLAND -  
BRIDGE AND TUNNEL REVENUE BONDS

NOTES TO FINANCIAL STATEMENTS, SEPTEMBER 30, 1957

- A. The accounts of the Commission applicable to the Bridge and Tunnel Revenue Bonds are maintained generally on a cash basis; therefore, accrued interest receivable, expenses accrued and payable, and construction expenditures payable have not been taken into consideration in the preparation of the accompanying financial statements.
- B. Article V of the Trust Agreement dated as of October 1, 1954 requires the Trustee on or before the 20th day of each month to make transfers from the Maryland Toll Revenue Projects Revenue Fund to other Funds in accordance with the provisions of the Agreement. In the preparation of the accompanying financial statements, transfers from the Revenue Fund to other Funds have been recorded by the Commission as of September 30, 1957 although the Trustee did not actually make the transfers between the Funds until October 16, 1957.
- C. Funds for the payment of bond interest of \$2,467,280 due October 1, 1957 was paid to the paying agents on September 26, 1957; therefore, the cash and corresponding liability have been excluded from the accompanying financial statements.
- D. The Bridge and Tunnel Revenue Bonds, issued in accordance with the provisions of the Trust Agreement dated as of October 1, 1954, do not constitute a debt of the State of Maryland or a pledge of the faith and credit of the State, but shall be payable solely from the revenues of the bridges and tunnel. The State of Maryland is not obligated to pay these bonds or the interest thereon except from revenues of the bridges and tunnel, and neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of or the interest on these bonds.
- E. The balance of \$153,381.53 in the Maryland Toll Revenue Projects Revenue Fund at September 30, 1957 is represented by the following items:

E. - (Continued)

Funds retained to cover current expenses (equal to twenty per centum (20%) of amount shown by Annual Budget for current expenses for fiscal year ended September 30, 1958).....	\$159,400.00
Petty cash and change funds.....	50,000.00
Undeposited receipts of September 27 - 30, 1957 (deposited October 1 and 2, 1957).....	43,774.45
Accounts receivable for book ticket sales and toll charges.....	6,491.85
Other.....	<u>30.00</u>
Total.....	\$259,696.30
Less - toll tickets sold for future use and commutation tag deposits...	<u>106,314.77</u>
Remainder.....	<u>\$153,381.53</u>

F. In accordance with the provisions of Section 507(b) of Article V of the Trust Agreement dated as of October 1, 1954, the balance in the Reserve Account should equal two years interest on all bonds then outstanding, or \$9,869,120 at September 30, 1957. The Reserve balance was \$23,661.43 in excess of the maximum requirements as of September 30, 1957. Such excess will be transferred to the Redemption Account in February 1958.

G. The Susquehanna and Potomac River Toll Bridges were opened for traffic during the year 1940. The cost of constructing these bridges to September 30, 1948, including bond discount on Bridge Revenue Bonds (Series A-1938), amounted to \$10,142,221.23 and the related grants received from the United States Government to that date amounted to \$4,331,189.28. These amounts are in agreement with the related items shown in the report of the independent accountants who examined the accounts of the Commission for the fiscal year 1948 under the Trust Indenture covering the issuance of bonds in connection with the construction of these bridges. Subsequent net expenditures applicable to the construction of the Susquehanna and Potomac River Toll Bridges amounted to \$188,890.67.

H. The Commission was contractually liable on uncompleted contracts in connection with the construction of the Patapsco Tunnel in the approximate amount of \$19,500,000 at September 30, 1957.

- I. On November 1, 1957 new toll rates became effective at the Chesapeake Bay and the Susquehanna River Toll Bridges. The Traffic Engineers estimate that, while these rate changes are expected to result in a small net decrease in the combined toll revenues of these two bridges for the year ending September 30, 1958 as compared with the current year, revenues from all "toll revenue projects" will be sufficient to meet the requirements of Section 501 of the Trust Agreement.
- J. On November 30, 1957 the Patapsco Tunnel was officially opened to traffic.
-

STATE ROADS COMMISSION OF MARYLAND -  
BRIDGE AND TUNNEL REVENUE BONDS

BONDS ISSUED, PAID, PURCHASED OR REDEEMED  
 FOR THE YEAR ENDED SEPTEMBER 30, 1957

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STATE OF MARYLAND BRIDGE AND TUNNEL  
 REVENUE BONDS, DATED OCTOBER 1, 1954,  
 ISSUED (Note D):  
 Serial bonds:

Rate of Interest	Maturity (October 1)	Principal Amount	
1.75%	1960	\$1,920,000.00	
1.80%	1961	1,980,000.00	
1.90%	1962	2,040,000.00	
2.00%	1963	2,100,000.00	
2.10%	1964	2,170,000.00	
2.25%	1965	2,240,000.00	
2.30%	1966	2,310,000.00	
2.40%	1967	2,380,000.00	
2.50%	1968	2,450,000.00	
2.50%	1969	2,530,000.00	
2.60%	1970	2,610,000.00	
2.60%	1971	2,690,000.00	
2.70%	1972	2,770,000.00	
2.70%	1973	2,860,000.00	
2.70%	1974	<u>2,950,000.00</u>	\$ 36,000,000.00
Term bonds - 3.00% interest, matur- ing October 1, 1994.....			<u>144,000,000.00</u>
Total bonds issued.....			\$180,000,000.00

BONDS PAID, PURCHASED OR REDEEMED -

Term bonds, due October 1, 1994:

Purchased during year ended September 30:

1955.....	\$ 871,000.00	
1956.....	20,000.00	
1957.....	<u>6,963,000.00</u>	<u>7,854,000.00</u>

Bonds outstanding, September 30, 1957.....		<u>\$172,146,000.00</u>
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Note D of the accompanying Notes to Financial Statements is  
 an integral part of this statement.

STATE ROADS COMMISSION OF MARYLAND -  
BRIDGE AND TUNNEL REVENUE BONDS

PROCEEDS RECEIVED FROM SALES OF PROPERTY PURSUANT TO  
 PROVISIONS OF SECTION 713 OF TRUST AGREEMENT  
 FOR THE YEAR ENDED SEPTEMBER 30, 1957

DESCRIPTION OF PROPERTY	PROCEEDS RECEIVED
SUSQUEHANNA RIVER TOLL BRIDGE:	
Scrap lead - sheathed copper cable.....	\$854.40
Conductor cable.....	<u>560.00</u>
	\$1,414.40
CHESAPEAKE BAY TOLL BRIDGE:	
Creosoted piling.....	1,807.20
ADMINISTRATIVE OFFICE - Baltimore:	
Typewriters (3).....	<u>57.78</u>
TOTAL.....	<u>\$3,279.38</u>

As provided by Section 713, the Commission authorized the foregoing proceeds deposited to the credit of the Operations Reserve Fund - Exhibit B.



STATE ROADS COMMISSION OF MARYLAND -  
BRIDGE AND TUNNEL REVENUE BONDS

GENERAL ADMINISTRATIVE EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 1957 AND 1956, AND COMPARISON

	YEAR ENDED SEPTEMBER 30		INCREASE
	1957	1956	(DECREASE)
SALARIES.....	\$106,905.08	\$ 92,484.86	\$14,420.22
TRUSTEE'S AND FISCAL AGENT'S FEES..	39,564.09	25,822.70	13,741.39
ACCOUNTANT'S FEE.....	8,955.59	6,260.84	2,694.75
CONSULTING ENGINEER'S FEE.....	12,000.00	12,000.00	
EQUIPMENT PURCHASED.....	3,772.34	3,764.86	7.48
OFFICE RENT.....	4,400.00	4,800.00	(400.00)
PRINTING, STATIONERY, AND OFFICE SUPPLIES.....	4,447.38	4,723.15	(275.77)
PUBLICITY AND ADVERTISING.....	8,337.68	8,878.49	(540.81)
INSURANCE.....	2,831.32	1,473.06	1,358.26
OTHER.....	8,131.03	7,300.34	830.69
Total.....	<u>\$199,344.51</u>	<u>\$167,508.30</u>	<u>\$31,836.21</u>
DEDUCT:			
Portion paid from Operations Re- serve Fund - equipment purchases \$	142.85	\$ 3,489.68	\$(3,346.83)
Payment by State Roads Commission for services in connection with operation of Williamsport Toll Bridge.....	5,000.00	7,500.00	(2,500.00)
Payment from Patapsco Tunnel Construction Fund for services.	15,000.00	15,000.00	
Payment by Baltimore County Revenue Authority for services in connection with operation of Bear Creek Toll Bridge.....	3,000.00		3,000.00
Other.....	1,864.41	151.71	1,712.70
Total.....	<u>\$ 25,007.26</u>	<u>\$ 26,141.39</u>	<u>\$(1,134.13)</u>
REMAINDER - Gen- eral Adminis- trative Expens- ses.....	<u>\$174,337.25</u>	<u>\$141,366.91</u>	<u>\$32,970.34</u>

STATE ROADS COMMISSION OF MARYLAND - BRIDGE AND TUNNEL REVENUE BONDS  
TRAFFIC ON THE SUSQUEHANNA RIVER, POTOMAC RIVER, ETC.

NUMBER	TOLL CLASSIFICATION DESCRIPTION	1957		YEAR ENDED SEPTEMBER 30		1956		INCREASE (DECREASE)		
		TOLL TRANS-ACTIONS	REVENUE	TOLL TRANS-ACTIONS	REVENUE	TOLL TRANS-ACTIONS	REVENUE			
<u>CHESAPEAKE BAY TOLL BRIDGE</u>										
1	PASSENGER CARS, ETC.	2,356,253	\$3,298,754.20	83.08%	2,035,700	\$2,849,980.00	83.14%	63.46%	320,553	\$ 448,774.20
2	2-AXLE VEHICLES	85,400	192,150.00	3.01	83,266	187,348.50	3.40	4.17	2,134	4,801.50
3	3-AXLE VEHICLES	68,414	239,449.00	2.41	64,733	226,565.50	2.64	5.05	3,681	12,883.50
4	4-AXLE VEHICLES	82,863	372,883.50	2.92	67,140	302,130.00	2.74	6.73	15,723	70,753.50
5	5-AXLE VEHICLES	1,789	8,945.00	.06	1,454	7,270.00	.06	.16	335	1,675.00
6	BUSSES ON SCHEDULED RUNS	6,950	10,425.00	.25	8,007	12,010.50	.33	.27	(1,057)	(1,585.50)
7	PASSENGER CARS WITH 1-AXLE TRAILER	23,338	49,009.80	.82	18,372	38,581.20	.75	.86	4,966	10,428.60
8	FREE	41,342		1.46	38,765		1.58		2,577	
9	PASSENGER CARS WITH 2-AXLE TRAILER (see Note)	4,671	13,078.80	.16					4,671	13,078.80
1M	MOTORCYCLES	1,472	1,472.00	.05	973	973.00	.04	.02	499	499.00
5U	UNUSUAL VEHICLES	684	3,420.00	.03	475	2,375.00	.02	.05	209	1,045.00
10	PASSENGER CARS, ETC. - Commutation rate	163,080	57,078.00	5.75	129,672	45,385.20	5.30	1.01	33,408	11,692.80
	Total vehicles	2,836,256	\$4,246,665.30	100.00%	2,448,557	\$3,672,618.90	100.00%	81.78%	387,699	\$ 574,046.40
1A	PASSENGERS IN VEHICLES	3,794,227	\$ 948,556.75	18.23%	3,242,686	\$ 810,671.50	18.05%		551,541	\$ 137,885.25
10A	PASSENGERS IN VEHICLES - Commutation rate	92,168	9,216.80	.18	76,700	7,670.00	.17		15,468	1,546.80
	Total passengers	3,886,395	\$ 957,773.55	18.41%	3,319,386	\$ 818,341.50	18.22%		567,009	\$ 139,432.05
	TOTAL	6,722,651	\$5,204,438.85	100.00%	5,767,943	\$4,490,960.40	100.00%	100.00%	954,708	\$ 713,478.45

NOTE: Effective December 1, 1956 passenger cars with two-axle trailer were recorded separately. Prior to that date such vehicles were included under classification No. 1 as two transactions for each such vehicle.

STATE ROADS COMMISSION OF MARYLAND - BRIDGE AND TUNNEL REVENUE BONDS  
TRAFFIC ON THE SUSQUEHANNA RIVER, POTOMAC RIVER, ETC.

NUMBER	TOLL CLASSIFICATION DESCRIPTION	YEAR ENDED SEPTEMBER 30				INCREASE (DECREASE)
		1957	1956	RATIO TO TOTAL TOLL TRANS- ACTIONS	RATIO TO TOTAL TOLL TRANS- ACTIONS	
		TOLL TRANS- ACTIONS	REVENUE	REVENUE	REVENUE	REVENUE

POTOMAC RIVER TOLL BRIDGE (SEE NOTE)

NUMBER	TOLL CLASSIFICATIONS IN EFFECT THROUGH APRIL 30, 1956:	YEAR ENDED SEPTEMBER 30				INCREASE (DECREASE)
		1957	1956	RATIO TO TOTAL TOLL TRANS- ACTIONS	RATIO TO TOTAL TOLL TRANS- ACTIONS	
1	Passenger cars, etc.	914,555	\$ 914,555.00	89.25%	85.40%	\$(914,555)
2 & 5	Trucks, under 2 tons capacity	26,800	26,800.00	2.62	2.50	(26,800)
3 & 7	Trucks, 2 to 5 tons capacity	15,420	19,275.00	1.50	1.80	(15,420)
4,8,& 9	Trucks, over 5 tons capacity	19,260	28,890.00	1.88	2.70	(19,260)
6	Passenger car trailers	12,264	4,905.60	1.20	.46	(12,264)
10	Tractors and trailers (4 axles)	29,126	72,815.00	2.84	6.80	(29,126)
11	Passenger cars, etc. - commutation rate	5,100	2,550.00	.50	.24	(5,100)
12	Motorcycles	642	256.80	.06	.02	(642)
13	Unusual vehicles	246	900.15	.02	.08	(246)
14	Free	1,287		.13		(1,287)
	Total	1,024,700	\$1,070,947.55	100.00%	100.00%	\$(1,024,700)
1	Passenger cars, etc.	1,882,566	\$1,882,566.00	90.29%	84.23%	\$(1,882,566)
2	2-Axle vehicles	39,946	43,940.60	1.97	1.96	(39,946)
3	3-Axle vehicles	36,915	55,372.50	1.77	2.41	(36,915)
4	4-Axle vehicles	79,124	197,810.00	3.79	7.10	(79,124)
5	5-Axle vehicles	266	798.00	.01	.03	(266)
6	Passenger cars + 1-Axle trailers	25,894	36,251.60	1.24	1.57	(25,894)
7	Busses	6,045	9,067.50	.29	.43	(6,045)
8	Motorcycles	1,798	719.20	.09	.04	(1,798)
9	Unusual vehicles	801	4,005.00	.04	.14	(801)
10	Passenger cars, etc. - commutation rate	8,802	4,401.00	.42	.22	(8,802)
11	Free	2,814		.14		(2,814)
	Total	2,084,971	\$2,234,931.40	100.00%	100.00%	\$(2,084,971)

TOLL CLASSIFICATIONS EFFECTIVE MAY 1, 1956:		YEAR ENDED SEPTEMBER 30				INCREASE (DECREASE)
		1957	1956	RATIO TO TOTAL TOLL TRANS- ACTIONS	RATIO TO TOTAL TOLL TRANS- ACTIONS	
1	Passenger cars, etc.	862,746	\$ 862,746.00	91.19%	86.10%	\$(862,746)
2	2-Axle vehicles	17,819	19,600.90	1.88	1.96	(17,819)
3	3-Axle vehicles	16,072	24,108.00	1.70	2.41	(16,072)
4	4-Axle vehicles	28,437	71,092.50	3.00	7.10	(28,437)
5	5-Axle vehicles	115	345.00	.01	.03	(115)
6	Passenger cars + 1-Axle trailers	11,249	15,748.60	1.19	1.57	(11,249)
7	Busses	2,888	4,332.00	.31	.43	(2,888)
8	Motorcycles	1,006	402.40	.11	.04	(1,006)
9	Unusual vehicles	288	1,440.00	.03	.14	(288)
10	Passenger cars, etc. - commutation rate	4,354	2,177.00	.46	.22	(4,354)
11	Free	1,099		.12		(1,099)
	Total	946,073	\$1,001,992.40	100.00%	100.00%	\$(946,073)
	TOTAL	1,970,773	\$2,072,939.95	100.00%	100.00%	\$(1,970,773)

NOTE: Effective May 1, 1956 the toll rate structure for "heavy commercial vehicles" was simplified upon the recommendation of the Traffic Engineers, with the new rates being on an axle basis only. It was not practicable to consolidate the figures for the previous fiscal year nor to present strictly comparable figures.

STATE ROADS COMMISSION OF MARYLAND - BRIDGE AND TUNNEL REVENUE BONDS

TRAFFIC ON THE SUSQUEHANNA RIVER, POTOMAC RIVER, AND CHESAPEAKE BAY TOLL BRIDGES  
 BY TOLL CLASSIFICATION, AND CORRESPONDING REVENUE,  
 FOR THE YEARS ENDED SEPTEMBER 30, 1957 AND 1956, AND COMPARISON

NUMBER	TOLL CLASSIFICATION DESCRIPTION	1957		1956		INCREASE (DECREASE)	
		TOLL TRANS- ACTIONS	REVENUE	TOLL TRANS- ACTIONS	REVENUE	TOLL TRANS- ACTIONS	REVENUE
		RATIO TO TOTAL		RATIO TO TOTAL			
		TOLL	REVENUE	TOLL	REVENUE	TOLL	REVENUE
1-AC	PASSENGER CARS, ETC.	5,455,210	\$1,091,042.00	5,619,285	\$1,123,857.00	(164,075)	\$ (32,815.00)
1-CO	LOCAL BUSES ON SCHEDULED RUNS - Commutation rate	2,836	425.40	3,658	548.70	(822)	(123.30)
2	PASSENGER CARS, ETC. - Commutation rate - Maryland tags	1,277,780	12,777.80	1,245,348	12,453.48	32,432	324.32
2-A	PASSENGER CARS, ETC. - Commutation rate - Out of State tags	222,818	6,684.54	235,891	7,076.73	(13,073)	(392.19)
3	2-AXLE VEHICLES	204,013	51,003.25	208,122	52,030.50	(4,109)	(1,027.25)
4	3-AXLE VEHICLES	247,171	98,868.40	275,294	110,117.60	(28,123)	(11,249.20)
5	4-AXLE VEHICLES	600,860	240,344.00	573,559	229,423.60	27,301	10,920.40
6	2-AXLE VEHICLES - Commutation rate	76,080	15,216.00	82,997	16,599.40	(6,917)	(1,383.40)
7	3-AXLE VEHICLES - Commutation rate	150,736	45,220.80	198,682	59,604.60	(47,946)	(14,383.80)
8	4-AXLE VEHICLES - Commutation rate	419,046	125,713.80	422,953	126,885.90	(3,907)	(1,172.10)
9	UNUSUAL VEHICLES	4,275	12,551.15	4,682	11,667.55	(407)	883.60
10	FREE	23,854		24,132		(278)	
TOTAL		8,684,679	\$1,699,847.14	8,894,603	\$1,750,265.06	(209,924)	\$ (50,417.92)
			100.00%		100.00%		100.00%

SUSQUEHANNA RIVER TOLL BRIDGE

STATE ROADS COMMISSION OF MARYLAND - BRIDGE AND TUNNEL REVENUE BONDS

REVENUE AND EXPENSES OF SUSQUEHANNA RIVER, POTOMAC RIVER, AND CHESAPEAKE BAY TOLL BRIDGES, INDIVIDUALLY AND COMBINED, AND GENERAL ADMINISTRATIVE EXPENSES FOR THE YEARS ENDED SEPTEMBER 30, 1957 AND 1956, AND COMPARISON

	.....YEAR ENDED SEPTEMBER 30, 1957.....		.....YEAR ENDED SEPTEMBER 30, 1956.....		.....INCREASE - (DECREASE).....			
	SUSQUEHANNA RIVER	POTOMAC RIVER	CHESAPEAKE BAY	TOTAL	SUSQUEHANNA RIVER	POTOMAC RIVER	CHESAPEAKE BAY	TOTAL
Revenue, based on toll transactions - Schedule 3.....	\$9,139,217.39	\$1,699,847.14	\$2,234,931.40	\$13,073,995.93	\$1,750,265.06	\$2,072,939.95	\$4,490,960.40	\$825,051.98
Collections in excess of calculated tolls - net.....	2,131.22	122.81	631.71	2,885.74	262.10	555.49	2,020.05	(706.42)
Unredeemed toll tickets issued during 1954 fiscal year.....	19,069.09	8,826.19	10,242.90	38,138.18	12,684.34	535.20	9,724.10	(3,874.55)
Miscellaneous.....	258.69	32.48	129.16	420.33	39.75	91.75	151.02	(23.83)
Sale of stickers for use with commutation tickets.....	5,557.00	4,520.00	1,037.00	11,114.00	2,837.64	555.49	2,020.05	(706.42)
Total revenue.....	\$9,166,233.39	\$1,713,348.62	\$2,235,692.27	\$13,115,274.28	\$1,763,251.25	\$2,122,394.50	\$4,502,855.57	\$826,004.18
OPERATING AND MAINTENANCE EXPENSES:								
Operating:								
Salaries.....	\$ 389,114.46	172,185.85	83,194.91	644,495.22	138,163.67	69,388.39	117,311.75	64,250.65
Electricity for lighting.....	12,092.76	4,297.15	3,045.58	19,435.49	4,170.24	2,827.72	4,953.84	140.96
Printing toll tickets.....	9,423.13	7,085.77	562.80	17,071.70	8,118.10	1,179.80	3,191.17	(3,065.94)
Supplies.....	3,869.53	2,120.73	779.17	6,769.43	1,732.84	812.34	1,105.55	218.80
Telephone.....	2,518.49	643.89	733.62	3,905.00	830.41	690.18	1,295.36	(297.46)
Uniforms.....	2,144.71	961.13	461.60	3,567.44	1,968.15	1,536.34	1,473.86	(2,833.64)
Fuel for heating.....	4,855.59	2,160.69	569.35	7,585.63	1,697.28	622.06	1,884.28	651.97
Other.....	3,665.43	938.47	131.18	4,735.08	478.72	948.32	660.86	1,577.53
Maintenance:								
Salaries.....	72,702.34	14,804.40	14,034.25	101,541.00	16,677.93	11,178.53	45,060.81	(214.93)
Materials, etc.....	19,932.57	5,935.90	3,198.91	29,067.38	5,294.54	2,780.04	12,998.22	(1,140.23)
Independent contractors.....	3,635.96	2,271.85	76.98	5,984.79	1,623.05	646.88	3,728.98	(2,362.95)
Painting.....	22,541.35	9,190.20	9,291.18	41,022.73	335.79	1,599.93	14,142.81	6,462.82
Insurance.....	31,930.98	9,190.20	9,291.18	50,412.36	23,079.24	26,517.42	213,320.33	(230,986.01)
Property additions and major repairs and replacements.....	130,474.41	91,745.25	33,924.84	256,144.50	317,579.46	8,615.45	10,674.46	(206,394.96)
Total.....	\$ 708,901.71	314,341.28	150,004.37	1,373,247.36	521,749.42	129,343.40	431,802.28	(373,993.39)
Less portion paid from operations reserve fund - insurance premiums, painting, and major repairs and replacements.....	173,972.30	97,345.09	38,663.75	309,981.14	337,045.18	33,815.92	231,341.33	(428,230.13)
Remainder.....	\$ 534,929.41	216,996.19	111,340.62	862,266.22	184,704.24	95,527.48	200,460.95	54,236.74
NET OPERATING REVENUE.....	\$8,631,303.98	1,496,352.43	2,124,351.65	12,252,018.06	\$1,578,547.01	\$1,978,594.91	\$4,302,394.62	\$771,767.44
GENERAL ADMINISTRATIVE EXPENSES - Sub-schedule 1.....	174,337.25			174,337.25				
NET REVENUE AVAILABLE FOR DEBT SERVICE AND OTHER RESERVE REQUIREMENTS TRANSFERRED TO FUNDS CREATED UNDER TRUST AGREEMENT DATED AS OF OCTOBER 1, 1954.....	\$8,456,966.73			\$8,077,680.81				\$384,285.92

Notes A, I, and J of the accompanying Notes to Financial Statements are an integral part of this statement. \$738,797.10



STATE ROADS COMMISSION OF MARYLAND - BRIDGE AND TUNNEL REVENUE BONDS

BALANCE SHEET, SEPTEMBER 30, 1957 AND 1956, AND COMPARISON

	.....SEPTEMBER 30.....	.....SEPTEMBER 30.....	INCREASE
	1957	1956	(DECREASE)
<b>ASSETS:</b>			
Cash.....	\$ 2,171,773.78	\$ 1,157,363.02	\$ 1,014,410.76
United States Government securities - at cost.....	13,493,668.16	13,482,677.11	10,991.05
Accounts receivable:			
Book ticket sales.....	497.00	1,263.00	(766.00)
Toll charges.....	5,994.85	8,458.70	(2,463.85)
Total current fund assets.....	\$ 15,671,933.79	\$ 14,649,761.83	\$ 1,022,171.96
<b>BRIDGE AND TUNNEL CONSTRUCTION FUND</b>			
<b>ASSETS:</b>			
Unexpended:			
Cash.....	\$ 3,743,030.76	\$ 1,789,736.09	\$ 1,953,294.67
United States Government securities - generally at cost or principal amount, whichever is less.....	34,642,493.54	88,300,000.00	(53,657,506.46)
Funds held by State Roads Commission.....	197,834.44	210,078.46	(12,244.02)
Total unexpended.....	\$ 38,583,358.74	\$ 90,299,814.55	\$ (51,716,455.81)
Invested in bridges and tunnel:			
Susquehanna and Potomac River Toll Bridges (Note G).....	\$ 10,331,111.90	\$ 10,331,111.90	
Chesapeake Bay Toll Bridge.....	45,359,002.75	45,345,758.73	\$ 13,244.02
Patapsco Tunnel:			
Expenditures (Exhibit C).....	109,947,736.45	56,607,320.55	53,340,415.90
Northern Approach Extension to Patapsco Tunnel.....	723,879.77	431,577.19	292,302.58
Discount on Bridge and Tunnel Revenue Bonds.....	2,106,000.00	2,106,000.00	
Total invested.....	\$168,467,730.87	\$114,821,768.37	\$ 53,645,962.50
Total bridge and tunnel construction fund assets.....	\$207,051,089.61	\$205,121,582.92	\$ 1,929,506.69
<b>CURRENT FUND LIABILITIES:</b>			
Guaranty deposit for credit tolls	\$ 6,000.00	\$ 6,000.00	
Toll tickets sold for future use.	102,443.77	84,232.30	\$ 18,211.47
Commutation tag deposits.....	3,871.00	6,735.00	(2,864.00)
Funds created under Article V of Trust Agreement dated as of October 1, 1954 - per Exhibit B (Note B):			
Maryland Toll Revenue Projects:			
Revenue fund (Note E).....	153,381.53	202,298.20	(48,916.67)
Operations reserve fund.....	4,052,657.76	3,631,813.96	420,843.80
Interest and sinking fund:			
Bond service account (Note C).....	425,090.00	425,090.00	
Reserve account (Note F)...	9,892,781.43	10,293,424.45	(400,643.02)
Redemption account.....	1,035,708.30	167.92	1,035,540.38
Total current fund liabilities.....	\$ 15,671,933.79	\$ 14,649,761.83	\$ 1,022,171.96
<b>BRIDGE AND TUNNEL CONSTRUCTION FUND LIABILITIES:</b>			
Bridge and Tunnel Revenue Bonds - Schedule 1 (Note D).....	\$172,146,000.00	\$179,109,000.00	\$(6,963,000.00)
Premium received on sale of \$6,425,000 Bridge Revenue Bonds (Series 1948).....	154,500.00	154,500.00	
Net income from construction fund investments:			
Chesapeake Bay Bridge.....	1,351,774.80	1,351,774.80	
Patapsco Tunnel.....	4,449,404.41	2,813,729.64	1,635,674.77
Proceeds from sales of plans and specifications.....	26,856.34	26,327.00	529.34
Toll income invested in bridges and tunnel.....	24,098,768.05	16,843,465.47	7,255,302.58
Federal grants for construction of Susquehanna and Potomac River Toll Bridges (Note G)....	4,331,189.28	4,331,189.28	
Funds received from Chesapeake Bay Ferry System invested in Chesapeake Bay Toll Bridge.....	294,762.29	281,518.27	13,244.02
Funds held by State Roads Commission:			
For completion of Chesapeake Bay Toll Bridge.....	192,237.71	204,481.73	(12,244.02)
For possible refunds of Chesapeake Bay Ferry System tickets	5,596.73	5,596.73	
Total bridge and tunnel construction fund liabilities	\$207,051,089.61	\$205,121,582.92	\$ 1,929,506.69
<b>TOTAL ASSETS.....</b>	<b>\$222,723,023.40</b>	<b>\$219,771,344.75</b>	<b>\$ 2,951,678.65</b>
<b>TOTAL LIABILITIES.....</b>	<b>\$222,723,023.40</b>	<b>\$219,771,344.75</b>	<b>\$ 2,951,678.65</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

## STATE ROADS COMMISSION OF MARYLAND - BRIDGE AND TUNNEL REVENUE BONDS

STATEMENT OF CHANGES IN VARIOUS FUNDS CREATED UNDER ARTICLE V OF TRUST AGREEMENT DATED AS OF OCTOBER 1, 1954  
FOR THE YEAR ENDED SEPTEMBER 30, 1957

	REVENUE FUND	RESERVE FUND	BOND SERVICE ACCOUNT	INTEREST AND SINKING FUND	REDEMPTION ACCOUNT
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BALANCE, OCTOBER 1, 1956	\$ 202,298.20	\$3,631,813.96	\$ 425,090.00	\$10,293,424.45	\$ 167.92
ADDITIONS:					
Net revenue (excluding \$174,115.15 charged to Operations Reserve Fund for insurance premiums, painting, and major repairs and replacements) - Schedule 2	8,456,966.73	3,279.38			
Proceeds from sales of property - Schedule 2		3,575.82			
Recoveries from damages to property		883.39			
Premium refund on blanket position bond		77,650.02	69,970.53	336,836.50	
Net income from investments					
Interest on term bonds from October 1, 1956 to September 30, 1957 transferred from Patapsco Tunnel Construction Fund in accordance with Article IV of Trust Agreement			4,253,670.00		
Transfers of funds in accordance with Article V of Trust Agreement:					
From Revenue Projects Revenue Fund	(8,505,883.40)	801,872.92	737,524.62		6,966,485.86
From Reserve Account				(737,479.52)	737,479.52
Total	\$ 153,381.53	\$4,519,075.49	\$5,486,255.15	\$ 9,892,781.43	\$7,704,133.30

## DEDUCTIONS:

Charges to Operations Reserve Fund for insurance premiums, painting, and major repairs and replacements	\$ 174,115.15
Expenditures for Patapsco Tunnel Northern Approach Extension	292,302.58
Interest paid on outstanding Bridge and Tunnel Revenue Bonds - due April 1 and October 1, 1957	\$4,999,405.00
Cost of Bridge and Tunnel Revenue Bonds purchased, including accrued interest	61,760.15
Total	\$ 5,061,165.15

BALANCE, SEPTEMBER 30, 1957 \$ 153,381.53 \$4,052,657.76 \$ 425,090.00 \$ 9,892,781.43 \$1,035,708.30

## THE BALANCE AT SEPTEMBER 30, 1957 IS REPRESENTED BY THE FOLLOWING:

## Cash on deposit:

Fidelity-Baltimore National Bank & Trust Company	\$1,960,255.01
County Trust Company of Maryland:	
LaPlata branch	24,958.34
Annapolis branch	70,651.55
The National Bank of Perryville	40,634.43
Undeposited receipts of September 27-30, 1957	43,774.45
Petty cash and change funds	31,500.00
United States Government Treasury securities - at cost:	\$ 2,171,773.78

## Applicable to:

## Operations Reserve Fund:

Certificates of indebtedness, 3-1/2%	April 15, 1958	\$ 520,000.00	\$ 520,000.00
Bonds, 2-3/8%	June 15, 1958	2,590,000.00	2,552,785.16
Bonds, 2-1/2%	Dec. 15, 1958	544,500.00	537,863.91

## Reserve Account:

Certificates of indebtedness, 3-3/8%	Feb. 14, 1958	509,000.00	509,000.00
Certificates of indebtedness, 3-1/2%	April 15, 1958	1,257,000.00	1,257,000.00
Bonds, 2-1/2%	Mar. 15, 1958	700,700.00	693,364.55
Bonds, 2-1/2%	Dec. 15, 1958	3,681,000.00	3,605,654.54
Notes, 4%	Aug. 1, 1961	3,818,000.00	3,818,000.00
Accounts receivable for book ticket sales and toll charges		6,491.85	13,493,668.16
Total			\$15,671,933.79

Less - guaranty deposits for credit tolls, toll tickets sold for future use, and commutation tag deposits

Balance - Allocated to the various funds at September 30, 1957 \$ 153,381.53 \$4,052,657.76 \$ 425,090.00 \$ 9,892,781.43 \$1,035,708.30

The accompanying Notes to Financial Statements are an integral part of this statement.

## STATE ROADS COMMISSION OF MARYLAND - BRIDGE AND TUNNEL REVENUE BONDS

## STATEMENT OF PATAPSCO TUNNEL CONSTRUCTION FUND

FOR THE YEAR ENDED SEPTEMBER 30, 1957

## PATAPSCO TUNNEL CONSTRUCTION FUND - Unexpended:

Unexpended balance, Patapsco Tunnel Construction Fund, October 1, 1956.....	\$90,089,736.09
Add:	
Interest earned on and profit from sales of Construction Fund investments.....	1,635,674.77
Proceeds from sales of plans and specifications.....	529.34
Total.....	\$91,725,940.20
Deduct - expenditures in connection with construction of Patapsco Tunnel (see "Funds Invested in Patapsco Tunnel Project" below for details).....	53,340,415.90
Unexpended balance, Patapsco Tunnel Construction Fund, September 30, 1957.....	\$38,385,524.30

The unexpended balance of Patapsco Tunnel Construction Fund at September 30, 1957 is composed of the following:

Cash on deposit:	
Fidelity-Baltimore National Bank & Trust Company.....	\$ 3,668,030.76
Fidelity-Baltimore National Bank & Trust Company - revolving fund.....	25,000.00
County Trust Company of Maryland, LaPlata, Maryland.....	50,000.00
United States Government Treasury securities - generally at cost or principal amount, whichever is less:	\$3,743,030.76

Description	Rate of Interest	Maturity Date	Principal Amount	Generally Cost or Principal Amount, Which-ever is less	
				September 30, 1956	September 30, 1957
Discount bills.....		October 24, 1957	\$ 5,000,000.00	\$ 4,934,711.11	
Certificates of indebtedness (Series D).....	3-1/4%	October 1, 1957	15,000,000.00	15,007,782.43	
" (Series E).....	3-5/8%	December 1, 1957	14,700,000.00	14,700,000.00	34,642,493.54
Unexpended balance, Patapsco Tunnel Construction Fund, September 30, 1957.....					\$38,385,524.30

## FUNDS INVESTED IN PATAPSCO TUNNEL PROJECT:

Description	Expenditures		Total to September 30, 1957
	To September 30, 1956	Year Ended September 30, 1957	
Preliminary expenses.....	\$ 455,121.80	\$	455,121.80
Land and rights-of-way.....	7,914,968.10	\$ 1,491,226.73	9,406,194.83
Construction, including test borings.....	34,923,615.52	45,142,327.80	80,065,943.32
Engineering.....	5,151,873.19	2,295,567.38	7,447,440.57
Administrative and legal expenses.....	161,233.31	72,714.99	233,948.30
Maintenance and office equipment and supplies.....	12,709.78	84,909.00	97,618.78
Financing expenses.....	165,928.85		165,928.85
Amount transferred to Bond Service Account representing interest from December 7, 1954 (date of sale of bonds) to October 1, 1957 on term bonds, as provided in Article IV, Section 404 of Trust Agreement dated as of October 1, 1954.....	7,821,870.00	4,253,670.00	12,075,540.00

TOTAL - Funds invested in Patapsco

Tunnel Project..... \$56,607,320.55 \$53,340,415.90 \$109,947,736.45

Notes A, H, and J of the accompanying Notes to Financial Statements are an integral part of this statement.



STATE ROADS COMMISSION OF MARYLAND -  
BRIDGE AND TUNNEL REVENUE BONDS

COMPARISON OF ANNUAL BUDGET WITH ACTUAL EXPENSES  
 FOR THE YEAR ENDED SEPTEMBER 30, 1957

	1957 ANNUAL BUDGET	ACTUAL EXPENSES APPLICABLE TO 1957 BUDGET	BUDGET OVER
<b>SUSQUEHANNA RIVER TOLL BRIDGE:</b>			
Salaries.....	\$176,400.00	\$166,146.05	\$ 10,253.95
Other operating expenses...	17,500.00	15,103.68	2,396.32
Maintenance and purchase of equipment.....	32,000.00	20,361.30	11,638.70
Insurance.....	1,325.00	125.00	1,200.00
Contingencies.....	2,775.00		2,775.00
Operations Reserve Fund....	82,000.00		ø 82,000.00
Total - Susquehanna.....	<u>\$312,000.00</u>	<u>\$201,736.03</u>	<u>\$ 110,263.97</u>
<b>POTOMAC RIVER TOLL BRIDGE:</b>			
Salaries.....	\$ 86,200.00	\$ 80,285.06	\$ 5,914.94
Other operating expenses...	8,900.00	5,805.08	3,094.92
Maintenance and purchase of equipment.....	24,700.00	18,212.57	6,487.43
Insurance.....	575.00	125.00	450.00
Contingencies.....	1,625.00		1,625.00
Operations Reserve Fund....	82,000.00		ø 82,000.00
Total - Potomac.....	<u>\$204,000.00</u>	<u>\$104,427.71</u>	<u>\$ 99,572.29</u>
<b>CHESAPEAKE BAY TOLL BRIDGE:</b>			
Salaries.....	\$148,000.00	\$129,114.16	\$ 18,885.84
Other operating expenses...	13,500.00	12,989.32	510.68
Maintenance and purchase of equipment.....	77,100.00	54,985.21	22,114.79
Insurance.....	1,525.00	125.00	1,400.00
Contingencies.....	4,875.00		4,875.00
Operations Reserve Fund....	350,000.00		ø350,000.00
Total - Chesapeake Bay	<u>\$595,000.00</u>	<u>\$197,213.69</u>	<u>\$ 397,786.31</u>
<b>GENERAL ADMINISTRATIVE EXPENSES:</b>			
Salaries.....	\$104,000.00	\$103,302.08	\$ 697.92
Other, including purchase of equipment.....	91,000.00	57,687.18	33,312.82
Operations Reserve Fund....	17,000.00		ø 17,000.00
Total - general adminis- trative.....	<u>\$212,000.00</u>	<u>\$160,989.26</u>	<u>\$ 51,010.74</u>
TOTAL.....	<u>\$1,323,000.00</u>	<u>\$664,366.69</u>	<u>\$ 658,633.31</u>
TRANSFERRED TO OPERATIONS RESERVE FUND (sum of items marked ø) - Exhibit B.....			531,000.00
<b>EXCESS OF 1957 ANNUAL BUDGET OVER ACTUAL EXPENSES.....</b>			<u>\$ 127,633.31</u>

NOTES: Changes in the 1956 Annual Budget during the year ended September 30, 1957 are summarized as follows:

	.....1956 Annual Budget.....	Expenses	Budget
	Unexpended	Paid During	Over (Under)
	Balance,	1957	Sept-
	October 1,	Fiscal	ember 30,
	1956	Year	1957
Susquohanna River Toll Bridge.	\$14,305.80	\$15,260.16	\$ (954.36)
Potomac River Toll Bridge.....	21,360.44	6,912.91	14,447.53
Chesapeake Bay Toll Bridge....	21,700.72	9,378.91	12,321.81
General Administrative Expenses	39,407.88	38,212.40	1,195.48
Total.....	<u>\$96,774.84</u>	<u>\$69,764.38</u>	<u>\$27,010.46</u>

Note A of the accompanying Notes to Financial Statements is an integral part of this statement.